

**AGENDA OF REGULAR MEETING**  
**Odessa College Board of Trustees**  
**Tuesday, December 7, 2021, 6:00 PM**  
**Electronic Technology Building, Saulsbury Room**  
**201 W UNIVERSITY**  
**ODESSA, TX 79764**

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1. **Call to Order** - Mr. Gary Johnson
2. **Pledge of Allegiance: United States & Texas** - Mr. Gary Johnson
3. **Introduce OC Blues Dance Team**- Mr. Wayne Baker
4. **Introduce New Employees** - Ms. Lindsey Bryant
5. **Approval of Minutes of Regular Meeting of October 26, 2021** - Mr. Gary Johnson 2
6. **Action Items:**
  - A. **Committee Reports**
    1. **Finance Committee** - Mr. Gary Johnson
      - a. **Approval of Audited Financial Statement** 8
  - B. **Monthly Financial Statements & Budget Amendments** - Ms. Brandy Ham 121
  - C. **Renewal of Terms of Directors of Odessa College Foundation**- Ms. Jacqui Gore
  - D. **Appointment of New Directors of Odessa College Foundation**- Ms. Jacqui Gore
  - E. **Consider for Approval Economic Development Program Agreement between Odessa College and 1PointFive P1, LLC**- Mr. Daniel Harper 125
  - F. **Appoint Member to the Appraisal District Board of Directors for 2021-20122 Term** - Dr. Gregory Williams
7. **Informational Items:**
  - A. **Education Report - Promise Program** - Ms. Kim McKay & Dr. Jonathan Fuentes
  - B. **Institutional Effectiveness Report** - Dr. Janice Hicks
  - C. **Vision 2030+ Update** - Mr. Ken Zartner
  - D. **President's Report** - Dr. Gregory Williams
    1. **Wrangler Food Pantry Holiday Food Basket Giveaway**
    2. **Odessa College Leadership Institute Class of 2021**
    3. **United Way Update**
    4. **OC Honors 2021**
    5. **Mr. Bruce Shearer Honored at Veterans Day Flag Raising Ceremony**
8. **Executive Session: Consultation with Attorney Pursuant to Texas Government Code Section 551.071.**
9. **Executive Session: Discussion of Personnel Matter Pursuant to Texas Government Code Section 551.074.**
10. **Adjournment** - Mr. Gary Johnson

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Gregory D. Williams, Ed.D., President

EXECUTIVE/ CLOSED SESSION: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the Board will convene in such executive or closed session in accordance with the Texas Open Meeting Act, Section §551.001 of the Texas Government Code.

Minutes of a Regular Meeting of the Odessa College Board of Trustees held Tuesday, October 26, 2021, in the Zant Community Room, Saulsbury Campus Center, with the following:

Present

Dr. Tara Deaver  
Gary Johnson  
Larry Johnson  
Bruce Shearer  
Trudy Lewis  
Hortencia Del Bosque  
Montie Garner  
Laci Harris

Absent

J. E. "Coach" Pressly

Meeting was called to order by Board of Trustees Chair, Mr. Gary Johnson, at 6:32 p.m.

**Pledge of Allegiance: United States & Texas**

Mr. Gary Johnson led the group in the pledges.

**Introduction of New Employees**

Ms. Lindsey Bryant, Director of Human Resources, introduced the following new employees:

Tess Arguelles  
Gwendolyn Davies  
Marcella Gutierrez  
Jessica Kitchen  
Clara Lopez  
Marija Pacar  
Brittany Starkey  
Angelica Valenzuela

**Introduce Volleyball Team**

Mr. Wayne Baker, Athletic Director, joined to introduce the 2021-2022 Wrangler Volleyball team including new Head Coach, Dayana Acevedo-Rios.

**Approval of Minutes of Regular Meeting of September 27, 2021**

Ms. Laci Harris moved, seconded by Dr. Tara Deaver, to approve the minutes of the Regular Meeting of September 27, 2021.

Motion passed unanimously.

**Committee Reports**

1. **Property Committee**

a. **Consider and Approve Acceptance of Real Property: 222 E. 4<sup>th</sup> Street**

Committee Chair, Dr. Tara Deaver, stated the Property Committee recently met to discuss the acceptance of real property: 222 E. 4th Street.

Mr. Gary Johnson, Board Chair, read the following resolution

RESOLUTION AND ORDER OF  
ODESSA COLLEGE

STATE OF TEXAS                   §  
  §  
COUNTY OF ECTOR               §

WHEREAS, the City Council of the City of Odessa has authorized and consented to the donation to Odessa College of the surface estate of land located at 222 E. 4th Street and described as Lots 1-6, Block 40, Original Town in Odessa, Ector County, Texas (the "Property"); and

WHEREAS, this donation is conditioned on the development by Odessa College of the Property into a multi-use space to be used by and for Odessa College students and the Odessa Community; and

WHEREAS, if the Property is not used by Odessa College for a multi-use space or for a municipal use or another public purpose and is not directly beneficial to the general public, title to the Property will automatically revert to the City of Odessa;

THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF TRUSTEES OF ODESSA COLLEGE DISTRICT THAT:

Odessa College authorizes and accepts the donation of the Property;  
Dr. Gregory Williams, President of Odessa College, with the assistance of counsel as needed, is authorized to negotiate the terms and conditions of the deed and agreement permitting the transfer of the Property to Odessa College; and  
Dr. Williams is authorized to execute the deed, agreement, or any other documentation necessary for the donation of the Property to Odessa College.

PASSED, APPROVED, AND ADOPTED THIS 26th day of October, 2021.  
Odessa College

By: \_\_\_\_\_  
Gary Johnson  
President, Board of Trustees

ATTEST:  
  
\_\_\_\_\_  
Trudy Lewis  
Secretary, Board of Trustees

Mr. Gary Johnson moved, seconded by Ms. Trudy Lewis, to approve accept real property 222 E. 4<sup>th</sup> Street.

Motion passed unanimously

**b. Consider and Approve AIA Document for Odessa College Downtown Project**

Committee Chair, Dr. Tara Deaver, stated the Property Committee recently met to approve the AIA Document for Odessa College Downtown Project. Mr. Ken Zartner,

Vice President of Administrative Services, shared that the downtown project has been approved by the Board of Trustees and Odessa College would like to move forward with the hire JSA Architect for this project with this AIA document.

Dr. Tara Deaver moved, seconded by Mr. Bruce Shearer, to approve AIA document for Odessa College Downtown Project.

Motion passed unanimously

**c. Report on Approval of Purchase of 1 Steinway Spirio**

Committee Chair, Dr. Tara Deaver, reported the Property Committee recently met and approved the purchase of a Steinway Spirio in the amount of \$143,980.

**d. Report on Approval of Pecos Center Renovations**

Committee Chair, Dr. Tara Deaver, reported the Property Committee recently met and approved Pecos Center renovations in the amount of \$208,700.

**e. Report on Approval of Diesel Trucks and Trailers for Truck Driving Program**

Committee Chair, Dr. Tara Deaver, reported the Property Committee recently met and approved the purchase of two diesel trucks in the amount of \$97,303.93 and \$100,717.59.

**2. Finance Committee**

**a. Consider and Approve Tuition Changes for Odessa College Children's Center**

Mr. Gary Johnson, Committee Chair, stated the Property Committee recently met to consider tuition changes for Odessa College Children's Center. Robert Rivas, Chief of Staff, presented proposed changes to the tuition in the Odessa College Children's Center. Mr. Rivas indicated the COVID-19 pandemic required the center to reduce capacity that led to decreased revenue. It was stated that the current tuition is not up to market value compared to other centers in the region and is one of the only Texas Rising Star programs. Mr. Rivas proposes a multi-step increase that will increase the tuition cost for each child by \$75 in January 2022. The August 2023 and August 2024 increases will be brought at another time. In addition, Odessa College is one of the only facilities that provide 100% of meals for students in the Permian Basin at no additional cost. Mr. Rivas recommended in January 2022 Odessa College Children's Center begin charging parents for 50% of food costs or allowing parents to provide their own lunch. Future plans would include slowly increasing the parents' portion of cost to 75% starting in August 2022, followed by an increase to 100% in August 2023. Mr. Gary Johnson shared that he wants to keep the cost affordable for parents but also make the service sustainable on campus. Mr. Rivas mentioned that since Odessa College is a Texas Rising Star childcare center, families can utilize Texas Workforce funds to support childcare costs for those who qualify.

Ms. Montie Garner moved, seconded by Ms. Trudy Lewis, to approve the proposed tuition changes for the Odessa College Children's Center.

Motion passed unanimously

**Consider and Approve Odessa College Stadium Naming**

Ms. Jacqui Gore, Vice President of Advancement, Business and Governmental Relations, approached the board to ask for support to name the new Odessa College Stadium the James Segrest Stadium. Mr. Gary Johnson noted Coach Segrest was at Odessa College from 1983-1996 among other schools in the Permian Basin and was one of the most successful coaches in the history of Odessa, Texas. This naming would launch the capital campaign to raise \$6.5 million to build this stadium.

Mr. Bruce Shearer moved, seconded by Dr. Tara Deaver, to approve the Odessa College Stadium Naming: James Segrest Stadium.

Motion passed unanimously.

**Monthly Financial Statements & Budget Amendments**

Ms. Brandy Ham highlighted various areas of the financial statements and budget amendments as printed below:

(Kristi Gibbs will put financial reports in minute book)

Mr. Bruce Shearer moved, seconded by Ms. Laci Harris, to approve the Monthly Financial Statements and Budget Amendments.

Motion passed unanimously.

**Quarterly Investment Report**

Ms. Brandy Ham reviewed the quarterly investment report for the quarter ending August 31, 2021, including statements of compliance and a snapshot of the portfolio.

Ms. Ham reported the following quarter end results by asset class for the quarter ending August 31, 2021.

Type	Market Value	Book Value	Yield
CD's	1,251,081	1,243,000	1.14%
Municipal Bonds	22,371,624	22,273,400	.86%
Public Investment Pools	47,552,173	47,552,173	.05%
US Agency	6,492,620	6,500,000	0.92%
Total	77,667,498	77,568,573	0.37%

Annualized Performance

Interest Earned

- This Quarter \$60,402
- Fiscal Year to Date \$246,671
- Budget for FY21 \$350,000

Mr. Bruce Shearer moved, seconded by Ms. Laci Harris, to approve the Quarterly Investment Report.

Motion passed unanimously.

### **Education Report: Signal Vine**

Tim Clark, Communications Instructor, joined to report on the 1-year results of Signal Vine texting platform. During this year this platform has sent 136,279 individualized messages to 43,902 students from multiple areas on campus. Multiple areas of campus have utilized this program including the Testing Center, which has used this platform to confirm appointments, and the Financial Aid department, which is using it to notify students that they have been awarded or need to make a payment. Odessa College Surveys have also been deployed to ensure Odessa College students are having a good experience at Odessa College. Ms. Vanessa Barrientos, Director of Internal Communication, joined to share the details of the survey. Ms. Barrientos shared how campus is responding to the students who indicate they have encountered a problem to ensure it is resolved and how the institution is celebrating employees who are receiving praises.

### **Institutional Effectiveness Report**

Dr. Janice Hicks, Vice President of Institutional Effectiveness, shared historical enrollment data showing enrollment growth each year since 2014. Odessa College set a goal for Fall 2021 of 8,000 students. Dr. Hicks shared 8-week courses have been pivotal in the enrollment increase in the past few years allowing an increase of 1,273 students between fall 1 and fall 2 with a final enrollment of 8,020. Nationally, enrollment in universities and community college is decreasing, approximately 6%. Dr. Hicks reminded the group that 2021 is the 10-year anniversary of the Drop Rate Improvement Program, which focuses on decreasing drop rates and increasing success rates. This program contributes to outcomes such as Fall 1 success rates of 85.24% and drop rates of 2.72%. Odessa College was selected as a 2021 Star Award recipient by the Texas Higher Education Coordinating Board, selected based on excellent responses to the COVID-19 Pandemic.

### **President's Report**

#### **30 for 30 Finale**

On October 14th Odessa College held the 30 for 30 finalist drawing to select one lucky winner from all of the contestants who successfully completed the challenge to exercise 30 minutes a day for the entire month of September. This year 2,300 individuals participated, tracking more than 1.7 million minutes of exercise adding up to 1,186 days. Three members of the Odessa College Community walked away with great prizes. The winner of the grand prize was Amy Martin. Ms. Martin took home her very own NordicTrack Treadmill.

#### **Introduction of Positively OC Presidential Scholars**

Odessa College is proud to have launched our Positively OC Presidential Scholarships program that includes 10 outstanding Odessa College Students who are on a mission to spread positivity and grow as leaders and as learners. Tim Clark, Communications Faculty, advises this new group and invited this group of students to be introduced to the board.

#### **Fall Wrangler Food Pantry Donations**

Odessa College's Wrangler Food Pantry held a campus donation day on October 1. On that day, 312 OC employees donated 1,767 pounds of food and 839 pounds of hygiene items for the pantry.

Nursing students from Odessa, Monahans, Andrews and Dual Credit rallied and donated a total of 562 pounds.

**Justin Bateman- Associate Vice President for Instruction- Operations**

Dr. Justin Bateman has served Odessa College for the past 4 years, initially as a professor for Paralegal and Business Law followed by his work as the Business Professions Department Chair. His leadership has served this department and the institution well during his tenure. Dr. Bateman has now accepted the role of Associate Vice President of Instruction-Operations beginning Fall 2.

**Adjournment**

The meeting was adjourned at 7:48 p.m.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chair

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**ODESSA  
COLLEGE**

**Financial Statements and  
Independent Auditors' Report**

**Wood Health Sciences Building**

8

**Draft**

**Odessa Junior College District  
August 31, 2021 and 2022**



**ODESSA COLLEGE**

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**Years Ended August 31, 2021 and 2020  
with Report of Independent Auditors**

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**ODESSA COLLEGE**

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**Years Ended August 31, 2021 and 2020  
with Report of Independent Auditors**

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**ODESSA COLLEGE DISTRICT**

**ORGANIZATIONAL DATA**

**For the Year Ended August 31, 2021**

**BOARD OF TRUSTEES**



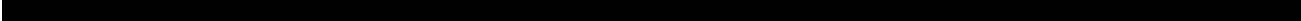
**OFFICERS**

Mr. Gary S. Johnson	Chair
Mr. Larry Johnson	Vice Chair
Ms. Trudy Lewis	Secretary
Dr. Tara Deaver	Assistant Secretary

**MEMBERS**

**TERM EXPIRES MAY,**

Dr. Tara Deaver	Odessa, Texas	2023
Ms. Hortencia DelBosque	Odessa, Texas	2023
Ms. Montie Garner	Odessa, Texas	2025
Ms. Laci Harris	Odessa, Texas	2025
Mr. Gary S. Johnson	Odessa, Texas	2027
Mr. Larry Johnson	Odessa, Texas	2027
Mr. JE "Coach" Pressly	Odessa, Texas	2027
Mr. Bruce Shearer	Odessa, Texas	2023
Trudy Lewis	Odessa, Texas	2025



**PRINCIPAL ADMINISTRATIVE & FINANCIAL OFFICERS**

Dr. Gregory D. Williams	President
Mr. Robert Rivas	Chief of Staff
Mr. Ken Zartner	Vice President of Administrative Services
Dr. Tramaine Anderson	Vice President for Instruction
Dr. Janice Hicks	Vice President for Institutional Effectiveness
Ms. Kim McKay	Vice President for Student Services & Enrollment Management
Dr. Jonathan Fuentes	Vice President for Academic Partnerships
Ms. Jacquilyn Gore	Vice President for Advancement
Ms. Ashley Warren	Executive Assistant to the President
Ms. Brandy Ham	Chief Financial Officer

## **REPORT OF INDEPENDENT AUDITORS**

The Board of Trustees  
Odessa College District  
Odessa, Texas

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

We have audited the accompanying financial statements of Odessa College District (the “District”) as of and for the years ended August 31, 2021 and 2020, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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.

## ***Opinion***

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, 2021 and 2020, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 – 22, the Schedule of District's Proportionate Share of Net Pension Liability on page 70, the Schedule of District's Contributions for Pensions to the Teachers Retirement System Pension Plan of the State of Texas on page 71, the Schedule of District's Proportionate Share of Net OPEB Liability from Employee Retirement System of State of Texas Retiree Health Plan on page 72 and the Schedule of District's Contributions to OPEB from Employee Retirement System of State of Texas Retiree Health Plan on page 74 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 92 through 110 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* (Uniform Guidance), 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 financial statements. In addition, the supplementary data presented in schedules A, B, C and D is presented for additional purposes and is not a required part of the basic financial statements.

***Other Matters (Continued)***

The schedules of expenditures of federal and state awards (Schedules E & F) 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.

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 dated **Date \_\_, 2021**, 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.

Odessa, Texas  
**Date \_\_, 2021**

## **Management's Discussion and Analysis**

### **INTRODUCTION**

The Management's Discussion and Analysis provides an overview of the Odessa College District's (the "District") financial activities for the years ended August 31, 2021 (Fiscal Year 2021), 2020 (Fiscal Year 2020), and 2019 (Fiscal Year 2019). 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 increased during 2021 as total revenues exceeded total expenses by \$27.7 million. Revenues exceeded expenses by \$8.6 million and \$10 million in fiscal years 2020 and 2019, respectively.
- Capital assets (net of depreciation) decreased by approximately \$1,219,000 in 2021, increased by \$201,000 in 2020, and by \$6,200,000 in 2019. The increases resulted primarily from construction and equipment purchases related to the Vision 2015 campus improvement program for 2020 and 2019. The decrease in 2021 resulted from fewer completed capital projects during year offset with a slight increase in depreciation expense.
- The District's total bonded debt increased during fiscal year 2021 by \$24.8 million, or 38.6%, to \$89.0 million. Debt decreased by \$4.3 million and \$4.1 million at the end of fiscal years 2020 and 2019, respectively.
- The net taxable property values in the District decreased by approximately \$.3 billion, or 2.1% in 2021, after increasing by approximately \$2.0 billion, or 15%, in 2020, and increasing by \$1 billion, or 7.6%, in 2019.
- Total tax revenues decreased by \$154,000, or 0.5%, to \$30.0 million in 2021, compared to tax revenues of \$30.1 million and \$28.1 million in 2020 and 2019, respectively.
- Total semester hours for credit classes increased by 2.8% to 132,050 in 2021, compared to 128,475 in 2020, and 124,930 in 2019, respectively.
- Total contact hours from credit and noncredit instruction increased by 0.7% to 2,781,860 in 2021, compared to 2,761,583 in 2020, and 2,722,700 in 2019. The overall increase in 2021 was attributed to an increase in enrollment.

### **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 Incorporated (the "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 2020 and 2019 are presented as discrete reports on pages 25 and 28 of the District's basic financial statements. Complete financial statements for the Foundation can be obtained from the Foundation at 201 West University Blvd, Odessa, TX 79764.

- **The Statement of Net Position**

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

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

Net position is divided into three major categories.

- Net investment in capital assets reflects the District's equity in property, plant, and equipment less any outstanding related debt used to acquire those assets.
- 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 or 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 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.

**CONDENSED COMPARATIVE FINANCIAL INFORMATION**

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

	Year Ended August 31,			<u>2020 to</u>	<u>2019 to</u>
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>
Current assets	\$ 72,312	\$ 34,459	\$ 32,160	\$ 37,853	\$ 2,299
Capital assets, net of depreciation	116,630	117,849	117,648	(1,219)	201
Other non-current assets	40,386	14,533	11,645	25,853	2,888
Deferred outflows of resources	12,731	14,680	13,059	(1,949)	1,621
<b>Total assets and deferred outflows</b>	<b>242,059</b>	<b>181,521</b>	<b>174,512</b>	<b>60,538</b>	<b>7,009</b>
Current liabilities	24,758	14,456	15,273	10,302	(817)
Non-current debt	83,885	62,679	64,661	21,206	(1,982)
Net Pension Liability	9,191	9,890	9,909	(699)	(19)
Net OPEB Liability	26,989	27,037	25,210	(48)	1,827
Deferred inflows of resources	19,612	17,501	18,078	2,111	(577)
<b>Total liabilities and deferred inflows</b>	<b>164,435</b>	<b>131,563</b>	<b>133,131</b>	<b>32,872</b>	<b>(1,568)</b>
Net Position:					
Net investment in capital assets	57,836	57,113	50,218	723	6,895
Restricted: nonexpendable	1,844	845	831	999	14
Restricted: expendable	3,224	3,179	6,348	45	(3,169)
Unrestricted	14,720	(11,179)	(16,016)	25,899	4,837
<b>Total net position</b>	<b>\$ 77,624</b>	<b>\$ 49,958</b>	<b>\$ 41,381</b>	<b>27,666</b>	<b>8,577</b>

Figure 1

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

During fiscal year 2021:

- There was an increase of \$37,853,000 in current assets due primarily to an increase in cash and cash equivalents. Cash and cash equivalents increase by \$32,859,000 due primary to the receipt at year end of the \$28 million revenue bond associated with the construction of the Wood Health Science Building, an increase of \$2.4 million in the new Construction Bank Account, and an increase in Federal Funding associated with Pell and CARES Act Covid funds received at year end of \$2.4 million. In addition to the increase in cash and cash equivalents, the current portion of notes receivable increased by \$1.3 million. The increase in notes receivable is due to the addition of nearly \$13.7 million in pledges towards the Wood Health Science Building.

During fiscal year 2020:

- There was an increase of \$2,299,000 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 \$8,078,000 due primary to the receipt of various large receivables related to the prior year. Accounts Receivable decreased by \$4,845,000 due primarily to a decrease in private grant receivable specifically related to construction from the Odessa Development Corporation.

During fiscal year 2019:

- There was an increase of \$3,663,000 in current assets due to an increase in accounts receivable. Accounts Receivable increased by \$5,382,000 due primarily to an increase in private grant receivable specifically related to construction from the Odessa Development Corporation.

Capital assets, net of depreciation, decreased by approximately \$1,219,000, during 2021 while increasing \$201,000 during 2020. 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 2021:

- Construction in Progress amounted to \$1,172 thousand on projects not yet completed, including the Health Science Building and professional fees associated with various project relating to Vision 2030. Fiscal year 2021 additions to construction in progress were approximately \$792 thousand with an offsetting decrease of \$393 thousand. The decrease was due to the acquisition of land purchased in relation to Vision 2030. The completed costs were reclassified into Land category of capital assets.
- Land increased by \$393 thousand due to the addition of the Terrace Circle Land, and the Cummins property associated with Vision 2030.
- Major Equipment purchases included \$219 thousand to purchase a portable lunch facility for the Early College High School students that enables social distancing, \$250 thousand to purchase six computer servers to help support the additional technology requirements experienced with the pandemic, and \$250 thousand to purchase a Cyber Lab for the Instrumentation program.

During fiscal 2020:

- Construction in Progress amounted to \$772 thousand on projects not yet completed, including the Health Science Building and property acquired and demolished relating to Vision 2030. Fiscal year 2020 additions to construction in progress were approximately \$2.5 million with an offsetting decrease of \$8.5 million. The decrease was due to the completion of Sewell Auto Tech and Electronics Technology ("ET") Building renovations. The completed costs were reclassified into Buildings and Building Improvements categories of capital assets.
- Buildings and improvements increased by \$8.4 million due to the completion of the Sewell Auto Tech Center and renovations to the ET Building.
- Major Equipment purchases included \$115 thousand to purchase a simulation truck driving machine for the Truck Driving Training Academy, \$247 thousand to purchase campus vehicles as part of the sustainability and improvement of our campus fleet, and \$427 thousand to purchase equipment for the Sewell Auto Tech Center.

During fiscal 2019:

- Construction in Progress amounted to \$6.8 million on projects not yet completed, including the ET Building Renovations and the Sewell Auto Tech Center. Fiscal year 2019 additions to construction in progress were approximately \$8.2 million with an offsetting decrease of \$2.8 million. The decrease was due to the completion of renovations to the Baseball Field and the Pecos Center Welding Lab. The completed costs were reclassified into Buildings and Other Land Improvements categories of capital assets.
- Buildings and improvements increased by \$2.8 million due to the completion of renovations to the Baseball Field and the Pecos Center Welding Lab.
- Major Equipment purchases included \$165 thousand to purchase a Shimadzu Rad Tech Imaging Machine, \$466 thousand to purchase trucks to use in our Truck Driver Training Academy, and \$253 thousand to purchase equipment for the Sewell Auto Tech Center.

Total liabilities increased by \$30,761,000 (27.0%) in fiscal year 2021 after decreasing by \$991 thousand (-0.9%) in fiscal 2020. The major contributing factors are explained below.

During fiscal 2021:

- Accounts payable related to construction and vendor purchases increased by \$599,000 reflective of more construction activity related to Vision 2030 campus improvement projects.
- Accounts payable related to students payable increased by \$1.9 million due to the timing of financial aid disbursements. The increase is related to the awarding of stimulus money to students but the distribution of those funds occurring after August 31, 2021.
- Unearned revenue increased by \$4.2 million. due to a increase in enrollment and tuition for Fall of 2021 and an increase in state grant funds received during the year but not yet expended as of year-end.

- Bond and capital lease liabilities increased by \$24.7 million due to the addition of the 2021 Revenue Bond associated with the Vision 2030 Wood Health Science Building construction in the amount of \$26.4 million along with a decrease of \$1.7 million in principal payments on bond obligations during the year.

During fiscal 2020:

- Net OPEB liability increased by \$2.3 million due to our proportionate share of the change in assumptions related to GASB 75 for the reporting of other post-employment benefits (primarily future health care costs of both active and retired employees).
- Accounts payable related to students payable increased by \$1.4 million due to the timing of financial aid disbursements. In the prior year the disbursements for financial aid were paid prior to year end due to the semester beginning earlier.
- Unearned revenue decreased by \$460 thousand due to a slight increase in enrollment and tuition for Fall of 2020, a decrease in state grant funds received near year-end, and a decrease in unspent roof insurance proceeds.
- Bond and capital lease liabilities decreased by \$4.3 million due to principle payments on bond obligations and unamortized bond premium.

During fiscal 2019:

- Net OPEB liability decreased by \$3.8 million due to our proportionate share of the change in assumptions related to GASB 75 for the reporting of other post-employment benefits (primarily future health care costs of both active and retired employees).
- Accounts payable related to construction and vendor purchases decreased by \$674,000, reflective of less construction activity related to Vision 2015 campus improvement projects.
- Unearned revenue decreased by \$826 thousand due to an slight increase in enrollment and tuition for Fall of 2019, an decrease in state grant funds received near year-end, and a decrease in unspent roof insurance proceeds.
- Bond and capital lease liabilities decreased by \$4.2 million due to principle payments on bond obligations and unamortized bond premium.
- Net pension liability increased by \$3.6 million due to the change in assumptions related to the TRS schedule of Pension amounts by Employer.

Overall, the District's net position increased by \$27.7 million during fiscal 2021, increased by \$8.6 million during 2020, and increased by \$10.0 million during 2019.

During fiscal 2021:

- The Net Investment in Capital Assets, representing the net value of capital assets (land, buildings, and equipment) less the related debt, increased by \$723 thousand, primarily as a result of scheduled payments on bonded debt along with the net reduction of \$1,219 thousand in capital assets.
- The Restricted Net Position increased approximately \$1.0 million due to an increase in endowments related to the Positively Odessa College Endowment.
- The Unrestricted Net Position increased by \$25.9 million due to an excess of unrestricted revenues over unrestricted expenses during fiscal 2021 as shown on Schedule D of the financial statements. The large portion of this increase is related to the \$13.6 million private pledges and donations towards the Vision 2030 Wood Health Science Building.

During fiscal 2020:

- The Net Investment in Capital Assets, representing the net value of capital assets (land, buildings, and equipment) less the related debt, increased by \$6.9 million, primarily as a result of scheduled payments on bonded debt along with the net addition of \$201 thousand in capital assets.
- The Restricted Net Position decreased approximately \$3.2 million due to a decrease in expenses related to Vision 2015 as well as a decrease in mandatory debt service transfers related to the final payment of the 2009 Revenue Bond.
- The Unrestricted Net Position increased by \$4.8 million due to an excess of unrestricted revenues over unrestricted expenses during fiscal 2020 as shown on Schedule D of the financial statements.

During fiscal 2019:

- The Net Investment in Capital Assets, representing the net value of capital assets (land, buildings, and equipment) less the related debt, increased by \$10.4 million, primarily as a result of scheduled payments on bonded debt along with the addition of \$6.2 million in capital asset additions.
- The Restricted Net Position decreased approximately \$1.7 million due to an increase in expenses related to Vision 2015. As this project comes to a close the balance should be closer to zero.
- The Unrestricted Net Position cannot be compared to the previous two years due to the restatement required by GASB Statement No. 75. Nevertheless, there was an excess of unrestricted revenues over unrestricted expenses of \$1.4 million during fiscal 2019 as shown on Schedule D of the financial statements.

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

	Year Ended August 31,			Increase (Decrease)	
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2020</u> <u>to 2021</u>	<u>2019</u> <u>to 2020</u>
<b>Operating revenues</b>					
Tuition and fees (net of discounts)	\$ 11,169	\$ 10,965	\$ 11,193	\$ 204	\$ (228)
Grants and contracts	13,490	3,831	6,226	9,659	(2,395)
Other	3,181	2,615	3,328	566	(713)
Total operating revenue	<u>27,840</u>	<u>17,411</u>	<u>20,747</u>	<u>10,429</u>	<u>(3,336)</u>
<b>Operating expenses</b>					
Instruction	20,701	21,589	20,097	(888)	1,492
Public Service	1,055	1,055	1,296	-	(241)
Academic Support	5,937	5,238	4,906	699	332
Student Services	3,817	4,541	4,457	(724)	84
Institutional Support	12,199	7,242	6,906	4,957	336
Operations & Maint of Plant	5,227	5,164	4,769	63	395
Scholarship & Fellowships	13,235	6,999	6,880	6,236	119
Auxiliary enterprises	2,314	2,421	2,840	(107)	(419)
Depreciation	3,533	3,476	3,374	57	102
Total operating expenses	<u>68,018</u>	<u>57,725</u>	<u>55,525</u>	<u>10,293</u>	<u>2,200</u>
Operating loss	(40,178)	(40,314)	(34,778)	136	(5,536)
<b>Non-operating revenue/(expense)</b>					
State appropriation	12,373	12,965	11,072	(592)	1,893
Ad valorem taxes	29,971	30,125	28,079	(154)	2,046
Federal student aid grants	12,632	7,708	7,087	4,924	621
Interest on debt	(2,829)	(2,927)	(3,049)	98	122
Other	505	655	997	(150)	(342)
Total non-operating income	<u>52,652</u>	<u>48,526</u>	<u>44,186</u>	<u>4,126</u>	<u>4,340</u>
<b>Other revenue</b>					
Capital grants and gifts	15,192	365	635	14,827	(270)
<b>Increase in net position</b>	<b>27,666</b>	<b>8,577</b>	<b>10,043</b>	<b>19,089</b>	<b>(1,466)</b>
Net position, beginning of year	<u>49,958</u>	<u>41,381</u>	<u>31,338</u>	<u>8,577</u>	<u>10,043</u>
<b>Net position, end of year</b>	<b>\$ 77,624</b>	<b>\$ 49,958</b>	<b>\$ 41,381</b>	<b>\$ 27,666</b>	<b>\$ 8,577</b>

Figure 2

## Operating Revenues:

As defined above, operating revenues are received in exchange for providing goods and services to the various customers of the District. Key factors impacting Operating Revenues are explained below:

During fiscal 2021:

- Federal Grants and Contracts increased by \$4.2 million due to an increase in Coronavirus Aid, Relief, and Economic Security grants awarded towards the District for technology upgrades and improvements related to social distancing and safety.
- Non-governmental Grants and Contracts increased by \$5.5 million due to a private donation from the Mackenzie Scott Foundation in the amount of \$7 million. The increase is offset by a decrease in a private grant from the Odessa Development Corporation that ended in the prior year of \$1.3 million.
- Other Operating Revenue Increased by \$566,200 primarily related to funds received by the Coronavirus Aid, Relief, and Economic Security grant to replace lost revenue for the current year that was from a direct result of the pandemic.

During fiscal 2020:

- Tuition and Fee Revenue, net of discounts, decreased by \$228,000, or about 2.0%. Gross tuition and fees increased by \$632,000 due to higher enrollments and an increase of 2.8% in semester credit hours. At the same time, scholarship allowances and discounts increased by \$870,000 due to an increase in the percentage of Pell awards that were applied to tuition compared to prior years.
- Non-governmental Grants and Contracts decreased by \$3.2 million due to a private grant from the Odessa Development Corporation that began during 2018. This grant ended August 31, 2020 with the majority of the construction being completed during 2019.
- Other Operating Revenue decreased by \$401,000 primarily related to the COVID pandemic. Sports center memberships and day passes decreased by \$114,000 and summer camps that were significantly limited decreased by \$61,000. The decrease is also attributable to the receipt of the \$100,000 ASPEN prize that was received in the prior year.

During fiscal 2019:

- Tuition and Fee Revenue, net of discounts, increased by \$1,895,000, or about 20.4%. Gross tuition and fees increased by \$1,567,000 due to higher enrollments and an increase of 3.1% in semester credit hours. At the same time, scholarship allowances and discounts decreased by \$328,000 due to a decrease in the percentage of Pell awards that were applied to tuition compared to prior years.
- Non-governmental Grants and Contracts increased by \$2.6 million due to a private grant from the Odessa Development Corporation starting during the prior year to continue over a three year period.



### **Non-Operating Revenues (Expenses):**

Non-Operating Revenues are funds received for which goods and services are not directly provided to those providing the revenue. Non-Operating Revenues (Expenses) increased by \$4.1 million in 2021 after increasing by \$4.3 million in 2020 and decreasing by \$258 thousand during 2019. Key factors impacting Non-Operating Revenues are discussed below:

During fiscal 2021:

- Total State Appropriations decreased by \$592,000, or 4.6%. The decrease is due to a decrease in benefit payments paid by the state as now reported under GASB 68 and GASB 75.
- Property Tax revenue decreased by \$154,000, or .5%. Net assessed valuations decreased 2.1%, and the combined tax rate was increased 1.2%.
- Federal Student Aid Grants increased by \$4,900,000 or 63.9% primarily due to the additional CARES Act funding that the District received an increase in overall Pell awards to students. These additional CARES Act funds were awarded directly to students to help offset hardships related to the COVID-19 pandemic.

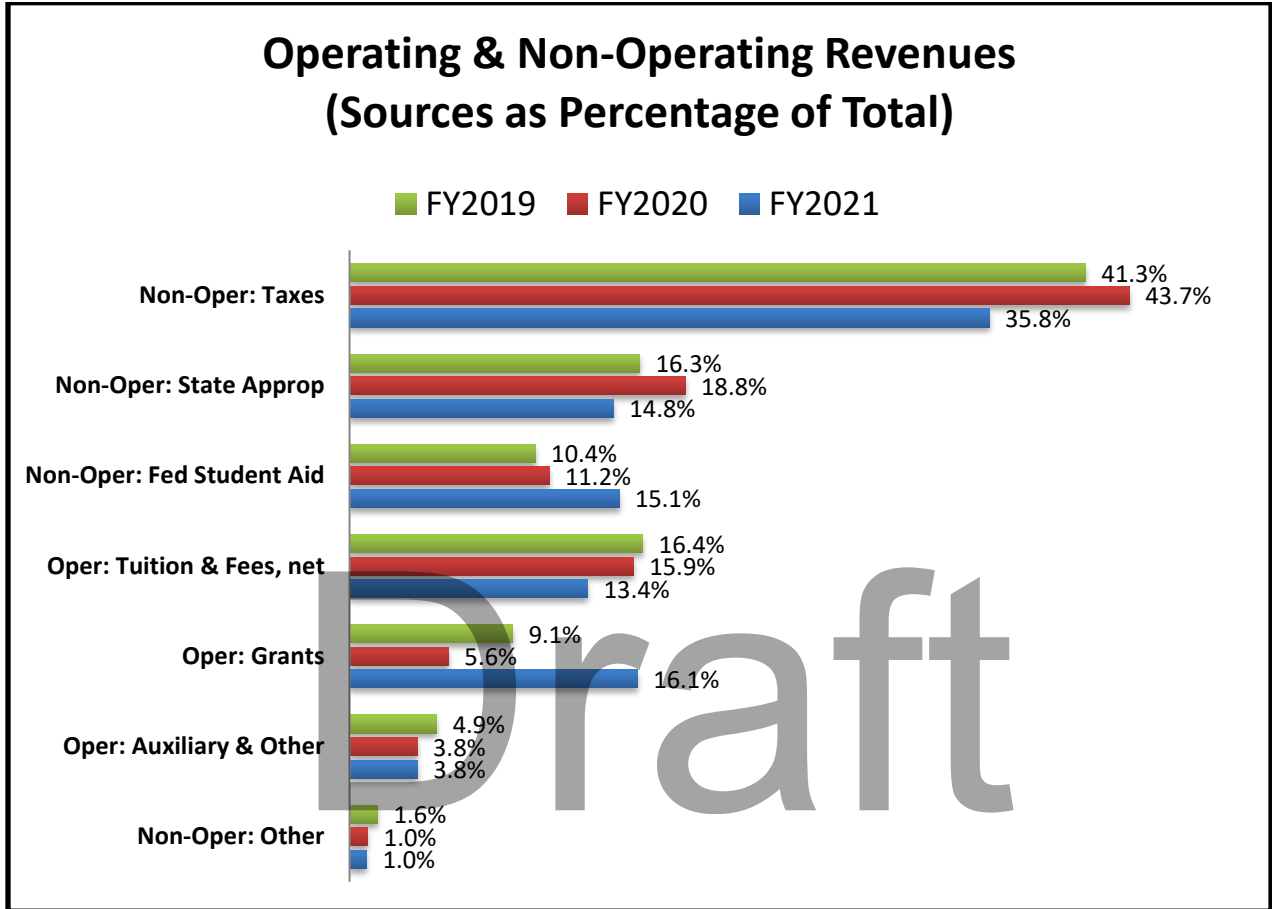
During fiscal 2020:

- Total State Appropriations increased by \$1,893,000, or 17.1%. \$1,265,000 of the increase was due to increased contact hour and success points funding for the 2020-2021 legislative biennium. The remaining \$628,000 increase resulted from increased benefit payments paid by the state as now reported under GASB 68 and GASB 75.
- Property Tax revenue increased by \$2,045,000, or 7.3%. Net assessed valuations increased 15.0%, and the combined tax rate was decreased by 6.4%.
- Federal Student Aid Grants increased by \$621,000 or 8.8% primarily due to the additional CARES Act funding that the District received. These additional funds were awarded directly to students to help offset hardships related to the COVID-19 pandemic.
- Other Revenue decreased \$367,000 or 34.0%. The decrease is related to a decrease in investment income that is not restricted to programs.

During fiscal 2019:

- Total State Appropriations decreased by \$1,026,000, or 8.5%. The decrease is due to a decrease in benefit payments paid by the state as now reported under GASB 68 and GASB 75.
- Property Tax revenue increased by \$833,000, or 3.1%. Net assessed valuations increased 7.6%, and the combined tax rate was decreased 3.3%.
- Other Revenue increased \$408,000 or 60.8%. The increase is related to an increase in investment income that is not restricted to programs.

Graph 1 below illustrates the sources of Operating and Non-operating Revenues as a percentage of total revenues for fiscal years 2021, 2020, and 2019. As evidenced by the graph, the majority of revenue is derived from non-operating sources.



Graph 1

A comparison of fiscal 2021 to fiscal 2020 shows an increase in the percentage of revenues provided by operating grants and federal student aid. The percentage derived from all other revenue sources decreased during the same period. Comparing the prior two fiscal years (2020 to 2019) reveals increases in the percentage of revenues provided by property taxes, state appropriations, and federal student aid, and decreases in the percentage of tuition and fees, operating grants and auxiliary income.

## 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.

As shown in Figure 2, total Operating Expenses increased by \$10.3 million or 17.8% in 2021, after an increase of \$2.2 million or 4.0%, during 2020, and a similar increase of \$2.0 million, or 3.7% during 2019. Key factors impacting operating expenses by functional expense categories are described below:

During fiscal 2021:

- Institutional Support expenses increased by \$4,957,000, or 68.4%, due primarily to an increase in restricted other expenses. The District recognized an expense of \$1,143,000 in lost revenue related to the pandemic from the CARES Act Grant. The District also recognized an expense of \$3,118,000 from the MacKenzie Scott Donation towards scholarships and endowments.
- Scholarships and Fellowships increased by \$6,236,000 or 89.1% due primarily to an increase in Pell awards of \$2,421,000 and an increase in CARES Act Covid-19 funds of \$2,460,000. The number of students eligible to receive Pell grants increased during the current year. The CARES Act grant funds are funds that were put directly into the hands of students to help offset hardships faced by the pandemic.
- Instruction expenses decreased by \$888,000 or 4.1% due to an decrease in state paid benefits expense related to GASB 68 pension expense.
- Student Service expenses decreased by \$724,000, or 15.9%, due do a decrease in salaries and benefits. During the current year several positions were frozen due to the pandemic resulting in the decrease in salaries.
- Academic Support increased by \$699,000 or 13.3% due to an increase in salaries and benefits of \$539,000. During the prior year, the District restructured the student success coaches into academic coaches moving them from student activities to academic support. This change took place in the middle of the prior year so this was the first full year of academic coaches being paid out of academic support.

During fiscal 2020:

- Instruction expenses increased by \$1,500,000, or 7.4%, due primarily to an increase in salaries and benefits due to the filling of open positions from the prior year. The filling of open positions also included a full year's salary for the addition of 10 full time instructors added in the prior year.
- Academic Support increased by \$332,000 or 6.8% due to an increase in salaries and benefits of \$328,000. During the current year the District restructured the student success coaches into academic coaches moving them from student activities to academic support. This resulted in the addition of 11 new positions.
- Institutional Support increased by \$336,000 or 4.9% due to an increase in state paid benefits expense related to GASB 68 pension expense.

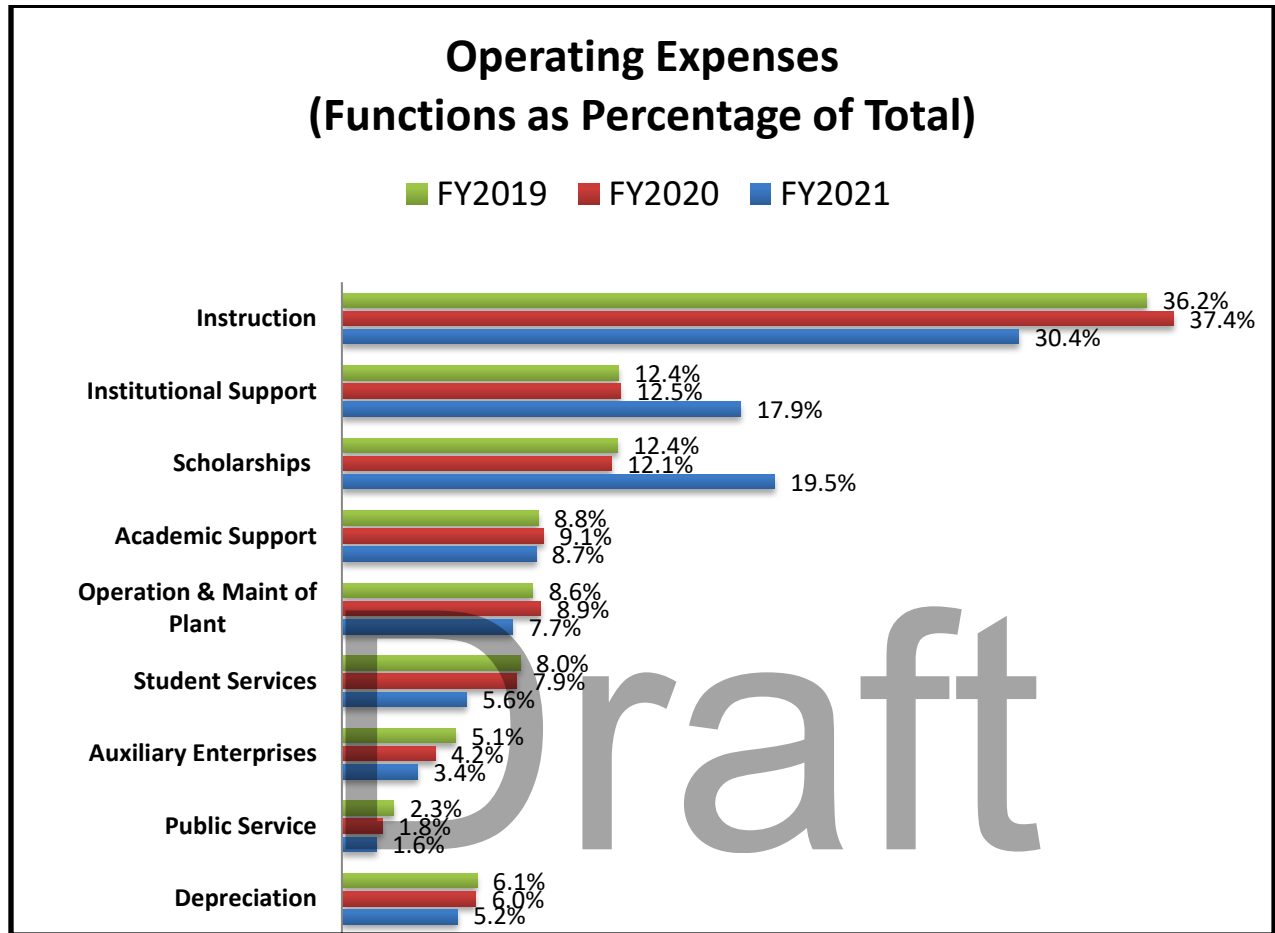
- Operation & Maintenance of Plant expenses increased by \$395,000, or 8.3%, due to an increase in property insurance of \$89,000, an increase in contract cleaning of \$137,000 related to the additional buildings on campus, and an increase in the District's general equipment maintenance agreement of \$64,000.
- Auxiliary expenses decreased by \$420,000 or 14.8%, due to a decrease in the amount spent on catering events and student meal plans of approximately \$153,000, a decrease in athletic travel of \$139,000, and a decrease in student activity expenses of \$52,000 all related to the COVID-19 national pandemic. In March of 2020 all instruction went to a virtual environment resulting in no students on campus for the cafeteria, no athletic games and very limited virtual student activities.

During fiscal 2019:

- Instruction expenses increased by \$380,000, or 1.9%, due primarily to an increase in salaries due to the filling of open positions from the prior year as well as the addition of 10 full time instructors.
- Academic Support increased by \$101,000 or 2.1% due to the filling of open positions from the prior year as well as the addition of 2 full time faculty. In addition, two computer labs were updated at the Pecos Extension Center and the Student Learning Resource Center in the amount of \$36,000.
- Scholarships expenses increased by \$1,238,000 or 21.9%, due to an increase in the number of students eligible to receive Pell grants as well as the awarding of Pell grants during the summer terms.
- Depreciation expenses increased by \$149,000, or 4.6%, due to the increase in capitalized assets related to the Vision 2015 campus improvement projects.

Other Revenues consist mainly of capital contributions in the form of gifts and grants as well as additions to permanent endowments. Capital contributions were \$13,970,000 in fiscal 2021, \$353,000 in 2020, and \$623,000 in 2019. The 2021 capital donations were dedicated to the Wood Health Science Building. The 2020 capital donations were dedicated to the Globe Theater renovations, the acquisition of equipment for fine arts, and the donation of 4 trucks for the auto/diesel department. The 2019 capital donations were dedicated to the Baseball renovation, and the Globe Theater renovations.

Graph 2 below compares each functional operating expense category as a percentage of total expenses For fiscal years 2021, 2020 and 2019.



Graph 2

## **Capital Assets and Debt Administration**

### **Capital Assets**

The District's investment in capital assets, net of depreciation, was \$116.6 million at the end of fiscal year 2021, compared to \$117.8 million in 2020, and \$117.6 million in 2019. A summary of capitalized assets for fiscal years 2021, 2020, and 2019 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 and 10 of this Management's Discussion and Analysis report.

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

	Year Ended August 31,			Increase (Decrease)	
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2020 to 2021</u>	<u>2019 to 2020</u>
Land	\$ 4,589	\$ 4,196	\$ 4,196	\$ 393	\$ 0
Buildings and improvements	129,807	129,807	121,392	0	8,415
Other land improvements	8,713	8,713	8,590	0	123
Construction in progress	1,172	772	6,836	400	(6,064)
Furniture and equipment	18,735	17,310	16,202	1,425	1,108
Library materials	2,002	2,054	2,108	(52)	(54)
Subtotal	165,018	162,852	159,324	2,166	3,528
Less: Accumulated depreciation	(48,388)	(45,003)	(41,676)	(3,385)	(3,327)
Net Capital Assets	\$ 116,630	\$ 117,849	\$ 117,648	\$ (1,219)	\$ 201

Figure 3

The District has completed during fiscal year 2020 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. The District has begun fundraising efforts to support a multi-year campus improvement project called "Vision 2030". Vision 2030 campus improvements include the demolition of 5 older structures, the addition of 6 new buildings, and renovations to 2 existing facilities. As of August 31, 2021, the District has received pledges of \$13.7 million and a new revenue bond of \$26.4 million towards the construction of the Wood Health Science Building.

### **Debt Administration**

The District had outstanding debt of \$89.0 million as of August 31, 2021, and \$64.2 million and \$68.5 million as of August 31, 2020 and 2019, respectively. \$57,910,000 of Series 2017 Limited Tax Refunding Bonds were issued in December 2017 to partially refund the Series 2011 Tax Bonds, resulting in a net present value saving of \$6,551,787. \$4,675,000 of Series 2021 Revenue Refunding Bonds were issued in August 2021 to refund the Series 2012 Revenue Bonds, resulting in a net present value savings of \$548,861. \$26,435,000 of a new Series 2021 Revenue Bonds were issued in August 2021 for the construction of the Wood Health Science Building. Principal payments on long-term debt totaled \$1,905,000 in 2021, \$4,265,000 in 2020, and \$4,110,000 in 2019. Details of the outstanding long-term debt by type as of August 31, 2021, 2020, and 2019 are listed below in Figure 4.

**Outstanding Debt  
(thousands of dollars)**

	<b>Year Ended August 31,</b>		
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
General Obligation Bonds	\$ 57,910	\$ 59,585	\$ 61,195
Revenue Bonds	31,110	4,650	7,305
<b>Total Outstanding Bonded Indebtedness</b>	<b>\$ 89,020</b>	<b>\$ 64,235</b>	<b>\$ 68,500</b>

Figure 4

On July 21, 2021, S&P Global Ratings affirmed its rating of ‘A+’ with a stable outlook for the District’s series refunded 2021 and new 2021 Revenue Bonds.

On July 21, 2021, S&P Global Ratings assigned a rating of ‘A+’ with a stable outlook for the new Limited Tax Refunding Bonds, Series 2017.

On June 11, 2021, Fitch Ratings upgraded its rating on the District’s series 2017 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.”*

Both of the 2021 revenue bonds are also covered by municipal bond insurance policies issued by Assured Guarantee Municipal Corp. (AGM).

**Economic Factors That Will Affect the Future**

The economic position of the District is influenced in part by the economic position of the nation, the state of Texas, and of Ector County. The unprecedented international outbreak of coronavirus (COVID-19) has had numerous economic and operational impacts on the U.S. economy as well as affecting the District’s employees, students, community members and business operations. The Odessa Economic Index increased from July 2021 to August 2021, improving to 205.2 for the month up from 203.6 in July, and down 7.5% from the August 2020 OEI of 221.9. Crude oil prices dropped by \$5/barrel in August 2020 with posted prices averaging \$63.69 for the month compared to \$68.80 in July 2021, and \$38.17 in August 2020. The region added five rigs on average in August 2021 with 168 rigs spinning, which is up from 77 in August 2020. The unemployment rate has been coming down steadily and continues to do so, dropping below 8% in August 2021 to 7.7% compared to 11.7% in August 2020. Both the regional oil and gas economy and the Odessa general economy are firmly on the upswing.

As a result, the District expects the assessed tax values to increase slightly next year due to higher oil prices and oilfield service activity. At the time of this report, general spending in Ector County is down 10.3% year-to-year, home sales are up 29.6%, and the rig count is 118.2% above last year’s volume. Sales tax revenues along with hotel and apartment occupancy rates are all slightly 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 while not optimal can be managed through budgetary tightening that will not reduce instructional programs.

Despite the high unemployment rate, student enrollment is at an all-time high. Graduation rates have increased significantly 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. After winning the Aspen Institute's Rising Star Award in March 2019, Odessa College was once again in the top ten for the 2021 Aspen Prize for Community College Excellence, an award which is recognized among American institutions of higher education as the most prestigious affirmation of high achievement and exemplary performance that a community college can receive. 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.



Brandy Ham  
Chief Financial Officer



ODESSA COLLEGE DISTRICT

EXHIBIT 1

STATEMENTS OF NET POSITION

	August 31,	
	2021	2020
<b>ASSETS:</b>		
Current Assets		
Cash and cash equivalents (Notes 2 and 4)	\$ 56,994,896	24,136,088
Short-term investments (Notes 2 and 4)	1,880,901	-
Accounts receivable, net (Note 17)	6,648,601	5,541,803
Inventories (Note 2)	72,964	58,582
Notes receivable – current, net	3,566,183	2,250,228
Prepaid items	2,660,247	1,978,032
Escrow deposits	488,349	493,807
<b>Total Current Assets</b>	<b>72,312,141</b>	<b>34,458,540</b>
Noncurrent Assets:		
Restricted cash and cash equivalents (Notes 2 and 4)	280,741	281,986
Endowment investments (Notes 2, 3 and 4)	1,843,564	845,155
Other long-term investments (Notes 2, 3 and 4)	26,390,860	12,712,179
Notes receivable – noncurrent, net	11,810,322	657,636
Unamortized bond issuance costs	60,814	36,596
Capital assets, net of accumulated depreciation (Notes 2 and 6)	116,630,211	117,848,811
<b>Total Noncurrent Assets</b>	<b>157,016,512</b>	<b>132,382,363</b>
<b>Total Assets</b>	<b>\$ 229,328,653</b>	<b>166,840,903</b>
Deferred Outflows of Resources:		
Deferred outflows related to pensions	\$ 3,678,819	4,956,258
Deferred outflows related to Other Post Employment Benefits (OPEB)	2,586,633	3,116,229
Deferred outflows related to refunding of debt	6,465,130	6,607,230
<b>Total Deferred Outflows of Resources</b>	<b>\$ 12,730,582</b>	<b>14,679,717</b>
<b>LIABILITIES:</b>		
Current Liabilities		
Accounts payable (Note 17)	\$ 4,907,418	2,446,083
Accrued liabilities	1,074,892	837,151
Accrued compensable absences (Notes 7 and 13)	734,375	721,365
Funds held for others	1,033,182	956,291
Unearned revenue – tuition and fees (Note 2)	6,989,001	5,897,858
Unearned revenue – other (Note 2)	3,897,178	751,259
Capital lease payable – current portion (Notes 6 and 7)	55,841	55,842
Bonds payable – current portion (Notes 7, 8 and 9)	5,135,000	1,905,000
Net OPEB liability – current portion (Notes 7 and 15)	931,321	884,961
<b>Total Current Liabilities</b>	<b>24,758,208</b>	<b>14,455,810</b>
Noncurrent Liabilities:		
Capital lease payable – noncurrent (Notes 6 and 7)	-	55,841
Bonds payable – noncurrent (Notes 7, 8 and 9)	83,885,000	62,330,000
Unamortized bond premium	-	293,268
Net pension liability (Note 7 and 11)	9,191,165	9,890,177
Net OPEB liability (Notes 7 and 15)	26,988,974	27,036,725
<b>Total Noncurrent Liabilities</b>	<b>120,065,139</b>	<b>99,606,011</b>
<b>Total Liabilities</b>	<b>\$ 144,823,347</b>	<b>114,061,821</b>

See accompanying notes to financial statements.

ODESSA COLLEGE DISTRICT

EXHIBIT 1

STATEMENTS OF NET POSITION

	August 31,	
	<u>2021</u>	<u>2020</u>
Deferred Inflows of Resources:		
Deferred inflows related to pensions	\$ 2,640,122	2,980,542
Deferred inflows related to OPEB	7,426,037	8,851,630
Deferred inflows related to refunding of debt	<u>9,545,612</u>	<u>5,668,998</u>
Total Deferred Inflows of Resources	<u>\$ 19,611,771</u>	<u>17,501,170</u>
NET POSITION:		
Net investment in capital assets	\$ 57,836,443	57,113,267
Restricted for:		
Nonexpendable:		
Student aid	1,843,564	845,155
Expendable:		
Student aid	546,723	299,999
Instructional programs	1,319,669	1,403,238
Unexpended capital projects	1,116,651	1,073,422
Debt service	241,061	401,902
Unrestricted	<u>14,720,006</u>	<u>(11,179,354)</u>
Total Net Position (Schedule D)	<u>\$ 77,624,117</u>	<u>49,957,629</u>

Draft

See accompanying notes to financial statements.

**ODESSA COLLEGE FOUNDATION, INCORPORATED**

**STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,271,149	1,438,976
Pledges receivable	10,000	12,700
Total current assets	2,281,149	1,451,676
Marketable Securities at Fair Value	13,492,215	11,971,200
Pledges Receivable - Noncurrent	10,000	10,000
Total Assets	\$ 15,783,364	13,432,876

**LIABILITIES AND NET ASSETS**

	<b>2021</b>	<b>2020</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 157,840	438
Total current liabilities	157,840	438
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Undesignated	2,600,165	1,570,564
Designated for Half-Century scholarships	205,155	205,155
Designated for Health Science scholarships	156,040	156,040
Total net assets without donor restrictions	2,961,360	1,931,759
Net assets with donor restrictions	12,664,164	11,500,679
Total net assets	15,625,524	13,432,438
Total current liabilities and net assets	\$ 15,783,364	13,432,876

See accompanying notes to financial statements.

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

Years Ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES:</b>		
Tuition and fees (net of discounts of \$5,944,959 and \$5,739,452, respectively)	\$ 11,169,123	10,965,280
Federal grants and contracts	5,843,249	1,621,539
State grants and contracts	408,900	446,623
Non-governmental grants and contracts	7,238,158	1,762,444
Sales and services of educational activities	200,479	201,696
Investment income (program restricted)	11,396	16,106
Auxiliary enterprises	1,436,648	1,533,473
Other operating revenue	<u>1,532,241</u>	<u>863,926</u>
Total operating revenues (Schedule A)	<u>27,840,194</u>	<u>17,411,087</u>
<b>OPERATING EXPENSES:</b>		
Instruction	20,701,481	21,589,164
Public service	1,054,555	1,055,149
Academic support	5,936,490	5,237,503
Student services	3,817,321	4,541,044
Institutional support	12,198,542	7,242,473
Operation and maintenance of plant	5,227,444	5,163,959
Scholarships and fellowships	13,235,250	6,999,201
Auxiliary enterprises	2,314,339	2,420,590
Depreciation	<u>3,532,757</u>	<u>3,476,108</u>
Total operating expenses (Schedule B)	<u>68,018,179</u>	<u>57,725,191</u>
OPERATING LOSS	<u>(40,177,985)</u>	<u>(40,314,104)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State appropriations	12,372,998	12,965,055
Property taxes for maintenance and operations	25,811,235	25,682,905
Property tax for debt service	4,159,601	4,441,605
Federal grants, non-operating	12,631,895	7,708,359
Gifts – noncapital	166,170	226,869
Investment income – not restricted to programs	174,036	457,011
Interest on capital – related debt	(2,828,628)	(2,927,430)
Loss on disposal of capital assets	(81,223)	(53,898)
Other non-operating revenues	466,883	28,097
Other non-operating expenses	<u>(220,359)</u>	<u>(2,614)</u>
Net non-operating revenues (Schedule C)	<u>52,652,608</u>	<u>48,525,959</u>
Income before other revenues	<u>12,474,623</u>	<u>8,211,855</u>

See accompanying notes to financial statements.

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

**Years Ended August 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
OTHER REVENUES:		
Private capital gifts and grants	\$ 13,969,773	352,578
Additions to permanent endowment	1,001,300	12,200
Gain on Bond Refunding	<u>220,792</u>	<u>-</u>
Total other revenues	<u>15,191,865</u>	<u>364,778</u>
Increase in Net Position	<u>27,666,488</u>	<u>8,576,633</u>
NET POSITION – BEGINNING OF YEAR	<u>49,957,629</u>	<u>41,380,996</u>
NET POSITION – END OF YEAR	\$ <u>77,624,117</u>	<u>49,957,629</u>

Draft

See accompanying notes to financial statements.

**ODESSA COLLEGE FOUNDATION, INCORPORATED**

**STATEMENTS OF ACTIVITIES**

**Years Ended December 31, 2020 and 2019**

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total 2020</u>	<u>Total 2019</u>
Revenues, gains and other support:				
Contributions (including pledges)	\$ -	1,668,716	1,668,716	1,550,416
Earnings (losses) on investments, net of fees	(62,645)	474,587	411,942	520,542
Net realized gains (loss) on marketable securities	(5,315)	-	(5,315)	235,277
Net unrealized gains (loss) on marketable securities	1,114,928	-	1,114,928	1,265,199
Net assets released from restrictions through satisfaction of program restrictions	<u>979,818</u>	<u>(979,818)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>2,026,786</u>	<u>1,163,485</u>	<u>3,190,271</u>	<u>3,571,434</u>
Expenses:				
Scholarships	843,630	-	843,630	738,139
Program and college support	136,188	-	136,188	579,105
General and administrative	<u>17,367</u>	<u>-</u>	<u>17,367</u>	<u>16,545</u>
Total expenses	<u>997,185</u>	<u>-</u>	<u>997,185</u>	<u>1,333,789</u>
CHANGES IN NET ASSETS	1,029,601	1,163,485	2,193,086	2,237,645
Net assets at beginning of year	<u>1,931,759</u>	<u>11,500,679</u>	<u>13,432,438</u>	<u>11,194,793</u>
Net assets at end of year	<u>\$ 2,961,360</u>	<u>12,664,164</u>	<u>15,625,524</u>	<u>13,432,438</u>

See accompanying notes to financial statements.

ODESSA COLLEGE DISTRICT

EXHIBIT 3

STATEMENTS OF CASH FLOWS

Years Ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from students and other customers	\$ 14,464,923	12,099,202
Receipts from grants and contracts	15,458,935	8,930,768
Receipts from loan collections from students and employees	1,876,403	1,699,814
Other receipts	4,220,755	1,591,180
Payments to or on behalf of employees	(31,304,482)	(31,089,209)
Payments to suppliers for goods or services	(16,920,052)	(12,603,425)
Payments of scholarships	(11,373,312)	(5,531,091)
Loans issued to students and employees	<u>(1,576,272)</u>	<u>(1,709,918)</u>
Net cash used in operating activities	<u>(25,153,102)</u>	<u>(26,612,679)</u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Receipts from state allocations	9,690,210	9,678,292
Receipts from ad valorem taxes	29,847,846	29,985,040
Receipts from non-operating federal revenue	12,631,895	7,708,359
Receipts from gifts and grants other than for capital purposes	1,167,470	239,069
Receipts from student organizations and other agencies	28,140	502,147
Payments from (to) student organizations and other agencies	48,751	(110,839)
Deposit with escrow agents	<u>5,458</u>	<u>2,473</u>
Net cash provided by non-capital and related financing activities	<u>53,419,770</u>	<u>48,004,541</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from issuance of capital financing	31,037,524	-
Amortization of bond premiums	-	(20,947)
Proceeds from capital grants and gifts	1,214,773	1,137,578
Proceeds from insurance recoveries	171,297	26,378
Purchases of capital assets	(1,918,972)	(4,406,200)
Payments on capital debt and leases	<u>(9,454,047)</u>	<u>(7,248,272)</u>
Net cash provided by (used in) capital and related financing activities	<u>21,050,575</u>	<u>(10,511,463)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Receipts from sale and maturity of investments	4,623,000	7,144,000
Receipts from investment earnings	378,736	521,426
Purchases of investments	<u>(21,461,416)</u>	<u>(10,462,960)</u>
Net cash used in investing activities	<u>(16,459,680)</u>	<u>(2,797,534)</u>
Increase in cash and cash equivalents	32,857,563	8,082,865
Cash and cash equivalents – September 1	<u>24,418,074</u>	<u>16,335,209</u>
Cash and cash equivalents – August 31	<u>\$ 57,275,637</u>	<u>24,418,074</u>

See accompanying notes to financial statements.

## STATEMENTS OF CASH FLOWS - CONTINUED

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (40,177,985)	(40,314,104)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	3,532,757	3,476,108
Payments made directly to ERS by state for benefits	2,682,788	3,286,762
Changes in assets and liabilities:		
Receivable, net:		
Tuition and fees receivable, net	516,661	(261,042)
State and federal operating grants receivable	(1,906,667)	(173,854)
Private grants receivable	822,096	5,432,834
Employee receivable	(2,736)	17,126
Sales and services receivable, net	(453,783)	(248,434)
Auxiliary receivable, net	411,932	209,256
Inventories	(14,382)	(14,558)
Other assets	(682,215)	592,472
Accounts payable	1,984,927	1,228,437
Accrued payroll liabilities	237,741	476,472
Deferred inflows	2,110,601	(576,808)
Deferred outflows	1,949,135	(1,620,872)
Accrued liabilities	(700,403)	2,316,356
Unearned revenue:		
Unearned tuition and fees revenue	1,091,143	226,853
Other unearned revenue	3,145,919	(686,698)
Compensated absences	13,010	73,292
Loans to students and employees	286,359	(52,277)
	<u>15,024,883</u>	<u>13,701,425</u>
Total adjustments		
Net cash used in operating activities	\$ <u>(25,153,102)</u>	<u>(26,612,679)</u>

See accompanying notes to financial statements.



**ODESSA COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**August 31, 2021 and 2020**

- NOTE 1 - Reporting Entity
- NOTE 2 - Summary of Significant Accounting Policies
- NOTE 3 - Authorized Investments
- NOTE 4 - Deposits and Investments
- NOTE 5 - Fair Value of Financial Instruments
- NOTE 6 - Capital Assets
- NOTE 7 - Long-term Liabilities
- NOTE 8 - Debt and Lease Obligations
- NOTE 9 - Bonds Payable
- NOTE 10 - Refunding and Defeased Bonds Outstanding
- NOTE 11 - Employees' Retirement Plans
- NOTE 12 - Deferred Compensation Program
- NOTE 13 - Compensable Absences
- NOTE 14 - Health Care and Life Insurance Benefits
- NOTE 15 - Post-Employment Benefits Other Than Pensions ("OPEB")
- NOTE 16 - Pending Lawsuits and Claims
- NOTE 17 - Disaggregation of Receivables and Payables Balances
- NOTE 18 - Contract and Grant Awards
- NOTE 19 - Ad Valorem Tax
- NOTE 20 - Tax Abatements
- NOTE 21 - Income Taxes
- NOTE 22 - Component Units
- NOTE 23 - Subsequent Events

## ODESSA COLLEGE DISTRICT

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

#### **Note 1 - Reporting Entity**

Odessa College 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. During 2019, Odessa Junior College District was renamed to Odessa College District (the “District”) in accordance with the laws of the State of Texas. The change was made to align the District’s name with its status of an institution offering 2-year and 4-year degrees. 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**

##### **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 (“BTA”).

##### **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.

ODESSA COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS *(continued)*

**Note 2 - Summary of Significant Accounting Policies - continued**

**Tuition Discounting – continued**

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.

**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.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding at year end, that were provided for in the subsequent year's budget, are reported as designations of net assets since they do not constitute expenditures or liabilities.

**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.

**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.

## ODESSA COLLEGE DISTRICT

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

#### **Note 2 - Summary of Significant Accounting Policies - continued**

##### **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.

##### **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.

##### **Pledges**

The District recognizes pledges in the financial statements when all applicable eligibility requirements, including time requirements, are met. Pledges are reported as restricted revenues prior to the fulfillment of all applicable eligibility requirements.

##### **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.

##### **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 COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 2 - Summary of Significant Accounting Policies - continued**

**Capital Assets**

Capital assets are stated at cost. Donated capital assets are valued at their acquisition 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

**Unearned Revenue**

Unearned 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.

**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.

**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.

## ODESSA COLLEGE DISTRICT

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

#### **Note 2 - Summary of Significant Accounting Policies - continued**

##### **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.

##### **New Accounting Pronouncements**

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. This statement was implemented in the current year and did not impact these financial statements

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 were effective for reporting periods beginning after December 15, 2019. Community college implementation was originally planned for FY 2021 but is now postponed to FY 2022, as a result of GASB 95. Earlier application is encouraged.

ODESSA COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS *(continued)*

**Note 2 - Summary of Significant Accounting Policies - continued**

**New Accounting Pronouncements – continued**

GASB Statement No. 89, *“Accounting for Interest Cost Incurred before the End of a Construction Period.”*

This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement were effective for reporting periods beginning after December 15, 2019. Community college implementation was originally planned for FY 2021 but is now postponed to FY 2022, as a result of GASB 95. Earlier application is encouraged and the requirements of this statement should be applied prospectively.

GASB Statement 90, *“Majority Equity Interests – an amendment of GASB Statements No 14 and No. 61.”*

The primary objectives of this statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations. The requirements of this statement were effective for reporting periods beginning after December 15, 2018 and should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. GASB 90 was implemented in the current year and did not retroactively affect prior financial statements.

GASB Statement 91, *“Conduit Debt Obligations.”*

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers’ conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this statement were effective for reporting periods beginning after December 15, 2020. Community college implementation was originally planned for FY 2022 but is now postponed to FY 2023, as a result of GASB 95. Earlier application is encouraged.

ODESSA COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS *(continued)*

**Note 2 - Summary of Significant Accounting Policies - continued**

**New Accounting Pronouncements – continued**

*GASB Statement 92, “Omnibus 2020.”*

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The statement addresses a variety of topics and includes the following: Statement No. 87, Statement No. 73, Statement No. 74, Statement No. 84, and other topics. The application of this statement is expected to provide more comparable reporting and improve the usefulness for financial statement users. Some requirements of this statement are effective upon issuance, and others were effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. Community college implementation – certain provisions are effective for FY 2020 and others postponed to FY 2022, as a result of GASB 95.

*GASB Statement 93, “Replacement of Interbank Offered Rates. (IBOR).”*

The objective of this statement is to address accounting and financial reporting implications resulting from global reference rate reform. Government agreements in which variable payments made or received depend on IBOR, most notably the London Interbank Offered Rate (LIBOR), will be affected, as LIBOR will cease to exist at the end of 2021. Rate provisions in Statement Nos. 53 and 87 will also be affected. Most requirements of this statement were effective for reporting periods beginning after June 15, 2020; however, requirements regarding the removal of LIBOR as an appropriate benchmark were effective for reporting periods beginning after December 31, 2021. Community college implementation was originally planned for FY 2021 and is now postponed to FY 2022, as a result of GASB 95. Earlier application is encouraged.

*GASB Statement 94, “Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs).”*

The objective of this statement is to improve financial reporting related to PPPs and APAs by establishing the definitions of these arrangements and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This statement will enhance the decision usefulness of financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. Requirements of this statement were effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged.



## ODESSA COLLEGE DISTRICT

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

#### **Note 2 - Summary of Significant Accounting Policies - continued**

##### **New Accounting Pronouncements – continued**

*GASB Statement 95, “Postponement of the Effective Dates of Certain Authoritative Guidance.”*

The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This is accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for reporting periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement Nos. 83, 84, 88, 89, 90, 91, 92, 93, and Implementation Guide Nos. 2017-3, 2018-1, 2019-1, and 2019-2. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87 and Implementation Guide No. 2019-3. The requirements of this statement are effective immediately.

*GASB Statement 96, “Subscription-Based Information Technology Arrangements (SBITA).”*

The objective of this statement is to (1) define a SBITA; (2) establish that SBITA results in a right-to-use subscription (intangible) asset and a corresponding subscription liability; (3) provide the capitalization criteria for outlays other than subscription payments; and (4) require note disclosures regarding a SBITA. The statement provides an exception for short-term SBITAs with a maximum contract term of 12 months. Subscription payments for short-term SBITAs should be recognized as outflows of resources. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Early implementation is encouraged.

*GASB Statement 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statement No. 14 and 84, and a Supersession of GASB Statement No. 32.”*

The primary objectives of this statement are the following: (1) increase consistency and comparability in the reporting of fiduciary component units where the potential component unit does not have a governing board and the primary government performs those duties; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and other employee benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of reporting defined contribution plans, defined contribution OPEB plans, or other employee benefit plans that are administered through trusts are effective immediately. The requirements related to reporting on fiduciary component units and 457 plans are effective for reporting periods beginning after June 15, 2021. Early implementation is encouraged.

## ODESSA COLLEGE DISTRICT

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

#### **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 (pages 85-86)** which indicate the audit work covered in the Act, or
- Writing a separate letter to the State Auditor's Office stating that the District is in compliance with all requirements of the Act.

#### **Note 4 - Deposits and Investments**

Deposits: At August 31, 2021 and 2020, the carrying amount of the District's deposits were \$9,710,161 and \$1,662,264, respectively. Bank balances equaled \$10,208,582 and \$2,129,472. Bank balances of \$260,518 and \$370,518 were covered by federal depository insurance, and \$9,948,064 and \$1,758,954 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 \$47,552,174 and \$22,742,508 in state approved public funds investment pools at August 31, 2021 and 2020, respectively.

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 4 - Deposits and Investments – continued**

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

	<b>Cash and Deposits</b>	
	<u><b>2021</b></u>	<u><b>2020</b></u>
Bank Deposits		
Demand Deposits	\$ 10,208,582	2,129,472
Transit Items	(498,421)	(467,208)
	<u>9,710,161</u>	<u>1,662,264</u>
Cash and Cash Equivalents		
Public Funds Investment Pools	47,552,174	22,742,508
Petty Cash on Hand	13,302	13,302
	<u>60,917,676</u>	<u>24,768,112</u>
<b>Total Cash and Deposits</b>	<u><b>\$ 70,627,837</b></u>	<u><b>26,430,376</b></u>

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

Type of Security	Market Value August 31, 2021	Market Value August 31, 2020
Total Cash and Deposits	\$ 70,627,837	26,430,376
Total Investments	30,115,325	13,557,334
Total Deposits and Investments	<u>\$ 100,743,162</u>	<u>40,000,000</u>
Current Cash and Temporary Investments (Exh. 1)	\$ 56,994,896	24,136,088
Restricted Cash and Temporary Investments (Exh. 1)	280,741	281,986
Short-Term Investments (Exh. 1)	1,880,901	-
Endowment Investments (Exh. 1)	1,843,564	845,155
Other Long-Term Investments (Exh. 1)	<u>26,390,860</u>	<u>12,712,179</u>
Total Deposits and Investments (Exh. 1)	<u>\$ 87,390,962</u>	<u>37,975,408</u>

As of August 31, 2021, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 2	2 to 5
U.S Government Securities	\$ 6,492,620	-	-	6,492,620
Certificates of Deposit	1,251,081	-	-	1,251,081
Municipal Bonds	<u>22,371,624</u>	<u>3,366,878</u>	<u>4,908,207</u>	<u>14,096,539</u>
Total Fair Value	<u>\$ 30,115,325</u>	<u>3,366,878</u>	<u>4,908,207</u>	<u>21,840,240</u>

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 4 - Deposits and Investments – continued**

As of August 31, 2020, 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	\$ 2,020,356	497,425	-	1,522,931
Municipal Bonds	11,536,978	3,173,967	488,939	7,874,072
Total Fair Value	\$ 13,557,334	3,671,392	488,939	9,397,003

**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 banker's 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, 2021 and 2020 are reported below.

Investment Type	Credit Rating
Tex Pool Prime	S&P: AAAm
TexPool	S&P: AAAm
LOGIC	S&P: AAA
Lone Star Government Overnight Fund	S&P: AAAm
Lone Star Corporate Overnight Plus Fund	S&P: AAAf/S1+
Municipal Bonds	S&P: A and above
U.S. Government Agencies-FHLB	S&P AA+, Moody's Aaa

**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 COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 5 - Fair Value of 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, 2021 and 2020:

Investment Type	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
	Level 1	Level 2	Level 3	2021
U.S. Government Securities	\$ 6,492,620	-	-	6,492,620
Certificates of Deposit	1,251,081			1,251,081
Municipal Bonds	22,371,624			22,371,624
<b>Total</b>	<b>\$ 30,115,325</b>	<b>-</b>	<b>-</b>	<b>30,115,325</b>

Investment Type	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
	Level 1	Level 2	Level 3	2020
Certificates of Deposit	\$ 2,020,356	-	-	2,020,356
Municipal Bonds	11,536,978			11,536,978
<b>Total</b>	<b>\$ 13,557,334</b>	<b>-</b>	<b>-</b>	<b>13,557,334</b>

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**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 6 - Capital Assets**

Capital assets activity for the year ended August 31, 2021, was as follows:

	Balance September 1, 2020	Increases	Decreases	Balance August 31, 2021
<u>Not Depreciated:</u>				
Land	\$ 4,196,316	392,601	-	4,588,917
Construction in progress	772,192	792,491	392,601	1,172,082
<b>Total Capital Assets – Not Depreciated</b>	<b>4,968,508</b>	<b>1,185,092</b>	<b>392,601</b>	<b>5,760,999</b>
<u>Other Capital Assets:</u>				
Buildings and building improvements	129,806,695	-	-	129,806,695
Other real estate improvements	8,713,073	-	-	8,713,073
<b>Total Buildings and Other Improvements</b>	<b>138,519,768</b>	<b>-</b>	<b>-</b>	<b>138,519,768</b>
Library books	2,053,454	-	51,268	2,002,186
Furniture, machinery and equipment	17,310,021	1,602,889	178,140	18,734,770
<b>Total Capital Assets – Depreciable</b>	<b>157,883,243</b>	<b>1,602,889</b>	<b>229,408</b>	<b>159,256,724</b>
<b>Total Capital Assets</b>	<b>162,851,751</b>	<b>2,787,981</b>	<b>622,009</b>	<b>165,017,723</b>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	27,146,473	2,193,030	-	29,339,503
Other real estate improvements	4,964,520	235,296	-	5,199,816
<b>Total Buildings and Other Improvements</b>	<b>32,110,993</b>	<b>2,428,326</b>	<b>-</b>	<b>34,539,319</b>
Library books	745,623	57,038	-	802,661
Furniture, machinery and equipment	12,146,324	1,047,393	148,185	13,045,532
<b>Total Accumulated Depreciation</b>	<b>45,002,940</b>	<b>3,532,757</b>	<b>148,185</b>	<b>48,387,512</b>
<b>Net Capital Assets</b>	<b>\$ 117,848,811</b>	<b>(744,776)</b>	<b>473,824</b>	<b>116,630,211</b>

Capital assets activity for the year ended August 31, 2020, was as follows:

	Balance September 1, 2019	Increases	Decreases	Balance August 31, 2020
<u>Not Depreciated:</u>				
Land	\$ 4,196,316	-	-	4,196,316
Construction in progress	6,835,876	2,473,670	8,537,354	772,192
<b>Total Capital Assets – Not Depreciated</b>	<b>11,032,192</b>	<b>2,473,670</b>	<b>8,537,354</b>	<b>4,968,508</b>
<u>Other Capital Assets:</u>				
Buildings and building improvements	121,392,112	8,414,583	-	129,806,695
Other real estate improvements	8,590,302	122,771	-	8,713,073
<b>Total Buildings and Other Improvements</b>	<b>129,982,414</b>	<b>8,537,354</b>	<b>-</b>	<b>138,519,768</b>
Library books	2,107,420	-	53,966	2,053,454
Furniture, machinery and equipment	16,201,922	1,257,003	148,904	17,310,021
<b>Total Capital Assets – Depreciable</b>	<b>148,291,756</b>	<b>9,794,357</b>	<b>202,870</b>	<b>157,883,243</b>
<b>Total Capital Assets</b>	<b>159,323,948</b>	<b>12,268,027</b>	<b>8,740,224</b>	<b>162,851,751</b>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	24,952,151	2,194,322	-	27,146,473
Other real estate improvements	4,720,159	244,361	-	4,964,520
<b>Total Buildings and Other Improvements</b>	<b>29,672,310</b>	<b>2,438,683</b>	<b>-</b>	<b>32,110,993</b>
Library books	680,938	64,685	-	745,623
Furniture, machinery and equipment	11,322,557	972,740	148,973	12,146,324
<b>Total Accumulated Depreciation</b>	<b>41,675,805</b>	<b>3,476,108</b>	<b>148,973</b>	<b>45,002,940</b>
<b>Net Capital Assets</b>	<b>\$ 117,648,143</b>	<b>8,791,919</b>	<b>8,591,251</b>	<b>117,848,811</b>

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 7 - Long-Term Liabilities**

Long-term liability activity for the year ended August 31, 2021, was as follows:

	Balance September 1, 2020	Increases	Decreases	Balance August 31, 2021	Due Within One Year
<b><u>Bonds</u></b>					
General obligation bonds, Series 2011	\$ 1,675,000	-	1,675,000	-	-
General obligation bonds, Series 2017	57,910,000	-	-	57,910,000	1,830,000
Revenue bonds, Series 2021	-	26,435,000	-	26,435,000	2,955,000
Revenue refunding bonds Series 2021	-	4,675,000	-	4,675,000	350,000
Revenue bonds, Series 2012	4,650,000	-	4,650,000	-	-
<b>Total Bonds</b>	<b>64,235,000</b>	<b>31,110,000</b>	<b>6,325,000</b>	<b>89,020,000</b>	<b>5,135,000</b>
<b><u>Leases</u></b>					
Capital leases	111,683	-	55,842	55,841	55,841
<b>Total Capital Leases</b>	<b>111,683</b>	<b>-</b>	<b>55,842</b>	<b>55,841</b>	<b>55,841</b>
<b><u>Other Liabilities</u></b>					
Accrued compensable absences	721,365	13,010	-	734,375	-
Net pension liability	9,890,177	9,062	708,074	9,191,165	-
Net OPEB liabilities	27,921,686	5,301,595	5,302,986	27,920,295	931,321
<b>Total Other Liabilities</b>	<b>38,533,228</b>	<b>5,323,667</b>	<b>6,011,060</b>	<b>37,845,835</b>	<b>931,321</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 102,879,911</b>	<b>36,433,667</b>	<b>12,391,902</b>	<b>126,921,676</b>	<b>6,122,162</b>

Long-term liability activity for the year ended August 31, 2020, was as follows:

	Balance September 1, 2019	Increases	Decreases	Balance August 31, 2020	Due Within One Year
<b><u>Bonds</u></b>					
General obligation bonds, Series 2011	\$ 3,285,000	-	1,610,000	1,675,000	1,675,000
General obligation bonds, Series 2017	57,910,000	-	-	57,910,000	-
Revenue bonds, Series 2009	2,430,000	-	2,430,000	-	-
Revenue bonds, Series 2012	4,875,000	-	225,000	4,650,000	230,000
<b>Total Bonds</b>	<b>68,500,000</b>	<b>-</b>	<b>4,265,000</b>	<b>64,235,000</b>	<b>1,905,000</b>
<b><u>Leases</u></b>					
Capital leases	167,525	-	55,842	111,683	55,842
<b>Total Capital Leases</b>	<b>167,525</b>	<b>-</b>	<b>55,842</b>	<b>111,683</b>	<b>55,842</b>
<b><u>Other Liabilities</u></b>					
Accrued compensable absences	648,073	73,292	-	721,365	-
Net pension liability	9,908,953	647,148	665,924	9,890,177	-
Net OPEB liabilities	25,586,554	4,392,227	2,057,095	27,921,686	884,961
<b>Total Other Liabilities</b>	<b>36,143,580</b>	<b>5,112,667</b>	<b>2,723,019</b>	<b>38,533,228</b>	<b>884,961</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 104,811,105</b>	<b>5,112,667</b>	<b>7,043,861</b>	<b>102,879,911</b>	<b>2,845,803</b>

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 8 - Debt and Lease Obligations**

Debt service obligations at August 31, 2021, 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
2022	\$ 1,830	2,536	4,366	3,305	955	4,260	5,135	3,491	8,626
2023	1,890	2,481	4,371	2,750	1,007	3,757	4,640	3,488	8,128
2024	1,985	2,386	4,371	2,845	908	3,753	4,830	3,294	8,124
2025	2,080	2,287	4,367	2,945	804	3,749	5,025	3,091	8,116
2026	2,185	2,183	4,368	3,045	695	3,740	5,230	2,878	8,108
2027-2031	12,680	9,162	21,842	10,750	2,053	12,803	23,430	11,215	34,645
2032-2036	15,990	5,854	21,844	5,470	476	5,946	21,460	6,330	27,790
2037-2041	19,270	2,369	21,639	-	-	-	19,270	2,369	21,639
<b>Total</b>	<b>\$ 57,910</b>	<b>29,258</b>	<b>87,168</b>	<b>31,110</b>	<b>6,898</b>	<b>38,008</b>	<b>89,020</b>	<b>36,156</b>	<b>125,176</b>

Obligations under capital leases at August 31, 2021 were as follows:

For the Year Ended August 31,	Total
2022	58,076
Total minimum lease payments	58,076
Less: Amount representing interest costs	(2,235)
Present value of minimum lease payments	\$ 55,841

**Note 9 - Bonds Payable**

General information related to bonds payable is summarized below:

**General Obligation Bonds**

The General Obligation Bonds are direct obligations payable from ad valorem taxes levied, within the limitation prescribed by law, against all property located within the District's taxing jurisdiction. Payment of the Bonds is derived from taxes levied and collected on an annual basis in an amount sufficient to pay the principal and interest when due, full allowance being made for delinquencies and collection costs.

**Limited Tax Bonds, Series 2011**

- To acquire, construct, renovate and equip 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.
- Fitch Ratings currently rates the bonds as 'AA' with a stable outlook.
- Due in annual installments of principal and interest varying from \$1,741,400 to \$1,743,400, with interest rates of 4.00%.



## ODESSA COLLEGE DISTRICT

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

#### **Note 9 - Bonds Payable – continued**

##### **Limited Tax Bonds, Series 2011 – continued**

- On December 29, 2017, a partial advance refunding of \$57,990,000 was accomplished through the issuance of a Limited Tax Refunding Bond.
- Outstanding principal balance as of August 31, 2021 and 2020 was \$0 and \$1,675,000, respectively.
- The final payment was due on August 31, 2021.

##### **Limited Tax Refunding Bonds, Series 2017**

- To refund a portion of Limited Tax Bonds, Series 2011 (described above) and to pay the costs of issuance related to the Bonds.
- To capture interest rate savings without extending the final maturity, resulting in a net present value savings to the District of \$6,551,787.
- Issued on December 29, 2017.
- \$57,910,000 original amount of issue; all authorized bonds have been issued.
- Issued at a net premium of \$6,411,367.
- Source of payment – property tax revenues; no bond reserve fund is required.
- Fitch Ratings currently rates the bonds as ‘AA’ with a stable outlook.
- Standard & Poor’s Ratings Services currently rates the bonds as ‘AA-’ with a stable outlook.
- Due in annual installments of principal and interest varying from \$2,535,600 to \$4,371,200 with interest rates from 3.00% to 5.00%.
- Outstanding principal balance as of August 31, 2021 and 2020 was \$57,910,000.
- Subject to optional redemption on or after August 15, 2027, at par.
- Final payment is due on August 31, 2041.

##### **Consolidated Fund Revenue Bonds**

The Combined Fee Revenue Bonds are secured by a first-lien pledge of specific gross revenues, including a general-use fee, operating fees, a tuition pledge, auxiliary revenue, and any unrestricted gifts or grants. By covenant, the District is required to maintain a pledged revenue-to-debt service coverage ratio of 1.50. The actual coverage ratio was 68.95 and 7.53 for the years ended August 31, 2021 and 2020, respectively.

##### **Consolidated Fund Revenue Bonds, Series 2012**

- 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.
- Due in annual installments of principal and interest varying from \$407,000 to \$946,400, with interest rates from 2.00% to 4.00%.

## ODESSA COLLEGE DISTRICT

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

#### **Note 9 - Bonds Payable – continued**

##### **Consolidated Fund Revenue Bonds, Series 2012 - continued**

- Standard & Poor's Ratings Services currently rates the bonds as 'A+' with a stable outlook.
- Outstanding principal balance as of August 31, 2021 and 2020 is \$0 and \$4,650,000, respectively.
- Not subject to redemption prior to stated maturity.
- Bond was refunded as of August 26, 2021 with the Consolidated Fund Revenue Refunding Bonds, Series 2021

##### **Consolidated Fund Revenue Refunding Bonds, Series 2021**

- To refund the outstanding obligations of the Series 2012 Bonds, to pay for related bond issuance costs, and to deposit \$414,050 in a debt service reserve fund.
- Issued on August 15, 2021.
- \$4,675,000 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.
- Standard & Poor's Ratings Services currently rates the bonds as 'AA' with a stable outlook.
- Due in annual installments of principal and interest varying from \$359,964 to \$898,480, with interest rates from 0.28% to 1.85%.
- Outstanding principal balance as of August 31, 2021 and 2020 was \$4,675,000 and \$0-, respectively.
- Not subject to redemption prior to stated maturity.
- Final payment is due on July 1, 2034.

##### **Consolidated Fund Revenue Bonds, Series 2021**

- To finance the construction of a health science building on the Odessa College campus, to pay for related bond issuance costs, and to deposit \$2,360,723 in a debt service reserve fund.
- Issued on August 15, 2021.
- \$26,435,000 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.
- Due in annual installments of principal and interest varying from \$1,076,800 to \$3,850,853, with interest rates of 4.00%.

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 9 - Bonds Payable – continued**

**Consolidated Fund Revenue Bonds, Series 2021 - continued**

- Standard & Poor’s Ratings Services currently rates the bonds as ‘AA’ with a stable outlook.
- Outstanding principal balance as of August 31, 2021 and 2020 is \$26,435,000 and \$0, respectively.
- Issued at a net premium of \$4,289,925
- Not subject to redemption prior to stated maturity.
- Final payment is due July 1, 2035

A Summary of bond principal is as follows:

	Balance <u>Sept. 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>Aug. 31, 2021</u>
Series 2011 Bonds	\$ 1,675,000	-	1,675,000	-
Series 2012 Bonds	4,650,000	-	4,650,000	-
Series 2017 Bonds	57,910,000	-	-	57,910,000
Series 2021 Bonds	-	4,675,000	-	4,675,000
Series 2021 Bonds	-	26,435,000	-	26,435,000
Total Bonds	<u>\$ 64,235,000</u>	<u>31,110,000</u>	<u>6,325,000</u>	<u>89,020,000</u>

**Note 10 - Refunding And Defeased Bonds Outstanding**

The District has defeased certain bonds payable by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements.

**Bond Refunding:**

**Limited Tax Bonds, Series 2011**

- Refunded by Limited Tax Refunding Bonds, Series 2017, issued December 27, 2017.
- Partially refunded \$57,990,000; all authorized bonds have been issued.
- The unrefunded bond debt service amount was \$6,967,525.
- Average interest rate of bonds refunded is 5.24%
- The District placed the proceeds of the Refunded Bonds in an escrow fund deposited with The Bank of New York Mellon Trust Company.
- The escrow account assets and the liability for the defeased bonds are not included in the College’s financial statements.
- As of the effective date of the refunding, the total cash flows to service the refunded bonds was \$105,491,688. The total cash flows required to service the refunding bonds was \$96,366,943.
- The resulting net present value of refunding savings to the District was \$6,551,787.

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 10 - Refunding And Defeased Bonds Outstanding – continued**

**Consolidated Fund Revenue Bonds, Series 2012**

- Refunded by Consolidated Fund Revenue Refunding Bonds, Series 2021, issued August 26, 2021.
- Refunded \$4,675,000; all authorized bonds have been issued.
- Average interest rate of bonds refunded is 1.10%
- The District placed the proceeds of the Refunded Bonds in an escrow fund deposited with The Bank of New York Mellon Trust Company.
- The escrow account assets and the liability for the defeased bonds are not included in the College’s financial statements.
- As of the effective date of the refunding, the total cash flows to service the refunded bonds was \$5,868,250. The total cash flows required to service the refunding bonds was \$5,319,389.
- The resulting net present value of refunding savings to the District was \$548,861.

**Defeased Bonds:**

As of August 31, 2021 and 2020, the following bonds outstanding are considered legally defeased:

Bond Issue	Year Refunded	2021 Par Value Outstanding	2020 Par Value Outstanding
Limited Tax Bonds, Series 2011	2017	\$ 57,990,000	\$ 57,990,000
Consolidated Fund Revenue Bonds Series 2012	2021	\$ 4,675,000	\$ -0-

**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.

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.

## ODESSA COLLEGE DISTRICT

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

#### **Note 11 - Employees' Retirement Plans – continued**

**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\\_2020.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf); 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 (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

Texas Government Code Section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the State, participating employers and active employees to make the pension fund actuarially sound. Because this action causes the pension fund to be actuarially sound, the Legislature approved funding for the 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

**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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

ODESSA COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS (continued)

**Note 11 - Employees' Retirement Plans – continued**

**Defined Benefit Pension Plan – continued**

	<u>Contribution Rates</u>	
	<u>2020</u>	<u>2021</u>
Member	7.7%	7.7%
Non-Employer Contributing entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
FY2020 Member Contributions	\$ 1,321,432	
FY2020 State of Texas On-behalf Contributions	\$ 455,237	
FY2020 District Contributions	\$ 701,046	

The District's contributions to the TRS pension plan in 2021 were \$689,924 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2020 were \$572,001.

- 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.

ODESSA COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS (continued)

**Note 11 - Employees' Retirement Plans – continued**

**Defined Benefit Pension Plan – continued**

**Actuarial Assumptions**

The total pension liability in the August 31, 2019 actuarial valuation rolled forward to August 31, 2020 was determined using the following actuarial assumptions:

• Valuation Date	August 31, 2019 rolled forward to August 31, 2020
• Actuarial Cost Method	Individual Entry Age Normal
• Asset Valuation Method	Market Value
• Single Discount Rate	7.25%
• Long-Term Expected Investment Rate of Return*	7.25%
• Municipal Bond Rate*	2.33%*
• Last year ending August 31 in the Projection period (100 years)	2119
• Inflation	2.30%
• Salary increases including inflation	3.05% to 9.05%
• Benefit changes during the year	None
• Ad HOC post-employment benefit change	None

\* Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by the system's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on these 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.

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 11 - Employees' Retirement Plans – continued**

**Discount Rate - continued**

The long-term rate of return on pension plan investments is 7.25 percent. 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 TRS' target asset allocation as of August 31, 2020, are summarized below:

<u>Asset Class</u>	<u>FY 2020 Target Allocation*</u>	<u>Long-Term Expected Geometric Real Rate of Return**</u>	<u>Expected Contribution to Long-Term Portfolio Returns</u>
<b>Global Equity:</b>			
USA	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
<b>Stable Value:</b>			
Government Bonds	16.00%	(0.70)%	(0.05)%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Absolute Return	-%	1.80%	-%
<b>Real Return:</b>			
Real Estate	15.00%	4.60%	1.02%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	-%	0.80%	-%
<b>Risk Parity:</b>			
Risk Parity	8.00%	3.00%	0.30%
<b>Leverage</b>			
Cash	2.00%	(1.50)%	(0.03)%
Asset Allocation Leverage	(6.00)%	(1.30)%	0.08%
Inflation Expectation			2.00%
Volatility Drag ***			2.70%
<b>Expected return</b>	<u>100%</u>	<u>35.7%</u>	<u>7.33%</u>

\* FY 2020 Target Allocation based on the FY2020 policy model.

\*\* Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

\*\*\* The volatility drag results from the conversion between arithmetic and geometric mean returns.

Source: Teacher Retirement System of Texas 2020 Annual Comprehensive Financial Report.



**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 11 - Employees' Retirement Plans – continued**

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2020 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Odessa College District's proportionate share of the net pension liability:	\$14,172,612	\$9,191,165	\$5,143,849

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

At August 31, 2021, the District reported a liability of \$9,191,165 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	\$ 9,191,165
State's proportionate share that is associated with the District	<u>7,424,884</u>
Total	<u><u>\$ 16,616,049</u></u>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019, thru August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net pension liability was .0171611564%, which was a decrease of .0018645884% from its proportion measured as of August 31, 2019.

**Changes Since the Prior Actuarial Valuation**

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2021, the District recognized pension expense of \$934,959 as well as on-behalf revenue and pension expense of \$893,049 representing pension expense incurred by the State on behalf of the District.

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**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, 2021, 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	\$ 16,782	256,501
Changes in actuarial assumptions	2,132,677	906,800
Net difference between projected and actual investment earnings	409,443	223,376
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	429,993	1,253,445
Contributions paid to TRS subsequent to the measurement date*	689,924	-
Total	\$ 3,678,819	2,640,122

\* The \$689,924 reported as Deferred Outflows of Resources resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended August 31, 2022.

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:	
2022	\$ (112,374)
2023	330,069
2024	344,839
2025	22,882
2026	(196,160)
Thereafter	(40,483)
	348,773

**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 Teacher 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.

## ODESSA COLLEGE DISTRICT

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

#### **Note 11 - Employees' Retirement Plans – continued**

**Funding Policy.** Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. State law provides for a member contribution rate of 6.65% and an employer contribution rate of 6.60% for fiscal year 2021 and 2020. 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.

#### **Summary of Combined Retirement Plans**

The retirement expense to the State for the District's TRS and ORP participants was \$688,867 and \$593,494 for the fiscal years ended August 31, 2021 and 2020, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District.

The total payroll for all District employees was \$26,464,998 and \$25,891,915 for fiscal years 2021 and 2020, respectively. The total payroll of employees covered by the Teacher Retirement System (TRS) was \$16,704,351 and \$17,004,159 and the total payroll of employees covered by the Optional Retirement Program (ORP) was \$4,130,556 and \$4,521,346 for fiscal years 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020 in the amounts of \$734,375 and \$721,365 respectively.

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

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**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, 2021, the employer's maximum contribution per full-time employee/retiree was \$627 per month for the year and totaled \$7,524 per employee/retiree for the year. The employer also paid a maximum amount for a spouse, children, or family of \$1,106, and \$1,821 per month, respectively.

For the year ended August 31, 2020, the employer's maximum contribution per full-time employee/retiree was \$625 per month for the year and totaled \$7,500 per employee/retiree for the year. The employer also paid a maximum amount for a spouse, children, or family of \$1,341, \$1,104, and \$1,820 per month, respectively.

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

	<b>2021</b>	<b>2020</b>
Number of retirees receiving benefits	175	176
Cost of state's contribution	\$ 746,812	749,240
Cost of local contribution	798,725	783,622
Total cost of benefits for retirees	\$ 1,545,537	1,532,862
Number of active employees receiving benefits	313	360
Cost of state's contribution	\$ 1,324,752	1,349,340
Cost of federal grant contribution	3,749	36,263
Cost of local contribution	1,791,083	1,836,468
Total cost of benefits for active employees	\$ 3,119,584	3,222,071

## ODESSA COLLEGE DISTRICT

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

#### **Note 15 - Postemployment Benefits Other than Pensions**

**Plan Description.** The District participates in a cost-sharing, multiple-employer, other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

**OPEB Plan Fiduciary Net Position.** Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

**Benefits Provided.** Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

**Contributions.** 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. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 15 - Postemployment Benefits Other than Pensions – continued**

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

**Maximum Monthly Employer Contribution  
Retiree Health and Basic Life Premium  
Fiscal Year FY20**

Retiree only	\$	625
Retiree & Spouse		1,341
Retiree & Children		1,104
Retiree & Family		1,820

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

**Premium Contributions by Source  
Group Benefits Program Plan  
For the Years Ended August 31, 2021 and 2020**

		<b>2021</b>	<b>2020</b>
Employers	\$	632,317	324,181
Members (employees)		194,461	169,518
Nonemployer Contributing Entity (State of Texas)		31,885	16,305

Source: ERS FY2020 Annual Comprehensive Financial Report

**Actuarial Assumptions.** The total OPEB liability was determined by an actuarial valuation as of August 31, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**Actuarial Assumptions  
ERS Group Benefits Program Plan**

Valuation date	August 31, 2020
Actuarial cost method	Entry Age
Amortization method	Level Percent of Pay, Open
Remaining amortization period	30 years
Asset valuation method	N/A
Discount rate	2.20%

ODESSA COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS (continued)

Note 15 - Postemployment Benefits Other than Pensions – continued

Actuarial Assumptions  
ERS Group Benefits Program Plan (Continued)

Projected annual salary increase (includes inflation)	2.30% to 9.05%
Annual healthcare trend rate	8.80% for FY2022, 5.23% for FY2023, 5.00% for FY 2024, 4.75% for FY 2025, 4.60% for FY 2026 decreasing 10 basis points per year to an ultimate rate of 4.30% for 2029 and later years
Inflation assumption rate	2.30%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018.
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014.

Source: FY2020 ERS ACFR except for mortality assumptions obtained from ERS FY19 GASB 74 Actuarial Valuation

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2010 to August 31, 2017 for higher education members.

**Investment Policy.** The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

**Discount Rate.** Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.97%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.20%, which amounted to a decrease of 0.77%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 15 - Postemployment Benefits Other than Pensions – continued**

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact on the District’s proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used 2.20% in measuring the net OPEB Liability.

	1% Decrease in Discount Rate 1.20%	Discount Rate 2.20%	1% Increase in Discount Rate 3.20%
District’s Proportionate share of the net OPEB	\$ 33,185,239	27,920,295	23,795,683

**Healthcare Trend Rate Sensitivity Analysis.** The initial healthcare trend rate is 8.8% and the ultimate rate is 4.3%. The following schedule shows the impact on the District’s proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used 8.8% in measuring the net OPEB liability.

	1% Decrease Healthcare Cost Trend Rates (7.8% decreasing to 3.3%)	Current Healthcare Cost Trend Rates (8.8% decreasing to 4.3%)	1% Increase in Healthcare Cost trend Rates (9.8% decreasing to 5.3%)
District’s Proportionate share of the net OPEB liability:	\$ 23,367,450	27,920,295	33,888,599

**Note 15 - Postemployment Benefits Other than Pensions – continued**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At August 31, 2021, the District reported a liability of \$27,920,295 for its proportionate share of the ERS’s net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District’s Proportionate share of the collective net OPEB liability	\$ 27,920,295
State’s Proportionate share that is associated with District	<u>23,886,038</u>
	\$ <u>51,806,333</u>

The net OPEB liability was measured as of August 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net OPEB liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019, thru August 31, 2020.



## ODESSA COLLEGE DISTRICT

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

#### **Note 15 - Postemployment Benefits Other than Pensions – continued**

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.08449268%, which was 0.08078566% measured as of August 31, 2019.

For the year ended August 31, 2021, the District recognized OPEB expense of (\$281,825) and revenue of (\$281,825) for support provided by the State.

Changes Since the Prior Actuarial Valuation – Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- Demographic assumptions (including rates of retirement, disability, termination, mortality, and assumed salary increases) for higher education members have been updated to reflect assumptions recently adopted by the trustees from the Teachers Retirement System of Texas.
- Assumed expenses, assumed per capita health benefit costs, and assumed health benefit cost, retiree contribution, and expense trends have been updated to reflect recent experience and its effects on our short-term expectations.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence
- The percentage of future male retirees assumed to be married and electing coverage for their spouse have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was decreased from 2.97% to 2.20% to utilize the updated yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Changes of Benefit Terms Since Prior Measurement Date – The following benefit revisions have been adopted since the prior valuation:

- An increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect for those HealthSelect retirees and dependents for whom Medicare is not primary

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 15 - Postemployment Benefits Other than Pensions – continued**

At August 31, 2021 the District reported its proportionate share of the ERS plan’s collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ -	1,091,977
Changes in actuarial assumptions	1,616,391	6,015,673
Difference between projected and actual investment earnings	8,333	-
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	401,219	318,387
Contributions paid to ERS subsequent to the measurement date*	560,690	-
Total	\$ 2,586,633	7,426,037

\* The \$560,690 reported as Deferred Outflows of Resources resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the year ended August 31, 2022.

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

Year ended August 31:	
2022	\$ (2,538,352)
2023	(1,737,636)
2024	(756,520)
2025	(244,475)
2026	(119,242)
	\$ (5,396,225)

**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.

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 17 - Disaggregation of Receivables and Payables Balances**

Receivables at August 31, 2021 and 2020 were as follows:

	<b>2021</b>	<b>2020</b>
Tuition and fees receivable	\$ 774,470	1,073,037
Taxes receivable	3,226,070	2,838,066
Federal receivable	2,812,280	960,641
State receivable	130,672	75,644
Interest receivable	177,160	101,435
Other receivables	3,457,040	3,893,861
Subtotal	10,577,692	8,942,684
Allowance for doubtful accounts	(3,929,091)	(3,400,881)
Total	\$ 6,648,601	5,541,803

Payables at August 31, 2021 and 2020 were as follows:

	<b>2021</b>	<b>2020</b>
Vendors payable – operations	\$ 1,125,280	1,002,291
Vendors payable – capital	558,434	82,026
Students payable	3,223,704	1,361,766
Total	\$ 4,907,418	2,446,083

**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 2021 and 2020 for which monies have not been received nor funds expended totaled \$15,937,200 and \$4,656,853, respectively. Of these amounts, \$11,482,202 and \$3,937,730 were from federal contract and grant awards; \$200,708 and \$142,128 were from state contract and grant awards; and \$4,254,291 and \$576,995 were from private contract and grant awards for the fiscal years ended August 31, 2021 and 2020, respectively.

**ODESSA COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 19 - Ad Valorem Tax**

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

At August 31:

	<b>2021</b>	<b>2020</b>
Assessed valuation of the District (at January 1, 2020 and 2019)	\$ 18,853,884,923	19,206,363,467
Less: exemptions	(3,149,239,054)	(3,166,182,399)
Less: abatements	(67,945,276)	(63,155,575)
Net assessed valuation of the District	\$ 15,636,700,593	15,977,025,493

At August 31:

	<b>2021</b>			<b>2020</b>		
	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	\$ 0.162721	0.026244	0.188965	0.159228	0.027562	0.186790

Taxes levied (including adjustments to the certified levies) for the year ended August 31, 2021 and 2020 were \$29,587,055 and \$29,746,114 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:

	<b>2021</b>			<b>2020</b>		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	\$ 24,588,484	3,967,590	28,556,074	24,622,071	4,262,124	28,884,195
Delinquent taxes collected	447,147	84,160	531,307	393,095	75,108	468,203
Penalties and interest collected	389,256	66,814	456,070	374,773	64,166	438,939
Total collections	\$ 25,424,887	4,118,564	29,543,451	25,389,939	4,401,398	29,791,337

Tax collections for the year ended August 31, 2021 and 2020 were 96.30% and 97.00%, respectively, of the current year adjusted tax levies, excluding collections in subsequent fiscal years. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to maintenance and operations and payment of general obligation debt.

## ODESSA COLLEGE DISTRICT

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

#### **Note 20 - Tax Abatements**

The District 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 the District.

For the fiscal year ended August 31, 2021, the District abated property taxes totaling \$302,243 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 2021 amounted to \$123,298, compared to \$112,932 for fiscal year 2020.

#### **A. Oberon Solar, LLC**

- Commitment: Job creation and new investment as follows:
  - Create and maintain at least 2 new jobs and make a minimum new investment of \$50,000,000
- Terms of abatement: 100% exemption from ad valorem taxes for five (5) years starting with the 2018 tax year, followed by a 50% exemption for the next 5 years.
- The abatement for fiscal year 2021 amounted to \$173,850, compared to \$0 for fiscal year 2020.

#### **Note 21 - Income Taxes**

The District is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The District has no unrelated business income tax liability for the years ended August 31, 2021 and 2020.

## ODESSA COLLEGE DISTRICT

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

#### **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 District. Under Governmental Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Foundation is determined to be a component unit of the District because:

- the District provides financial support to the Foundation and the economic resources received or held by the Foundation are entirely or almost entirely for the direct benefit of the District;
- The District is entitled to or has the ability to otherwise access a majority of the economic resources received or held by the Foundation; and
- The economic resources held by the Foundation that the District is entitled to or has the ability to otherwise access are significant to the District

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

#### **Note 23 - Subsequent Events**

Management of the District has performed an evaluation of the District’s activity through Date \_\_\_\_, 2021, the date these financial statements were available for issuance, and noted no other significant event that would require recording or disclosure.

**Draft**

**REQUIRED SUPPLEMENTAL INFORMATION**

**Odessa College District**

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

**For the Last Seven Measurement Years**

<b>Measurement Years Ended August 31,*</b>	<b>2020**</b>	<b>2019**</b>	<b>2018**</b>	<b>2017**</b>	<b>2016**</b>	<b>2015**</b>	<b>2014**</b>
District's proportionate share of collective net pension liability (%)	.0171611564%	0.0190257448%	0.0180023908%	0.0196632016%	0.0185035302%	1.0192738%	0.0232258%
District's proportionate share of collective net pension liability	\$ 9,191,165	9,890,177	9,908,953	6,287,233	6,992,209	6,813,032	6,203,932
State's proportionate share of net pension liability associated with District	<u>7,424,884</u>	<u>7,375,457</u>	<u>7,522,556</u>	<u>4,294,673</u>	<u>5,626,139</u>	<u>5,266,936</u>	<u>3,714,719</u>
Total	<u>\$ 16,616,049</u>	<u>17,265,634</u>	<u>17,431,509</u>	<u>10,581,906</u>	<u>12,618,348</u>	<u>12,079,968</u>	<u>9,918,651</u>
District's covered payroll amount	\$ 16,704,351	17,004,159	17,289,606	15,637,657	15,802,776	15,504,266	14,844,367
District's proportionate share of collective net pension liability as a percentage of covered payroll	55.02%	58.16%	57.31%	40.21%	44.25%	43.94%	41.79%
Plan fiduciary net position as percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

**NOTE 1: Changes of Benefit Terms:**

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

**NOTE 2: Changes of Assumptions:**

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



**Odessa College District**

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR  
PENSIONS TO THE TEACHERS RETIREMENT SYSTEM PENSION  
PLAN OF THE STATE OF TEXAS**

**For the Last Seven Fiscal Years**

<u>Fiscal Years Ended August 31,*</u>	<u>2021**</u>	<u>2020**</u>	<u>2019**</u>	<u>2018**</u>	<u>2017**</u>	<u>2016**</u>	<u>2015**</u>
Legally required contributions	\$ 689,924	701,046	660,430	596,916	636,008	587,904	570,704
Actual contributions	<u>689,924</u>	<u>701,046</u>	<u>660,430</u>	<u>596,916</u>	<u>636,008</u>	<u>587,904</u>	<u>570,704</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll amount	\$ 16,704,351	17,004,159	17,289,606	15,637,657	15,802,776	15,504,266	14,844,367
Contributions as a percentage of covered payroll	4.13%	4.12%	3.82%	3.82%	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:**

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

**NOTE 2: Changes of Assumptions:**

The following changes of assumptions occurred during the year ending August 31, 2021:

- The total pension liability as of August 31, was developed using a roll-forward method from the August 31, 2018 valuation.
- Demographic assumptions including postretirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2019.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 6.907 percent as of August 31, 2019 to 7.25 percent as of August 31, 2020.

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

**Odessa College District**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY  
EMPLOYEE RETIREMENT SYSTEM OF TEXAS STATE RETIREE HEALTH PLAN**

**For the Last Four Measurement Years**

<b>Measurement Years ended August 31,*</b>	<b>2020**</b>	<b>2019**</b>	<b>2018**</b>	<b>2017**</b>
District's proportionate share of collective net OPEB liability (%)	.08449268%	0.08078566%	0.08633098%	.08549391%
District's proportionate share of collective net OPEB liability (\$)	\$ 27,920,295	27,921,686	25,586,554	29,130,351
State's proportionate share of net OPEB liability associated with District	<u>23,886,038</u>	<u>26,129,685</u>	<u>19,949,542</u>	<u>26,090,419</u>
Total	<u>\$ 51,806,333</u>	<u>54,051,371</u>	<u>45,536,096</u>	<u>55,220,770</u>
District's covered-employee payroll	\$ 20,834,907	21,525,505	21,963,789	19,934,240
District's proportionate share of collective net pension liability as a percentage of covered-employee payroll	134%	130%	116%	146%
Plan fiduciary net position as percentage of the total OPEB liability	0.32%	0.17%	1.27%	2.04%

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

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

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**NOTE 1: Changes of Benefit Terms Include:**

Under Q/A #4.107 of GASB's Implementation Guide No. 2017-2, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, this valuation reflects the minor benefit changes that will become effective January 1, 2021, since these changes were communicated to plan members in advance of the preparation of this report. These changes, which are not expected to have a significant impact on plan costs for FY2021, are provided for in the FY2021 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

**NOTE 2: Changes of Assumptions:**

Demographic assumptions

Assumed rates of pre-retirement and post-disability mortality for all State Agency members, assumed rates of termination and retirement for certain CPO/CO members and assumed salary and aggregate payroll increases have been updated to reflect assumptions adopted by the ERS Trustees since the last valuation date. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

**Odessa College District**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY  
EMPLOYEE RETIREMENT SYSTEM OF TEXAS STATE RETIREE HEALTH PLAN**

**For the Last Four Measurement Years**

In addition, the following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to cover dependent children.

**Economic Assumptions**

Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations. 83

The Patient-Centered Outcome Research Institute (PCORI) fees payable under the ACA have been updated since the previous valuation to reflect IRS Notice 2020-44 published June 8, 2020.

Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

The discount rate was changed from 2.97% as of August 31, 2019 to 2.20% as of August 31, 2020 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit changes have been reflected in the FY2021 Assumed Per Capita Health Benefits Costs.

**Odessa College District**

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OPEB -  
EMPLOYEE RETIREMENT SYSTEM OF TEXAS  
STATE RETIREMENT HEALTH PLAN**

**FOR THE LAST FIVE FISCAL YEARS**

<b>Fiscal years ended August 31,*</b>	<b>2021</b>	<b>2020</b>	<b>2019**</b>	<b>2018**</b>
Legally required contributions	\$ 560,690	556,820	803,686	811,500
Actual contributions	<u>560,690</u>	<u>556,820</u>	<u>803,686</u>	<u>811,500</u>
Contributions deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll amount	\$ 20,834,907	21,525,505	21,963,789	19,934,240
Contributions as a percentage of covered employee-payroll	2.69%	2.59%	3.66%	4.07%

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

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

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**SCHEDULES**

SCHEDULE OF OPERATING REVENUES

Year Ended August 31, 2021  
 With Memorandum Totals for the Year Ended August 31, 2020

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2021 Total	2020 Total
<b>Tuition:</b>						
State-funded credit courses						
In-district resident tuition	\$ 6,142,450	-	6,142,450	-	6,142,450	5,729,314
Out-of-district tuition	4,179,449	-	4,179,449	-	4,179,449	3,757,565
Non-resident tuition	925,524	-	925,524	-	925,524	1,072,160
TPEG credit set aside*	495,190	-	495,190	-	495,190	447,456
State-funded continuing education	941,621	-	941,621	-	941,621	1,053,384
TPEG non-credit set aside*	60,990	-	60,990	-	60,990	71,420
Non-state funded educational programs	150,577	-	150,577	-	150,577	118,318
Total tuition	<u>12,895,801</u>	<u>-</u>	<u>12,895,801</u>	<u>-</u>	<u>12,895,801</u>	<u>12,249,617</u>
<b>Fees:</b>						
Student use fees	2,034,968	-	2,034,968	-	2,034,968	2,309,970
Institutional/course fees	1,435,061	222,162	1,657,223	-	1,657,223	1,594,158
Student/activity fees	-	-	-	193,814	193,814	219,985
Laboratory fees	269,997	-	269,997	-	269,997	277,158
Other fees	48,017	14,262	62,279	-	62,279	53,844
Total fees	<u>3,788,043</u>	<u>236,424</u>	<u>4,024,467</u>	<u>193,814</u>	<u>4,218,281</u>	<u>4,455,115</u>
<b>Scholarship allowances and discounts:</b>						
Tuition bad debt allowance	(130,466)	-	(130,466)	-	(130,466)	(107,883)
Local remissions and exemptions	(1,970,313)	(11,562)	(1,981,875)	(17,778)	(1,999,653)	(2,228,373)
State remissions and exemptions	(434,454)	-	(434,454)	-	(434,454)	(390,111)
TPEG allowances	(104,684)	-	(104,684)	-	(104,684)	(105,829)
Federal grants to students	(2,473,581)	-	(2,473,581)	-	(2,473,581)	(2,002,829)
State grants to students	(57,859)	-	(57,859)	-	(57,859)	(103,493)
Local grants to students	(744,262)	-	(744,262)	-	(744,262)	(800,934)
Total scholarship allowances	<u>(5,915,619)</u>	<u>(11,562)</u>	<u>(5,927,181)</u>	<u>(17,778)</u>	<u>(5,944,959)</u>	<u>(5,739,452)</u>
<b>Total net tuition and fees</b>	<u>10,768,225</u>	<u>224,862</u>	<u>(10,993,087)</u>	<u>176,036</u>	<u>11,169,123</u>	<u>10,965,280</u>
<b>Other operating revenues:</b>						
Federal grants and contracts	14,697	5,828,552	5,843,249	-	5,843,249	1,621,539
State grants and contracts	-	408,900	408,900	-	408,900	446,623
Nongovernmental grants and contracts	63,141	7,175,017	7,238,158	-	7,238,158	1,762,444
Sales and services of educational activities	200,479	-	200,479	-	200,479	201,696
Investment income (program restricted)	-	10,847	10,847	549	11,396	16,106
General operating revenues	1,446,605	85,636	1,532,241	-	1,532,241	863,926
Total other operating revenues	<u>1,724,922</u>	<u>13,508,952</u>	<u>15,233,874</u>	<u>549</u>	<u>15,234,423</u>	<u>4,912,334</u>

**SCHEDULE OF OPERATING REVENUES – continued**

**Year Ended August 31, 2021  
With Memorandum Totals for the Year Ended August 31, 2020**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2021 Total</u>	<u>2020 Total</u>
Auxiliary enterprises:						
Bookstore	-	-	-	100,416	100,416	54,497
Food service	-	-	-	551,643	551,643	652,365
Student housing	-	-	-	660,234	660,234	729,861
Other auxiliaries	-	-	-	124,355	124,355	96,750
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,436,648</u>	<u>1,436,648</u>	<u>1,533,473</u>
 Total Operating Revenues	 \$ <u>12,493,147</u>	 <u>13,733,814</u>	 <u>26,226,961</u>	 <u>1,613,233</u>	 <u>27,840,194</u> (Exhibit 2)	 <u>17,411,087</u> (Exhibit 2)

\* In accordance with Education Code 56.033, \$556,180 and \$518,876 for years ending August 31, 2021 and 2020, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

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**SCHEDULE OF OPERATING EXPENSES  
BY OBJECT**

**Year Ended August 31, 2021  
With Memorandum Totals for the Year Ended August 31, 2020**

	Salary & Wages	Staff Benefits		Other Expenses	Total 2021	Total 2020
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 13,752,521	-	2,306,519	1,890,511	17,949,551	18,630,471
Public service	647,572	-	114,146	159,880	921,598	953,349
Academic support	3,746,049	-	699,905	853,917	5,299,871	4,680,056
Student services	2,137,496	-	455,310	705,734	3,298,540	3,933,432
Institutional support	3,645,245	-	1,049,656	2,108,980	6,803,881	6,347,967
Operation and maintenance of plant	1,052,840	-	310,583	3,401,810	4,765,233	5,156,030
Scholarship and fellowships	-	-	-	565,400	565,400	696,413
Total Unrestricted Educational Activities	<u>24,981,723</u>	<u>-</u>	<u>4,936,119</u>	<u>9,686,232</u>	<u>39,604,074</u>	<u>40,397,718</u>
Restricted - Educational Activities						
Instruction	614,746	1,478,779	26,246	632,159	2,751,930	2,958,693
Public service	61,302	32,543	11,866	27,246	132,957	101,800
Academic support	56,740	364,623	-	215,256	636,619	557,447
Student services	25,980	239,299	275	253,227	518,781	607,612
Institutional support	89,381	567,544	1,258	4,736,478	5,394,661	894,506
Operation and maintenance of plant	-	-	-	462,211	462,211	7,929
Scholarship and fellowships	-	-	-	12,669,850	12,669,850	6,302,788
Total Unrestricted Educational Activities	<u>848,149</u>	<u>2,682,788</u>	<u>39,645</u>	<u>18,996,427</u>	<u>22,567,009</u>	<u>11,430,775</u>
Total Educational Activities	25,829,872	2,682,788	4,975,764	28,682,659	62,171,083	51,828,493
Auxiliary Enterprises	635,126	-	111,735	1,567,478	2,314,339	2,420,590
Depreciation Expense – Buildings and other real estate improvements	-	-	-	2,428,326	2,428,326	2,438,683
Depreciation Expense – Equipment and furniture	-	-	-	1,104,431	1,104,431	1,037,425
Total Operating Expenses	<u>\$ 26,464,998</u>	<u>2,682,788</u>	<u>5,087,499</u>	<u>33,782,894</u>	<u>68,018,179</u> (Exhibit 2)	<u>57,725,191</u> (Exhibit 2)



SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

Year Ended August 31, 2021  
 With Memorandum Totals for the Year Ended August 31, 2020

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2021 Total</u>	<u>2020 Total</u>
<b>NON-OPERATING REVENUES:</b>					
State appropriations:					
Education and general support	\$ 9,643,558	-	-	9,643,558	9,644,058
State group insurance	-	1,791,232	-	1,791,232	2,129,377
State retirement matching	-	893,049	-	893,049	1,158,580
Nursing shortage reduction grant	-	45,159	-	45,159	33,040
<b>Total state appropriations</b>	<b>9,643,558</b>	<b>2,729,440</b>	<b>-</b>	<b>12,372,998</b>	<b>12,965,055</b>
Property taxes for maintenance and operations	25,811,235	-	-	25,811,235	25,682,905
Property taxes for debt service	-	4,159,601	-	4,159,601	4,441,605
Federal revenue, non-operating	-	12,631,895	-	12,631,895	7,708,359
Gifts – noncapital	42,428	114,291	9,451	166,170	226,869
Investment income – not restricted to programs	174,036	-	-	174,036	457,011
Other non-operating revenues	-	466,883	-	466,883	28,097
<b>Total Non-Operating Revenues</b>	<b>35,671,257</b>	<b>20,102,110</b>	<b>9,451</b>	<b>55,782,818</b>	<b>51,509,901</b>
<b>NON-OPERATING EXPENSES:</b>					
Interest on capital-related debt	181,350	2,647,278	-	2,828,628	2,927,430
Loss on disposal of capital assets	81,223	-	-	81,223	53,898
Other non-operating expenses	220,359	-	-	220,359	2,614
<b>Total Non-Operating Expenses</b>	<b>482,932</b>	<b>2,647,278</b>	<b>-</b>	<b>3,130,210</b>	<b>2,983,942</b>
<b>Net Non-Operating Revenues</b>	<b>\$ 35,188,325</b>	<b>17,454,832</b>	<b>9,451</b>	<b>52,652,608</b> (Exhibit 2)	<b>48,525,959</b> (Exhibit 2)

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY

Year Ended August 31, 2021  
 With Memorandum Totals for the Year Ended August 31, 2020

	Details by Source					Available for Current Operations	
	Unrestricted	Restricted		Net Investment in Capital Assets	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted, undesignated	\$ (5,962,421)	-	-	-	(5,962,421)	(5,962,421)	-
Unrestricted, board designated	17,638	-	-	-	17,638	-	17,638
Restricted	-	1,866,392	-	-	1,866,392	-	1,866,392
Auxiliary enterprises	44,552	-	-	-	44,552	44,552	-
Loans	281,856	-	-	-	281,856	281,856	-
Endowment	-	-	1,843,564	-	1,843,564	-	1,843,564
Plant:							90
Capital projects	20,338,381	1,116,651	-	-	21,455,032	21,455,032	-
Debt service	-	241,061	-	-	241,061	-	241,061
Investment in plant	-	-	-	57,836,443	57,836,443	-	57,836,443
Total Net Position, August 31, 2021	14,720,006	3,224,104	1,843,564	57,836,443	77,624,117	15,819,019	61,805,098
Total Net Position, August 31, 2020	\$ (11,179,354)	3,178,561	845,155	57,113,267	49,957,629 (Exhibit 1)	(10,123,570)	60,081,199
Net Increase (Decrease) in Net Position	\$ 25,899,360	45,543	998,409	723,176	27,666,488	25,942,589	1,723,899

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2021

Federal Grantor/Pass Through Grantor/ Program Title	Federal Assistance Listing Number	Direct Awards	Pass Through Awards	Total	Subrecipients Expenditures
<b>U.S. Department of Education</b>					
Direct Programs:					
Student Financial Aid Cluster					
Federal Supplemental Educational Opportunity Grant (20-21)	84.007A	\$ 69,913	-	-	69,913
Federal Supplemental Educational Opportunity Grant (21-22)	84.007A	53,000	-	-	53,000
Subtotal		122,913	-	-	122,913
Federal College Work Study (20-21)	84.033A	40,512	-	-	40,512
Federal College Work Study (21-22)	84.033A	5,552	-	-	5,552
Subtotal		46,064	-	-	46,064
Federal Pell Grant (19-20)	84.063P	(12,470)	-	-	(12,470)
Federal Pell Grant (21-22)	84.063P	5,481,722	-	-	5,481,722
Federal Pell Grant (21-22)	84.063P	3,878,642	-	-	3,878,642
Subtotal		9,345,826	-	-	9,345,826
Direct Student Loans	84.268	6,300	-	-	6,300
Total Student Financial Assistance Cluster		9,521,103	-	-	9,521,103
Coronavirus Aid, Relief, and Economic Security Act (CARES)					
CARES Act Student Portion	84.425E	2,931,153	-	-	2,931,153
CARES Act Institutional Portion	84.425F	4,601,241	-	-	4,601,241
CARES Act HSI 2020-2021	84.425E	61,113	-	-	61,113
CARES Act HSI 2020-2021	84.425F	151,975	-	-	151,975
Subtotal		7,745,482	-	-	7,745,482
P1 - TEXAS RESKILLING 2021-22	84.425	26,862	-	-	26,862
P2 - TEXAS RESKILLING 2021-22	84.425	21,799	-	-	21,799
Subtotal		48,661	-	-	48,661
Pass-through from:					
Texas Workforce Commission					
Adult Education Literacy (19-20) 1118ALAB02	84.002A	-	35,030	-	35,030
Adult Education Literacy (20-21) 1118ALAC02	84.002A	-	627,961	-	627,961
Adult Education Literacy WIOA (21-22) 1120AEL003	84.002A	-	24,829	-	24,829
El Civics (20-21) 1118ALAC02	84.002A	-	60,627	-	60,627
Subtotal		-	748,447	-	748,447
Pass-through from:					
Texas Higher Education Coordinating Board					
Carl Perkins Vocational Education – Basic 204254	84.048	-	343,265	-	343,265
Subtotal		-	343,265	-	343,265
Total U.S. Department of Education		-	1,091,711	-	1,091,711
<b>National Science Foundation</b>					
Pass-through from:					
Research and Development Cluster					
Texas University					
SPMF HRD-1202008	47.076	-	8,000	-	8,000
Total National Science Foundation		-	8,000	-	8,000
<b>U.S. Department of Health and Human Services</b>					
Pass-through from:					
Texas Workforce Solutions					
Child Care and Development Fund Cluster (CCDF)					
Designated Vendor Program					
	93.596	-	66,487	-	66,487
Total U.S. Department of Health and Human Services		-	66,487	-	66,487
Total Expenditures of Federal Awards		\$ 17,315,246	1,166,198	-	18,481,444

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – continued

Year Ended August 31, 2021

**Note 1: Federal Assistance Reconciliation**

Federal grants and contracts revenue, Operating Sch A	\$ 5,843,249
Federal grants and contracts revenue, Non-Operating Sch C	12,631,895
Federal Direct Student Loans	<u>6,300</u>
Total Federal Revenues Per Schedule of Expenditures of Federal Awards	\$ <u>18,481,444</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 Assistance Listing Number/Program Name	<u>Total Loans</u>		<u>Processed &amp; Administrative Costs Recovered</u>
	<u>New Loans Processed</u>	<u>Administrative Costs Recovered</u>	
<u>Department of Education</u>			
84.032 Federal Family Education Loan Program	\$ <u>1,309,335</u>	<u>-</u>	<u>1,309,335</u>
Total U.S. Department of Education	\$ <u>1,309,335</u>	<u>-</u>	<u>1,309,335</u>

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended August 31, 2021

Grantor Agency/Program Title	Grant/ Contract Number	Disbursement and Expenditures
Texas Workforce Commission		
Skills Small Business	1120SSD002	\$ 11,148
Skills Small Business	1118SSD000	-
Skills Development Fund	1119SDF001	-
Texas Higher Education Coordinating Board		
TEOG (21-22)		13,686
TEOG (20-21)		93,316
TEOG (19-20)		(5)
TEOG Renewal (20-21)		51,869
TEOG Renewal (21-22)		12,974
TEOG Additional Funds		37,175
Emergency Aid		35,922
Teachers Aid		2,716
Nursing Innovation Grant Program		12,708
Nursing Shortage Reduction Program Over 70% FY2017		74,539
Nursing Shortage Reduction Program Regular FY2018		471
Child Care Relief Funds		101,296
Dana Center Mathways		4,870
Texas Law Enforcement Officer Standards in Education Agency		<u>1,375</u>
Total Expenditures of State Awards		<u>\$ 454,059</u>

**NOTE 1: State Assistance Reconciliation**

State revenues per Exhibit 2:		
Operating Revenues:		
State grants and contracts		\$ 408,900
Other Revenues:		
State capital grants		-
State revenues per Schedule C:		
Non-Operating Revenues:		
Nursing shortage reduction grant		<u>45,159</u>
Total State Revenues per Schedule of Expenditures of State Awards		<u>\$ 454,059</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.

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**SINGLE AUDIT REPORTS**

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

The Board of Trustees  
Odessa 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 College District (the "District"), as of and for the years ended August 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon **Date \_\_\_\_\_, 2021**. The financial statements of the Foundation were not audited in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation.

***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) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Compliance with the Texas Public Funds Investment Act***

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, 2021, 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.

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Odessa, Texas

Date \_\_, 2021



**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 College District  
Odessa, Texas

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

We have audited Odessa 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, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

### ***Report on Internal Control over Compliance***

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

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

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

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

Odessa, Texas  
Date \_\_, 2021

Odessa College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

August 31, 2021

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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Significant deficiencies identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported	
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Federal Awards</b>		
Internal control over major programs:		
Material weaknesses identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Significant deficiencies identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Dollar threshold used to distinguish between Type A and Type B programs		\$750,000
Auditee qualified as a low-risk auditee	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Odessa College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – continued

August 31, 2021

Identification of Major Programs:

<u>Assistance Listing 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 Coronavirus Aid, Relief, and Economic Security (CARES) Act
84.425E	COVID-19 - CARES Act Student Portion
84.425F	COVID-19 – CARES Act Institutional Portion

Section II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

August 31, 2021

No matters were reported.

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**Draft**

**STATISTICAL SUPPLEMENT**

# Odessa College District

## STATISTICAL SUPPLEMENT (UNAUDITED)

This part of Odessa College District's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

The information contained within this section is being presented to provide the reader with a better understanding of five objectives:

- Financial Trends – These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

SS1 – Net Position by Component

SS2 – Revenue by Source

SS3 – Program Expenses by Function

- Revenue Capacity – Assessing the District's ability to generate revenue by examining its major revenue sources.

SS4 – Tuition and Fees

SS5 – State Appropriation per FTSE and Contact Hour

SS6 – Assessed Value and Taxable Assessed Value of Property *formerly SS10*

SS7 – Principal Taxpayers

SS8 – Property Tax Levies and Collections

- Debt Capacity – Assessing the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

SS9 – Ratios of Outstanding Debt

SS10 – Legal Debt Margin Information

SS11 – Pledged Revenue Coverage

- Demographic and Economic Information – Providing demographic and economic indicators to help in understanding the environment within which the District's financial activities take place.

SS12 – Demographic and Economic Statistics – Taxing District

SS13 – Principal Employers

- Operating Information – Providing information about how the District's financial report relates to the services it provides and the activities it performs.

SS14 – Faculty, Staff, and Administrator Statistics

SS15 – Fall Enrollment Details

SS16 – Student Demographic Profile

SS17 – Transfer Students to Senior Institutions

SS18 – Capital Asset Information

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

**Odessa College District  
Statistical Supplement 1  
Net Position by Component  
Fiscal Years 2012 to 2021  
(unaudited)**

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net investment in capital assets	\$ 57,836	\$ 57,113	\$ 50,218	\$ 39,857	\$ 35,669	\$ 31,177	\$ 17,619	\$ 15,208	\$ 13,987	\$ 12,022
Restricted - expendable	3,224	3,179	6,348	8,105	5,092	4,493	11,624	11,043	7,683	7,605
Restricted - nonexpendable	1,844	845	831	818	772	844	844	844	838	829
Unrestricted	14,720	(11,179)	(16,015)	(17,442)	14,168	13,874	13,811	19,547	19,067	17,924
<b>Total net position</b>	<b>\$ 77,624</b>	<b>\$ 49,958</b>	<b>\$ 41,382</b>	<b>\$ 31,338</b>	<b>\$ 55,701</b>	<b>\$ 50,388</b>	<b>\$ 43,898</b>	<b>\$ 46,642</b>	<b>\$ 41,575</b>	<b>\$ 38,380</b>
				(a)		(b)				

**Notes:**

(a) To reflect the adoption of GASB 75, beginning net position was restated to record the beginning net OPEB liability and for the recording of deferred outflows of resources for OPEB contributions made after the measurement date of the beginning net OPEB liability and the beginning of the fiscal year.

(b) To reflect the adoption of GASB 68, beginning net position was restated to record the beginning net pension liability and related deferred outflows for contributions made after measurement date of the beginning net pension liability and the beginning of the fiscal year.

Draft

**Odessa College District  
Statistical Supplement 2  
Revenues by Source  
Fiscal Years 2012 to 2021  
(unaudited)**

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tuition and Fees (Net of Discounts)	\$ 11,169	\$ 10,965	\$ 11,193	\$ 9,298	\$ 8,829	\$ 7,701	\$ 8,327	\$ 6,947	\$ 7,579	\$ 8,689
Governmental Grants and Contracts										
Federal Grants and Contracts	5,843	1,622	962	1,294	1,210	1,513	1,934	1,266	1,402	2,237
State Grants and Contracts	409	447	333	279	415	342	758	1,284	385	493
Non-Governmental Grants and Contracts	7,238	1,762	4,931	2,289	1,569	2,348	655	309	55	62
Sales and services of educational activities	201	202	341	415	443	463	524	538	504	495
Investment Income	11	16	27	21	18	14	13	13	15	15
Auxiliary enterprises	1,437	1,533	1,695	1,425	1,360	1,571	1,598	1,530	1,492	847
Other Operating Revenues	1,532	864	1,266	1,212	1,397	677	601	636	644	775
<b>Total Operating Revenues</b>	<b>27,840</b>	<b>17,411</b>	<b>20,748</b>	<b>16,233</b>	<b>15,241</b>	<b>14,629</b>	<b>14,410</b>	<b>12,523</b>	<b>12,076</b>	<b>13,613</b>
State Appropriations	12,373	12,965	11,072	12,098	10,208	10,290	9,538	9,720	8,597	8,427
Property taxes - M&O	25,811	25,683	23,863	22,408	21,172	22,138	21,497	19,827	18,354	17,040
Property taxes - Debt Service	4,160	4,442	4,216	4,838	4,818	4,823	4,662	4,324	4,341	3,935
Federal Grants, non-operating	12,632	7,708	7,087	7,044	6,480	5,860	4,903	5,102	5,093	6,153
Gifts	166	227	163	66	242	148	194	193	236	376
Investment income	174	457	873	368	268	396	181	262	325	420
Other non-operating revenues	467	28	43	236	300	45	55	8	48	1
<b>Total Non-Operating Revenues</b>	<b>55,783</b>	<b>51,510</b>	<b>47,317</b>	<b>47,058</b>	<b>43,488</b>	<b>43,700</b>	<b>41,030</b>	<b>39,436</b>	<b>36,994</b>	<b>36,352</b>
<b>Total Revenue</b>	<b>\$ 83,623</b>	<b>\$ 68,921</b>	<b>\$ 68,065</b>	<b>\$ 63,291</b>	<b>\$ 58,729</b>	<b>\$ 58,329</b>	<b>\$ 55,440</b>	<b>\$ 51,959</b>	<b>\$ 49,070</b>	<b>\$ 49,965</b>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tuition and fees (net of discounts)	13.36%	15.91%	16.44%	14.69%	15.03%	13.20%	15.02%	13.37%	15.45%	17.39%
Governmental grants and contracts										
Federal grants and contracts	6.99%	2.35%	1.41%	2.04%	2.06%	2.59%	3.49%	2.44%	2.86%	4.48%
State grants and contracts	0.49%	0.65%	0.49%	0.44%	0.71%	0.59%	1.37%	2.47%	0.78%	0.99%
Non-governmental grants and contracts	8.66%	2.56%	7.24%	3.62%	2.67%	4.03%	1.18%	0.59%	0.11%	0.12%
Sales and services of educational activities	0.24%	0.29%	0.50%	0.66%	0.75%	0.79%	0.95%	1.04%	1.03%	0.99%
Investment Income	0.01%	0.02%	0.04%	0.03%	0.03%	0.02%	0.02%	0.03%	0.03%	0.03%
Auxiliary enterprises	1.72%	2.22%	2.49%	2.25%	2.32%	2.69%	2.88%	2.94%	3.04%	1.70%
Other operating revenues	1.83%	1.25%	1.86%	1.91%	2.38%	1.16%	1.08%	1.22%	1.31%	1.55%
<b>Total Operating Revenues</b>	<b>33.29%</b>	<b>25.26%</b>	<b>30.48%</b>	<b>25.65%</b>	<b>25.95%</b>	<b>25.08%</b>	<b>25.99%</b>	<b>24.10%</b>	<b>24.61%</b>	<b>27.25%</b>
State appropriations	14.80%	18.81%	16.27%	19.11%	17.38%	17.64%	17.20%	18.71%	17.52%	16.87%
Property taxes - M&O	30.87%	37.26%	35.06%	35.40%	36.05%	37.95%	38.78%	38.16%	37.40%	34.10%
Property taxes - Debt Service	4.97%	6.45%	6.19%	7.64%	8.20%	8.27%	8.41%	8.32%	8.85%	7.88%
Federal Grants, non-operating	15.11%	11.18%	10.41%	11.13%	11.03%	10.05%	8.84%	9.82%	10.38%	12.31%
Gifts	0.20%	0.33%	0.24%	0.10%	0.41%	0.25%	0.35%	0.37%	0.48%	0.75%
Investment income	0.21%	0.66%	1.28%	0.58%	0.46%	0.68%	0.33%	0.50%	0.66%	0.84%
Other non-operating revenues	0.56%	0.04%	0.06%	0.37%	0.51%	0.08%	0.10%	0.02%	0.10%	0.00%
<b>Total Non-Operating Revenues</b>	<b>66.71%</b>	<b>74.74%</b>	<b>69.52%</b>	<b>74.35%</b>	<b>74.05%</b>	<b>74.92%</b>	<b>74.01%</b>	<b>75.90%</b>	<b>75.39%</b>	<b>72.75%</b>
<b>Total Revenue</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



**Odessa College District  
Statistical Supplement 3  
Program Expenses by Function  
Fiscal Years 2012 to 2021  
(unaudited)**

For the Year Ended August 31,

(amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	20,701	21,589	\$ 20,097	\$ 19,717	\$ 18,203	\$ 18,150	\$ 18,651	\$ 17,536	\$ 14,747	\$ 15,272
Research			-	-	-	-	-	-	-	-
Public service	1,055	1,055	1,296	1,275	1,574	1,252	1,141	1,179	909	1,210
Academic support	5,937	5,238	4,906	4,805	4,810	4,807	4,537	4,208	4,049	4,138
Student services	3,817	4,541	4,457	4,458	4,376	4,179	3,968	3,677	2,813	2,914
Institutional support	12,199	7,242	6,906	6,953	6,147	5,947	5,475	6,400	6,464	5,796
Operation and maintenance of plant	5,227	5,164	4,769	4,899	4,449	4,122	4,281	3,679	3,388	3,351
Scholarships and fellowships	13,235	6,999	6,880	5,642	5,041	4,976	4,237	4,547	4,713	6,463
Auxiliary enterprises	2,314	2,421	2,840	2,591	2,277	2,397	2,412	2,164	1,872	1,675
Depreciation	3,533	3,476	3,374	3,225	2,942	2,688	2,552	1,836	1,575	1,448
<b>Total Operating Expenses</b>	<b>68,018</b>	<b>57,725</b>	<b>55,525</b>	<b>53,565</b>	<b>49,819</b>	<b>48,518</b>	<b>47,254</b>	<b>45,226</b>	<b>40,530</b>	<b>42,267</b>
Interest on capital related debt	2,829	2,927	3,049	2,268	3,750	3,871	3,963	4,909	4,883	5,206
Loss on disposal of fixed assets	81	54	60	55	64	60	69	83	80	85
Other non-operating	221	3	22	291	22	22	22	35	21	125
<b>Total Non-Operating Expenses</b>	<b>3,131</b>	<b>2,984</b>	<b>3,131</b>	<b>2,614</b>	<b>3,836</b>	<b>3,953</b>	<b>4,054</b>	<b>5,027</b>	<b>4,984</b>	<b>5,416</b>
<b>Total Expenses</b>	<b>\$ 71,149</b>	<b>\$ 60,709</b>	<b>\$ 58,656</b>	<b>\$ 56,179</b>	<b>\$ 53,655</b>	<b>\$ 52,471</b>	<b>\$ 51,308</b>	<b>\$ 50,253</b>	<b>\$ 45,514</b>	<b>\$ 47,683</b>

For the Year Ended August 31,

(amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	29.10%	35.56%	34.26%	35.10%	33.93%	34.59%	36.35%	34.90%	32.40%	32.03%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	1.48%	1.74%	2.21%	2.27%	2.93%	2.39%	2.22%	2.35%	2.00%	2.54%
Academic support	8.34%	8.63%	8.36%	8.55%	8.96%	9.16%	8.84%	8.37%	8.90%	8.68%
Student services	5.36%	7.48%	7.60%	7.94%	8.16%	7.96%	7.73%	7.32%	6.18%	6.11%
Institutional support	17.15%	11.93%	11.77%	12.38%	11.46%	11.33%	10.67%	12.74%	14.20%	12.16%
Operation and maintenance of plant	7.35%	8.51%	8.13%	8.72%	8.29%	7.86%	8.34%	7.32%	7.44%	7.03%
Scholarships and fellowships	18.60%	11.53%	11.73%	10.04%	9.40%	9.48%	8.26%	9.05%	10.36%	13.55%
Auxiliary enterprises	3.25%	3.99%	4.84%	4.61%	4.24%	4.57%	4.70%	4.31%	4.11%	3.51%
Depreciation	4.97%	5.73%	5.75%	5.74%	5.48%	5.12%	4.97%	3.65%	3.46%	3.04%
<b>Total Operating Expenses</b>	<b>95.60%</b>	<b>95.08%</b>	<b>94.66%</b>	<b>95.35%</b>	<b>92.85%</b>	<b>92.47%</b>	<b>92.10%</b>	<b>90.00%</b>	<b>89.05%</b>	<b>88.64%</b>
Interest on capital related debt	3.98%	4.82%	5.20%	4.04%	6.99%	7.38%	7.72%	9.77%	10.73%	10.92%
Loss on disposal of fixed assets	0.11%	0.09%	0.10%	0.10%	0.12%	0.11%	0.13%	0.17%	0.18%	0.18%
Other non-operating	0.31%	0.00%	0.04%	0.52%	0.04%	0.04%	0.04%	0.07%	0.05%	0.26%
<b>Total Non-Operating Expenses</b>	<b>4.40%</b>	<b>4.92%</b>	<b>5.34%</b>	<b>4.65%</b>	<b>7.15%</b>	<b>7.53%</b>	<b>7.90%</b>	<b>10.00%</b>	<b>10.95%</b>	<b>11.36%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

**Resident**

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

Academic Year (Fall)	Registration Fee (per student)	In-District Tuition	Out-of-District Tuition	General Services Fee	Student Activity Fee	Out of District Fee	ID Card Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2020	\$ -	\$ 72	\$ 123	\$ 21	\$ 2	\$ -	\$ -	\$ 1,140	\$ 1,752	4.40%	3.55%
2019	-	68	118	21	2	-	-	1,092	1,692	0.00%	0.00%
2018	-	68	118	21	2	-	-	1,092	1,692	4.60%	7.63%
2017	-	64	108	21	2	-	-	1,044	1,572	0.00%	0.00%
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%

**Non-Resident**

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

Academic Year (Fall)	Registration Fee (per student)	Non-Res Tuition Out of State	Non-Resident Tuition Internat'l	General Services Fee	Student Activity Fees	Out of District Fee	ID Card Fee	Cost for 12 SCH Out of State	Cost for 12 SCH Internat'l	Increase from Prior Yr Out of State	Increase from Prior Year Internat'l
2020	\$ 150	\$ 154	\$ 154	\$ 21	\$ 2	\$ -	\$ -	\$ 2,274	\$ 2,274	2.16%	2.16%
2019	150	150	150	21	2	-	-	2,226	2,226	0.00%	0.00%
2018	150	150	150	21	2	-	-	2,226	2,226	5.70%	5.70%
2017	150	140	140	21	2	-	-	2,106	2,106	0.00%	0.00%
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%

Note: Includes basic enrollment tuition and fees. Excludes special program tuition or course-based fees such as laboratory fees, testing fees and certification fees.

**Odessa College District  
Statistical Supplement 5  
State Appropriation per FTSE and Contact Hour  
Last Ten Fiscal Years  
(unaudited)**

	For the Year Ended August 31,									
	2021	2020	2019	2018	2017	2016	2015	2014 (a)	2013	2012
<b>Appropriation Funding Elements</b>										
Contact Hour Funding (CH)	\$ 8,042,310	\$ 8,042,810	\$ 7,055,956	\$ 7,055,956	\$ 6,534,268	\$ 6,534,268	\$ 6,243,805	\$ 6,243,805	\$ 6,925,172	\$ 6,826,221
Student Success Points (SSP)	920,842	920,842	636,187	636,188	571,457	571,457	607,331	607,331		
Core Operations (CO)	680,406	680,406	680,406	680,406	500,000	500,000	500,000	500,000		
Non-Formula Items										
Total State Appropriation	<u>\$ 9,643,558</u>	<u>\$ 9,644,058</u>	<u>\$ 8,372,549</u>	<u>\$ 8,372,550</u>	<u>\$ 7,605,725</u>	<u>\$ 7,605,725</u>	<u>\$ 7,351,136</u>	<u>\$ 7,351,136</u>	<u>\$ 6,925,172</u>	<u>\$ 6,826,221</u>
<b>State Appropriation per FTSE</b>										
State Appropriation (Unrestricted) - from Schedule C	\$ 9,643,558	\$ 9,644,058	\$ 8,372,549	\$ 8,372,550	\$ 7,605,725	\$ 7,605,725	\$ 7,351,136	\$ 7,351,136	\$ 6,925,172	\$ 6,826,221
FTSE	(b) 4,533	4,437	4,372	4,179	4,239	3,720	3,590	3,670	3,474	3,641
State Appropriation per FTSE	<u>\$ 2,127</u>	<u>\$ 2,173</u>	<u>\$ 1,915</u>	<u>\$ 2,003</u>	<u>\$ 1,794</u>	<u>\$ 2,045</u>	<u>\$ 2,048</u>	<u>\$ 2,003</u>	<u>\$ 1,993</u>	<u>\$ 1,875</u>
<b>State Appropriation per Funded Contact Hour</b>										
Contact Hour Appropriation (above)	\$ 8,042,310	\$ 8,042,810	\$ 7,055,956	\$ 7,055,956	\$ 6,534,268	\$ 6,534,268	\$ 6,243,805	\$ 6,243,805	\$ 6,925,172	\$ 6,826,221
Contact Hours:										
Academic CH	1,801,683	1,777,218	1,746,160	1,710,328	1,658,196	1,419,673	1,293,627	1,273,303	1,295,296	1,354,704
Technical CH	861,616	844,944	789,360	748,112	772,864	761,454	717,363	723,664	714,336	709,312
Continuing Education CH	118,561	139,421	187,180	126,772	269,205	243,577	320,832	307,032	258,006	320,602
Total Funded Contact Hours	<u>2,781,860</u>	<u>2,761,583</u>	<u>2,722,700</u>	<u>2,585,212</u>	<u>2,700,265</u>	<u>2,424,704</u>	<u>2,331,822</u>	<u>2,303,999</u>	<u>2,267,638</u>	<u>2,384,618</u>
State Appropriation per Funded CH	<u>\$ 2.89</u>	<u>\$ 2.91</u>	<u>\$ 2.59</u>	<u>\$ 2.73</u>	<u>\$ 2.42</u>	<u>\$ 2.69</u>	<u>\$ 2.68</u>	<u>\$ 2.71</u>	<u>\$ 3.05</u>	<u>\$ 2.86</u>
<b>State Appropriation per Student Success Point - Annualized</b>										
Student Success Points (SSP) State Appropriation	\$ 920,842	\$ 920,842	\$ 636,187	\$ 636,188	\$ 571,457	\$ 571,457	\$ 607,331	\$ 607,331	n/a	n/a
3-Year Average Student Success Points (for appropriation basis)	8,157	8,157	7,417	7,417	6,622	6,622	6,561	6,561	n/a	n/a
State Appropriation per SSP	<u>\$ 112.89</u>	<u>\$ 112.89</u>	<u>\$ 85.77</u>	<u>\$ 85.77</u>	<u>\$ 86.30</u>	<u>\$ 86.30</u>	<u>\$ 92.57</u>	<u>\$ 92.57</u>	<u>n/a</u>	<u>n/a</u>
<b>Student Success Points (SSP) by Element (c)</b>										
Math Readiness	n/a	n/a	321.0	358.0	396.0	303.0	256.0	238.0	222.0	169.0
Reading Readiness	n/a	n/a	197.0	194.0	242.0	192.0	175.0	65.5	123.0	134.0
Writing Readiness	n/a	n/a	265.0	265.0	276.0	176.0	174.0	45.0	99.0	89.0
Students Who Pass FCL Math Course	n/a	n/a	944.0	1,046.0	1,129.0	843.0	696.0	684.0	651.0	604.0
Students Who Pass FCL Read Course	n/a	n/a	1,499.0	1,235.0	1,366.0	1,087.0	1,097.0	528.0	1,148.0	1,117.0
Students Who Pass FCL Write Course	n/a	n/a	1,379.0	1,166.0	1,172.0	960.0	998.0	483.5	1,091.0	895.0
Students Who Complete 15 SCH	n/a	n/a	1,991.0	1,889.0	2,131.0	1,689.0	1,591.0	1,461.0	1,417.0	1,326.0
Students Who Complete 30 SCH	n/a	n/a	1,270.0	1,409.0	1,163.0	1,036.0	908.0	869.0	841.0	936.0
Student Transfers to 4-Yr Inst	n/a	n/a	533.0	529.0	497.0	471.0	516.0	892.0	447.0	139.0
Degrees, CCC's, or Certs (Undup)	n/a	n/a	258.0	241.0	223.0	249.0	183.0	1,078.0	233.0	373.0
Degrees or Certs in Critical Fields	n/a	n/a	1,083.0	916.0	953.0	693.0	629.0	564.8	459.0	224.0
Total Annual Success Points	(c) -	-	9,740.0	9,248.0	9,548.0	7,699.0	7,223.0	6,908.8	6,731.0	6,006.0

**Notes**

- (a) Formula Funding Changed Methodology in FY2014.
- (b) Fiscal Year FTSE is equal to the sum of State Funded Semester Credit Hours (Fall + Spring + Summer) for the Current Fiscal Year / 30 SCH plus the sum of State Funded Continuing Education Contact Hours (Qtr 1 + Qtr 2 + Qtr 3 + Qtr 4) for the Current Fiscal Year / 900 CH
- (c) These are annual Student Success Points, not 3-year rolling average that is used for funding calculations

**Sources**

Texas Higher Education Coordinating Board 10-Pay Schedule  
Texas Higher Education Coordinating Board - Accountability System

**Odessa College District**  
**Statistical Supplement 6**  
**Assessed Value and Taxable Assessed Value of Property**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	(amounts expressed in thousands)					Tax Rate (a)		
	Assessed Valuation of Property	Less: Exempt Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable to Assessed Value	Maintenance & Operations	Debt Service	Total
2020-21	\$ 18,853,885	\$ (1,325,920)	\$ (1,891,264)	\$ 15,636,701	82.94%	0.162721	0.026244	0.188965
2019-20	19,206,364	(1,298,935)	(1,930,402)	15,977,027	83.19%	0.159228	0.027562	0.186790
2018-19	16,664,737	(1,133,870)	(1,636,675)	13,894,192	83.37%	0.169654	0.030006	0.199660
2017-18	15,607,529	(1,099,469)	(1,599,443)	12,908,617	82.71%	0.169654	0.036765	0.206419
2016-17	15,127,818	(957,470)	(1,600,518)	12,569,830	83.09%	0.166670	0.037980	0.204650
2015-16	16,463,948	(938,601)	(1,535,009)	13,990,338	84.98%	0.156900	0.034300	0.191200
2014-15	17,171,163	(914,984)	(1,563,363)	14,692,816	85.57%	0.145000	0.031600	0.176600
2013-14	16,176,607	(883,327)	1,504,981	13,788,299	85.24%	0.143474	0.030651	0.174125
2012-13	14,112,228	(786,301)	(1,337,616)	11,988,311	84.95%	0.151200	0.035970	0.187170
2011-12	12,709,099	(765,449)	(1,319,325)	10,624,325	83.60%	0.158400	0.038680	0.197080

**Note:**  
(a) Per \$100 of Net Assessed Value

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**Odessa Junior College District**  
**Statistical Supplement 7**  
**Principal Taxpayers**  
**Last Ten Tax Years**  
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Halliburton Energy Services	Oil & Gas	\$ 78,876	\$ 356,210	\$ 355,753	\$ 329,985	\$ 311,773	\$ 272,607	\$ 298,503	\$ 265,719	\$ 238,475	\$ 132,610
Fasken Oil & Ranch LTD	Oil & Gas	156,639	162,805	144,328	144,571	148,227	127,667	281,811	177,672	-	-
COG Operating	Oil & Gas	68,704	142,817	188,622	-	115,183	-	-	-	-	235,003
Occidental Permian LTD	Oil & Gas	96,296	131,033	209,990	217,208	267,497	255,922	465,399	773,121	810,640	677,300
FDL Operating LLC	Oil & Gas	-	93,608	115,676	113,357	139,120	-	-	-	-	-
GCC Permian LLC	Oil & Gas	79,558	85,661	-	-	-	-	-	-	-	-
CUDD Pumping LLC	Oil & Gas	-	84,414	-	-	-	-	-	-	-	-
ConocoPhillips Company	Oil & Gas	-	81,448	134,199	132,287	124,152	-	182,564	331,184	375,281	382,053
Oxy USA WTP LP	Oil & Gas	-	-	-	-	80,523	-	-	164,270	206,678	244,011
Devon Energy Production	Oil & Gas	-	-	-	-	-	89,048	178,711	302,219	222,788	256,806
La Frontera Holdings LLC	Utility	229,473	255,754	294,151	294,150	267,800	232,217	235,002	247,462	251,858	316,562
ONCOR Electric Delivery	Utility	322,755	257,251	220,913	184,293	167,470	146,451	136,615	-	-	-
Pumpco Energy Services	Oil & Gas	71,323	-	136,029	104,426	-	-	-	-	-	-
Sheridan Production Co	Oil & Gas	-	-	115,199	-	-	-	-	-	194,557	-
B J Service LLC	Oil & Gas	-	-	-	115,880	-	-	-	-	-	-
Quail Run Energy Partnership LP	Utility	66,577	-	-	67,005	84,019	111,946	-	-	-	-
Reliance Energy Inc	Oil & Gas	78,876	-	-	-	-	108,601	166,223	182,825	-	-
Nabors Lux Finance 2	Oil & Gas	-	-	-	-	-	101,955	-	-	-	-
Ector County Energy Center LLC	Utility	-	-	-	-	-	101,000	-	-	-	-
XTO Energy	Oil & Gas	-	-	-	-	-	-	177,394	285,375	197,932	243,275
Apache Corporation	Oil & Gas	-	-	-	-	-	-	115,668	274,700	265,774	264,552
Chevron USA Inc.	Oil & Gas	-	-	-	-	-	-	-	-	175,878	-
Sandridge Exploration & Prod	Oil & Gas	322,755	-	-	-	-	-	-	-	-	244,663
Halliburton Manufacturing & LC LL	Oil & Gas	185,090	-	-	-	-	-	-	-	-	-
<b>Totals</b>		<b>\$ 1,756,922</b>	<b>\$ 1,651,001</b>	<b>\$ 1,914,860</b>	<b>\$ 1,703,162</b>	<b>\$ 1,705,764</b>	<b>\$ 1,547,414</b>	<b>\$ 2,237,890</b>	<b>\$ 3,004,547</b>	<b>\$ 2,939,861</b>	<b>\$ 2,996,835</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 15,977,025</b>	<b>\$ 15,977,025</b>	<b>\$ 13,894,002</b>	<b>\$ 12,908,617</b>	<b>\$ 12,569,830</b>	<b>\$ 13,990,337</b>	<b>\$ 14,692,816</b>	<b>\$ 13,788,295</b>	<b>\$ 11,988,311</b>	<b>\$ 10,624,325</b>

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Halliburton Energy Services	Oil & Gas	0.49%	2.23%	2.56%	2.56%	2.48%	1.95%	2.03%	1.93%	1.99%	1.25%
ONCOR Electric Delivery	Utility	2.02%	1.61%	2.12%	2.28%	2.13%	1.66%	1.60%	1.79%	2.10%	2.98%
La Frontera Holdings LLC	Utility	1.44%	1.60%	1.59%	1.43%	1.33%	1.05%	0.93%	-	-	-
Fasken Oil & Ranch LTD	Oil & Gas	0.98%	1.02%	1.51%	1.68%	2.13%	1.83%	3.17%	5.61%	6.76%	6.37%
COG Operating	Oil & Gas	0.43%	0.89%	1.36%	-	0.92%	-	-	-	-	2.21%
Occidental Permian LTD	Oil & Gas	0.60%	0.82%	1.04%	1.12%	1.18%	0.91%	1.92%	1.29%	-	-
FDL Operating LLC	Oil & Gas	-	0.59%	0.98%	0.81%	-	-	-	-	-	-
GCC Permian LLC	Oil & Gas	0.50%	0.54%	0.97%	1.02%	0.99%	-	1.24%	2.40%	3.13%	3.60%
CUDD Pumping LLC	Oil & Gas	-	0.53%	0.83%	0.88%	1.11%	-	-	-	-	-
ConocoPhillips Company	Oil & Gas	-	0.51%	-	-	-	-	-	-	-	-
Devon Energy Production	Oil & Gas	-	-	-	-	-	0.64%	1.22%	2.19%	1.86%	2.42%
XTO Energy	Oil & Gas	-	-	-	-	-	-	1.21%	2.07%	1.65%	2.29%
Apache Corporation	Oil & Gas	-	-	-	-	-	-	0.79%	1.99%	2.22%	2.49%
Chevron USA Inc.	Oil & Gas	-	-	-	-	-	-	-	-	1.47%	-
Pumpco Energy Services	Oil & Gas	0.45%	-	-	-	-	-	-	-	-	-
Sheridan Production Co	Oil & Gas	-	-	0.83%	-	-	-	-	-	1.62%	-
B J Service LLC	Oil & Gas	-	-	-	0.90%	-	-	-	-	-	-
Quail Run Energy Partnership LP	Utility	0.42%	-	-	0.52%	0.67%	0.80%	-	-	-	-
Oxy USA WTP LP	Oil & Gas	-	-	-	-	0.64%	-	-	1.19%	1.72%	2.30%
Reliance Energy Inc	Oil & Gas	0.49%	-	-	-	-	0.78%	1.13%	1.33%	-	-
Nabors Lux Finance 2	Oil & Gas	-	-	-	-	-	0.73%	-	-	-	-
Ector County Energy Center LLC	Utility	-	-	-	-	-	0.72%	-	-	-	-
Sandridge Exploration & Prod	Oil & Gas	2.02%	-	-	-	-	-	-	-	-	2.30%
Halliburton Manufacturing & LC LL	Oil & Gas	1.16%	-	-	-	-	-	-	-	-	-
<b>Totals</b>		<b>11.00%</b>	<b>10.33%</b>	<b>13.78%</b>	<b>13.19%</b>	<b>13.57%</b>	<b>11.06%</b>	<b>15.23%</b>	<b>21.79%</b>	<b>24.52%</b>	<b>28.21%</b>

**Odessa Junior College District  
Statistical Supplement 8  
Property Tax Levies and Collections  
Last Ten Tax Years  
(unaudited)  
(amounts expressed in thousands)**

Fiscal Year Ended August 31,	Total Tax Levy for Fiscal Year	Cumulative Levy Adjustments	Adjusted Tax Levy	Collected Within Fiscal Year of Levy		Collections Subsequent to Year of Levy		Total Collections to Date	
				Amount	Percentage	FY 2020	Previous Years	Amount	Percentage
2021	\$ 29,548	\$ 39	\$ 29,587	\$ 28,491	96.30%	\$ -	\$ -	\$ 28,491	96.30%
2020	29,843	(207)	29,637	28,853	97.35%	281	-	29,133	98.30%
2019	27,741	(96)	27,645	26,991	97.63%	112	217	27,320	98.82%
2018	26,646	145	26,791	26,036	97.18%	101	396	26,532	99.03%
2017	25,724	(142)	25,582	24,695	96.53%	73	640	25,408	99.32%
2016	26,750	(138)	26,612	25,767	96.82%	42	649	26,457	99.42%
2015	25,948	(168)	25,780	25,136	97.50%	24	473	25,634	99.43%
2014	24,009	(188)	23,821	23,323	97.91%	10	398	23,730	99.62%
2013	22,438	(30)	22,408	21,928	97.86%	6	401	22,336	99.68%
2012	20,706	(32)	20,674	20,245	97.92%	5	358	20,608	99.68%

**Note:**  
Collections of property taxes only, excluding any penalties and interest.

**Source:**  
Ector County Tax Appraisal District

**Odessa Junior College District**  
**Statistical Supplement 9**  
**Ratios of Outstanding Debt**  
**Last Ten Tax Years**  
(unaudited)

	For the Year Ended Augst 31, (amounts expressed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Bonded Debt</b>										
General Obligation Bonds	\$ 57,910	\$ 59,585	\$ 61,195	\$ 62,745	\$ 64,320	\$ 65,760	\$ 67,155	\$ 68,340	\$ 68,470	\$ 68,500
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ 57,910	\$ 59,585	\$ 61,195	\$ 62,745	\$ 64,320	\$ 65,760	\$ 67,155	\$ 68,340	\$ 68,470	\$ 68,500
<b>Other Debt</b>										
Revenue bonds	31,110	4,650	7,305	9,865	12,325	14,680	16,965	19,185	21,340	23,470
Capital lease obligations	56	112	168	223	-	-	40	40	115	134
<b>Total Outstanding Debt</b>	\$ 89,076	\$ 64,347	\$ 68,668	\$ 72,833	\$ 76,645	\$ 80,440	\$ 84,160	\$ 87,565	\$ 89,925	\$ 92,104
<b>General Bonded Debt Ratios</b>										
Per Capita	\$ 331.39	\$ 346.37	\$ 368.15	\$ 387.02	\$ 409.45	\$ 417.62	\$ 420.54	\$ 442.13	\$ 457.53	\$ 474.01
Per FTSE	\$ 12,774	\$ 13,428	\$ 13,996	\$ 15,014	\$ 15,172	\$ 17,678	\$ 18,705	\$ 18,622	\$ 19,712	\$ 18,815
As a % of Taxable Assessed Value	0.37%	0.37%	0.44%	0.49%	0.51%	0.47%	0.46%	0.50%	0.57%	0.64%
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 509.74	\$ 374.05	\$ 413.11	\$ 449.24	\$ 487.91	\$ 510.85	\$ 527.02	\$ 566.51	\$ 600.90	\$ 637.34
Per FTSE	\$ 19,649	\$ 14,501	\$ 15,705	\$ 17,428	\$ 18,079	\$ 21,625	\$ 23,442	\$ 23,861	\$ 25,888	\$ 25,299
As a % of Taxable Assessed Value	0.57%	0.40%	0.49%	0.56%	0.61%	0.57%	0.57%	0.64%	0.75%	0.87%

**Odessa Junior College District  
Statistical Supplement 10  
Legal Debt Margin Information  
Last Ten Tax Years  
(unaudited)**  
(amounts expressed in thousands)

For the Year Ended Augst 31,	Taxable Assessed Value	Statutory Tax Levy Limit for Debt Service (1)	Less: Funds Restricted for Repayment	Net Statutory Tax Levy Limit	Current Year Debt Service Requirements	Excess of Statutory Limit for Debt Service over Current Requirements	Net Current Requirements as a % of Statutory Limit
2021	\$ 15,636,701	\$ 78,184	-	\$ 78,184	\$ 4,104	\$ 74,080	5.25%
2020	15,977,027	79,885	-	79,885	4,404	75,482	5.51%
2019	13,894,192	69,471	-	69,471	4,279	65,192	6.16%
2018	12,908,617	64,543	-	64,543	4,748	59,795	7.36%
2017	12,569,830	62,849	-	62,849	4,755	58,094	7.57%
2016	13,990,338	69,952	-	69,952	4,752	65,200	6.79%
2015	14,692,816	73,464	-	73,464	4,569	68,895	6.22%
2014	13,788,299	68,941	-	68,941	4,396	64,545	6.38%
2013	11,988,311	59,942	-	59,942	4,226	55,716	7.05%
2012	10,624,325	53,122	-	53,122	3,877	49,245	7.30%

**Note:**

(1) Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.



**Odessa Junior College District  
Statistical Supplement 11  
Pledged Revenue Coverage  
Last Ten Tax Years  
(unaudited)**

(amounts expressed in thousands)

Fiscal Year	Pledged Revenues					Revenue Bonds Debt Service Requirements				Coverage Ratio
	Tuition and Fees	Auxiliary Revenue	Other Pledged Revenue	Interest Income	Total	Principal	Interest	Total		
2020-2021	\$ 17,114	\$ 1,437	\$ 9,604	\$ 185	\$ 28,340	\$ 230	\$ 181	\$ 411	68.95	
2019-2020	16,695	1,533	3,083	473	21,784	2,655	237	2,892	7.53	
2018-2019	16,063	1,695	6,743	900	25,401	2,560	339	2,899	8.76	
2017-2018	14,496	1,425	4,219	389	20,529	2,460	437	2,897	7.09	
2016-2017	13,767	1,360	3,950	286	19,363	2,355	531	2,886	6.71	
2015-2016	12,229	1,571	3,680	410	17,890	2,285	609	2,894	6.18	
2014-2015	12,428	1,597	2,030	194	16,249	2,220	675	2,895	5.61	
2013-2014	10,931	1,530	1,684	275	14,420	2,155	739	2,894	4.98	
2012-2013	10,691	1,492	1,486	340	14,009	2,130	783	2,913	4.81	
2011-2012	10,862	847	1,709	434	13,852	1,850	840	2,690	5.15	

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**Odessa Junior College District  
Statistical Supplement 12  
Demographic and Economic Statistics - Taxing District  
Last Ten Calendar Years  
(unaudited)**

Calendar Year	District Population (est.)	District Personal Income (in thousands)	Personal Income Per Capita	District Unemployment Rate
2021	174,749	\$ - (a)	\$ - (a)	10.0% (b)
2020	172,026	- (a)	- (a)	12.7%
2019	166,223	8,337,928	50,161	2.8%
2018	162,124	7,663,693	47,271	2.7%
2017	157,087	6,417,181	40,851	4.1%
2016	157,462	6,538,112	41,522	6.4%
2015	159,689	7,303,176	45,734	4.6%
2014	154,570	7,684,055	49,712	3.4%
2013	149,651	6,832,220	45,654	4.3%
2012	144,513	6,632,481	45,895	4.6%

**Sources:**

Population - Tracer Texas Labor Market Information  
Income - Tracer Texas Labor Market Information  
Unemployment - Odessa Chamber of Commerce, The County Information Project - Texas Association of Counties

**Notes:**

(a) Information not yet available  
(b) Preliminary (average through July 2020)

**Odessa Junior College District  
Statistical Supplement 13  
Principal Employers  
Last Ten Calendar Years  
(unaudited)**

**Current Fiscal Year (2020)**

<b>Rank</b>	<b>Employer</b>	<b>Number of Employees</b>	<b>% of Total Employment</b>
1	Ector County I.S.D.	4,163	5.29%
2	Medical Center Hospital	1,977	2.51%
3	City of Odessa	900	1.14%
4	HEB	721	0.92%
5	Haliburton Services	1,400	1.78%
6	Odessa Region Medical Center	800	1.02%
7	Ector County	735	0.93%
8	Bobby Cox Companies	606	0.77%
9	NexTier Complete Solutions	1,142	1.45%
10	Saulsbury Corporation	874	1.11%
	<b>Total</b>	<b>13,318</b>	<b>16.91%</b>

**Ten Years Prior**

<b>Rank</b>	<b>Employer</b>	<b>Number of Employees</b>	<b>% of Total Employment</b>
1	Ector County ISD	3,753	4.73%
2	Medical Center Hospital	1,991	2.51%
3	Haliburton Services	2,094	2.64%
4	Holloman Construction	883	1.11%
5	Saulsbury Industries	1,609	2.03%
6	Wal-Mart Super Center	867	1.09%
7	City of Odessa	936	1.18%
8	Odessa Regional Medical Center	1,609	2.03%
9	Nextier Comple Solutions	883	1.11%
10	Weatherford CPS	763	0.96%
	<b>Total</b>	<b>15,389</b>	<b>19.39%</b>

Draft

**Odessa Junior College District  
Statistical Supplement 14  
Faculty, Staff, and Administrators Statistics  
Last Ten Calendar Years  
(unaudited)**

	For the Year Ended Augst 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Faculty</b>										
Full-Time	126	133	132	116	123	124	126	120	127	124
Part-Time	181	183	183	185	199	187	190	179	217	219
<b>Total</b>	<b>307</b>	<b>316</b>	<b>315</b>	<b>301</b>	<b>322</b>	<b>311</b>	<b>316</b>	<b>299</b>	<b>344</b>	<b>343</b>
<b>Percent</b>										
Full-Time	41.0%	42.1%	41.9%	38.5%	38.2%	39.9%	39.9%	40.1%	36.9%	36.2%
Part-Time	59.0%	57.9%	58.1%	61.5%	61.8%	60.1%	60.1%	59.9%	63.1%	63.8%
<b>Staff and Adminstrators</b>										
Full-Time	237	204	216	210	223	217	219	207	205	224
Part-Time	121	109	101	95	78	65	64	58	42	62
<b>Total</b>	<b>358</b>	<b>313</b>	<b>317</b>	<b>305</b>	<b>301</b>	<b>282</b>	<b>283</b>	<b>265</b>	<b>247</b>	<b>286</b>
<b>Percent</b>										
Full-Time	66.2%	65.2%	68.1%	68.9%	74.1%	77.0%	77.4%	78.1%	83.0%	78.3%
Part-Time	33.8%	34.8%	31.9%	31.1%	25.9%	23.0%	22.6%	21.9%	17.0%	21.7%
<b>Total</b>										
Full-Time	363	337	348	326	346	341	345	327	332	348
Part-Time	302	292	284	280	277	252	254	237	259	281
<b>Total</b>	<b>665</b>	<b>629</b>	<b>632</b>	<b>606</b>	<b>623</b>	<b>593</b>	<b>599</b>	<b>564</b>	<b>591</b>	<b>629</b>
<b>Percent</b>										
Full-Time	54.6%	53.6%	55.1%	53.8%	55.5%	57.5%	57.6%	58.0%	56.2%	55.3%
Part-Time	45.4%	46.4%	44.9%	46.2%	44.5%	42.5%	42.4%	42.0%	43.8%	44.7%
FTSE per Ful-Time Faculty	35.98	33.36	33.12	36.03	34.47	30.00	28.49	30.58	27.35	29.36
FTSE per Full-Time Staff	19.13	21.75	20.24	19.90	19.01	17.14	16.39	17.73	16.94	16.25
Average Annual Faculty Salary:										
9 month contract	\$ 54,675	\$ 58,914	\$ 56,160	\$ 57,042	\$ 53,451	\$ 53,271	\$ 47,754	\$ 51,048	\$ 48,006	\$ 49,573
12 month contract	\$ 72,900	\$ 78,552	\$ 74,880	\$ 76,056	\$ 71,268	\$ 71,028	\$ 63,672	\$ 68,064	\$ 64,008	\$ 62,130

**Sources:**

IPEDS Human Resource Survey, Fall semester snapshot

**Odessa Junior College District  
Statistical Supplement 15  
Fall Enrollment Details - Credit Students Only  
Last Five Fiscal Years  
(unaudited)**

Student Classification	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
0-30 hours	4,743	68.0%	4,669	68.2%	4,464	67.7%	4,323	69.3%	4,420	71.6%
31-60 hours	1,101	15.8%	1,228	17.9%	1,287	19.5%	1,172	18.8%	978	15.8%
> 60 hours	1,134	16.3%	950	13.9%	842	12.8%	745	11.9%	775	12.6%
<b>Total</b>	<b>6,978</b>	<b>100.0%</b>	<b>6,847</b>	<b>100.0%</b>	<b>6,593</b>	<b>100.0%</b>	<b>6,240</b>	<b>100.0%</b>	<b>6,173</b>	<b>100.0%</b>

Semester Hour Load	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	132	1.9%	134	2.0%	177	2.7%	259	4.2%	248	4.0%
3-5 semester hours	1,693	24.3%	1,688	24.7%	1,428	21.7%	1,563	25.0%	1,690	27.4%
6-8 semester hours	1,839	26.4%	1,804	26.3%	1,665	25.3%	1,779	28.5%	1,686	27.3%
9-11 semester hours	981	14.1%	1,003	14.6%	1,012	15.3%	1,052	16.9%	1,085	17.6%
12-14 semester hours	1,558	22.3%	1,479	21.6%	1,648	25.0%	1,147	18.4%	1,061	17.2%
15-17 semester hours	599	8.6%	612	8.9%	552	8.4%	384	6.2%	336	5.4%
18 & over	176	2.5%	127	1.9%	111	1.7%	56	0.9%	67	1.1%
<b>Total</b>	<b>6,978</b>	<b>100.0%</b>	<b>6,847</b>	<b>100.0%</b>	<b>6,593</b>	<b>100.0%</b>	<b>6,240</b>	<b>100.0%</b>	<b>6,173</b>	<b>100.0%</b>

Average course load                      9.0                                      8.9                                      9.1                                      8.3                                      8.2

Tuition Status	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	4,615	66.1%	4,769	69.7%	4,577	69.4%	4,328	69.4%	4,346	70.4%
Texas Resident (out-of-District)	2,207	31.6%	1,867	27.3%	1,816	27.5%	1,704	27.3%	1,582	25.6%
Non-Resident Tuition	137	2.0%	194	2.8%	185	2.8%	194	3.1%	219	3.5%
Tuition Exempt	19	0.3%	17	0.2%	15	0.2%	14	0.2%	26	0.4%
<b>Total</b>	<b>6,978</b>	<b>100.0%</b>	<b>6,847</b>	<b>100.0%</b>	<b>6,593</b>	<b>100.0%</b>	<b>6,240</b>	<b>100.0%</b>	<b>6,173</b>	<b>100.0%</b>

Includes credit students only.

**Odessa Junior College District  
Statistical Supplement 16  
Student Demographic Profile  
Last Five Fiscal Years  
(unaudited)**

Gender	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	4,320	61.91%	4,268	62.33%	4,070	61.73%	3,875	62.10%	3,646	59.06%
Male	2,658	38.09%	2,579	37.67%	2,523	38.27%	2,365	37.90%	2,527	40.94%
<b>Total</b>	<b>6,978</b>	<b>100.00%</b>	<b>6,847</b>	<b>100.00%</b>	<b>6,593</b>	<b>100.00%</b>	<b>6,240</b>	<b>100.00%</b>	<b>6,173</b>	<b>100.00%</b>

Ethnic Origin	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White, Non-Hispanic	1,611	23.09%	1,676	24.48%	1,683	25.53%	1,693	27.13%	1,742	28.22%
Hispanic	4,649	66.62%	4,471	65.30%	4,238	64.28%	3,943	63.19%	3,786	61.33%
African American	386	5.53%	346	5.05%	334	5.07%	294	4.71%	296	4.80%
Asian	78	1.12%	70	1.02%	83	1.26%	71	1.14%	76	1.23%
Native American	26	0.37%	26	0.38%	32	0.49%	27	0.43%	28	0.45%
International	147	2.11%	131	1.91%	115	1.74%	120	1.92%	94	1.52%
Unknown	81	1.16%	127	1.85%	108	1.64%	92	1.47%	151	2.45%
<b>Total</b>	<b>6,978</b>	<b>100.00%</b>	<b>6,847</b>	<b>100.00%</b>	<b>6,593</b>	<b>100.00%</b>	<b>6,240</b>	<b>100.00%</b>	<b>6,173</b>	<b>100.00%</b>

Age	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	2,553	36.59%	2,461	35.94%	2,185	33.14%	1,680	26.92%	1,596	25.85%
18 -21	2,092	29.98%	2,153	31.44%	2,208	33.49%	2,199	35.24%	2,119	34.33%
22 - 24	608	8.71%	571	8.34%	597	9.06%	637	10.21%	734	11.89%
25 - 35	1,125	16.12%	1,105	16.14%	1,121	17.00%	1,233	19.76%	1,232	19.96%
36 - 50	522	7.48%	494	7.21%	410	6.22%	414	6.63%	427	6.92%
51 & over	78	1.12%	63	0.92%	72	1.09%	77	1.23%	65	1.05%
<b>Total</b>	<b>6,978</b>	<b>100.00%</b>	<b>6,847</b>	<b>100.00%</b>	<b>6,593</b>	<b>100.00%</b>	<b>6,240</b>	<b>100.00%</b>	<b>6,173</b>	<b>100.00%</b>

Average Age	Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
	22.0	22.0	21.9	22.6	22.7

Includes credit students only.

**Odessa Junior College District  
Statistical Supplement 17  
Transfers to Senior Institutions  
2019 Fall Students as of Fall 2020  
(Includes only public senior colleges in Texas)  
(unaudited)**

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of All Odessa College Transfer Students	% of Odessa College Transfer Students	
1	The University of Texas of the Permian Basin	397	35	18	450	39.79%
2	Texas Tech University	157		8	165	14.59%
3	Texas A & M University	146	1		147	13.00%
4	The University of Texas at Austin	52			52	4.60%
5	Angelo State University	48	1	1	50	4.42%
6	The University of Texas at San Antonio	29	3		32	2.83%
7	Texas State University	25	1	2	28	2.48%
8	West Texas A & M University	26			26	2.30%
9	Texas Tech University Health Sciences Center	16	1	4	21	1.86%
10	Sam Houston State University	18	1		19	1.68%
11	Sul Ross State University	17			17	1.50%
12	University of North Texas	13	2		15	1.33%
13	Stephen F Austin State University	15			15	1.33%
14	The University of Texas at Arlington	11	2		13	1.15%
15	The University of Texas at El Paso	12	1		13	1.15%
16	Tarleton State University	9		1	10	0.88%
17	The University of Texas at Dallas	8			8	0.71%
18	University of Houston	4	3		7	0.62%
19	University of North Texas Health Science Center	7			7	0.62%
20	Mid Western State University	4	1		5	0.44%
21	Sul Ross State University-Rio Grande College	3		1	4	0.35%
22	Texas A & M University at Corpus Christi	3			3	0.27%
23	Texas Woman's University	3			3	0.27%
24	Texas A & M University at San Anotonio	3			3	0.27%
25	Prarie View A & M University	3			3	0.27%
26	The University of Texas -Rio Grande Valley	2	1		3	0.27%
27	Lamar University	2			2	0.18%
28	The University of Texas Health Science Center at San Antonio	2			2	0.18%
29	Texas A & M University at Commerce	2			2	0.18%
30	The University of Texas Medical Branch at Galveston	2			2	0.18%
31	The University of Texas at Tyler	2			2	0.18%
32	Texas A & M University at Central Texas	1			1	0.09%
33	University of Houston Downtown	1			1	0.09%
<b>Totals</b>	<b>1,043</b>	<b>53</b>	<b>35</b>	<b>1,131</b>	<b>100.00%</b>	

**Odessa Junior College District  
Statistical Supplement 18  
Capital Asset Information  
Last Ten Fiscal Years  
(unaudited)**

	For the Year Ended August 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Academic Buildings	18	19	19	19	19	19	19	19	18	17
Square footage (in thousands)	511	513	513	513	513	513	513	500	442	437
Libraries	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	41	41	41	41	41	41	38	38	38	38
Administrative & Support Buildings	5	5	5	5	5	5	5	5	5	4
Square footage (in thousands)	108	108	108	108	108	108	105	105	80	70
Student Housing Facilities	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	89	89	89	89	89	89	89	89	89	89
Number of beds	237	237	237	237	237	237	237	237	237	237
Theater	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	18	18	18	18	18	18	18	18	18	18
Athletic Facilities	7	7	7	7	7	7	7	7	7	5
Square footage (in thousands)	228	228	228	228	228	228	228	228	228	226
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Tennis Center	1	1	1	1	1	1	1	1	1	-
Baseball Complex	1	1	1	1	1	1	1	1	1	1
Softball Complex	1	1	1	1	1	1	1	1	1	-
Track	1	1	1	1	1	1	1	1	1	1
Ranch	1	1	1	1	1	1	1	1	1	1
Plant Facilities	11	11	11	11	11	11	9	9	9	9
Square footage (in thousands)	64	64	64	64	64	64	59	59	59	46
Portable Buildings	5	5	5	5	5	5	5	5	5	5
Square footage (in thousands)	7	5	5	5	5	5	5	5	5	5
<b>Total Square Footage (in thousands)</b>	<b>1,066</b>	<b>1,066</b>	<b>1,066</b>	<b>1,066</b>	<b>1,066</b>	<b>1,066</b>	<b>1,055</b>	<b>1,042</b>	<b>959</b>	<b>929</b>
<b>Insured Values (in thousands)</b>	<b>\$ 260,106</b>	<b>\$ 212,007</b>	<b>\$ 207,295</b>	<b>\$ 200,226</b>	<b>\$ 197,058</b>	<b>\$ 194,592</b>	<b>\$ 190,856</b>	<b>\$ 185,419</b>	<b>\$ 169,533</b>	<b>\$ 150,738</b>
<b>Transportation Assets:</b>										
Cars	19	17	17	21	23	25	26	29	28	27
Light Trucks/Vans	23	19	19	22	25	29	29	31	31	30
Buses	8	7	7	8	6	6	6	6	6	6
Emergency Vehicles	3	3	3	3	3	2	2	2	2	1
Heavy Trucks	11	7	7	6	1	2	2	2	2	1

**Source:**  
Odessa College Office of Human Resources  
TASB Risk Management Insurance Schedule of Property Values



**ODESSA COLLEGE**  
**BUDGET COMPARISON STATEMENT**  
**CURRENT UNRESTRICTED INCOME & EXPENDITURES**  
**October 31, 2021 and 2020**

	YTD OCTOBER 2021	TOTAL BUDGET 2020-2021	PERCENT OF BUDGET	YTD OCTOBER 2020	TOTAL BUDGET 2019-2020	PERCENT OF BUDGET
<b>Revenues:</b>						
State Appropriation	2,361,719	9,840,503	24.0%	2,314,472	9,641,570	24.0%
Ad Valorem Taxes	482,239	26,735,000	1.8%	443,080	25,730,000	1.7%
Tuition and Fees - Credit	7,285,432	11,625,628	62.7%	5,654,694	11,282,133	50.1%
Tuition and Fees - Non Credit	540,439	1,954,585	27.6%	439,137	1,769,768	24.8%
Federal Grants & Contracts	-	15,000	0.0%	670	13,000	0.0%
Other Income	92,326	997,140	9.3%	83,798	1,109,754	7.6%
Gift Income	-	52,000	0.0%	50,846	77,540	65.6%
Investment Income	46,823	275,000	17.0%	12,328	330,000	3.7%
<b>Total Revenues</b>	<b>10,808,978</b>	<b>51,494,856</b>	<b>21.0%</b>	<b>8,999,025</b>	<b>49,953,765</b>	<b>18.0%</b>
<b>Salaries and Benefits:</b>						
General Administration	346,310	2,210,398	15.7%	342,704	2,186,138	15.7%
Student Services	356,996	2,373,562	15.0%	310,009	2,225,585	13.9%
General Institutional	461,165	3,739,588	12.3%	436,017	3,426,814	12.7%
Instruction	2,196,321	14,229,787	15.4%	2,095,025	13,707,719	15.3%
Instructional Support	574,476	4,327,374	13.3%	583,272	3,928,560	14.8%
Public Service	90,874	707,754	12.8%	95,371	705,333	13.5%
Physical Plant	175,324	1,121,171	15.6%	177,033	1,096,385	16.1%
Staff Benefits	905,894	5,770,700	15.7%	911,374	5,815,375	15.7%
<b>Total Payroll</b>	<b>5,107,360</b>	<b>34,480,334</b>	<b>14.8%</b>	<b>4,950,805</b>	<b>33,091,909</b>	<b>15.0%</b>
<b>Other Operating Expenditures:</b>						
General Administration	172,931	387,824	44.6%	156,644	406,365	38.5%
Student Services	174,326	600,416	29.0%	182,474	585,613	31.2%
General Institutional	1,384,773	4,177,757	33.1%	1,220,713	4,061,667	30.1%
Instruction	78,892	992,724	7.9%	152,361	1,030,135	14.8%
Instructional Support	153,909	666,682	23.1%	172,877	609,830	28.3%
Public Service	11,209	135,790	8.3%	19,084	132,624	14.4%
Physical Plant Operations	911,610	1,997,096	45.6%	815,782	1,857,654	43.9%
Utilities	225,796	1,142,868	19.8%	191,417	1,127,783	17.0%
Scholarships & Allowances	695,713	1,659,000	41.9%	610,686	1,659,000	36.8%
<b>Total Operating Expenditures</b>	<b>3,809,159</b>	<b>11,760,157</b>	<b>32.4%</b>	<b>3,522,038</b>	<b>11,470,671</b>	<b>30.7%</b>
<b>Transfers In:</b>						
Bookstore Profit (Loss)	-	60,000	0.0%	-	60,000	0.0%
OER Reserve Fund	16,667	100,000	16.7%	16,667	100,000	16.7%
Other Auxiliary Profit (Loss)	(9,708)	(88,764)	10.9%	16,532	(455,126)	-3.6%
Investment Income - Plant Funds	-	20,000	0.0%	-	20,000	0.0%
<b>Total Transfers In</b>	<b>6,959</b>	<b>91,236</b>	<b>7.6%</b>	<b>33,199</b>	<b>(275,126)</b>	<b>-12.1%</b>
<b>Transfers Out:</b>						
Tuition for TPEG Scholarships	206,549	465,000	44.4%	226,505	465,000	48.7%
To Technology Replacement Fund	62,096	450,000	13.8%	41,402	200,000	20.7%
To Plant Renew/Replace Fund	10,660	600,000	1.8%	14,624	600,000	2.4%
To Construction Funds	416,667	2,500,000	16.7%	389,167	2,585,000	15.1%
Athletics Subsidy	428,352	1,408,238	30.4%	317,138	1,264,933	25.1%
Other Transfers	-	(77,637)	0.0%	-	1,126	0.0%
<b>Total Transfers Out</b>	<b>1,124,324</b>	<b>5,345,601</b>	<b>21.0%</b>	<b>988,836</b>	<b>5,116,059</b>	<b>19.3%</b>
<b>Excess of Revenues over Expenditures and Transfers</b>						
	775,094	121		(429,455)	-	

**ODESSA COLLEGE  
BUDGET ADJUSTMENTS  
December 7, 2021**

**GENERAL CONTINGENCY EXPENDITURES (11-10390-5388)**

Original Budget, September 1, 2021	\$ 550,000
Proposed Adjustments, December 07, 2021	-
Balance Remaining for General Contingencies	<u>\$ 550,000</u>

**INCREASES (DECREASES) IN INCOME BUDGETS**

None	-
	<u>-</u>
	<u>\$ -</u>

**INCREASES (DECREASES) IN EXPENDITURE BUDGETS**

None	-
	<u>-</u>
	<u>\$ -</u>

**ODESSA COLLEGE**  
**EXPENDITURE VOUCHERS EXCEEDING \$10,000**

**Oct. 23 - Dec. 03, 2021**

<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
10/22/2021	Golden Suzuki Honda	Kawasaki Mule (2022 Approved Capital)	\$13,377.87
10/27/2021	Weldon Manufacturing Group, L.T.D	Conversion for Student Truck Driving Trucks (Cares Grant Funded)	\$19,869.20
10/27/2021	Dell Marketing L.P.	73 Laptops and 182 Monitors (Cares Grant Funded)	\$132,940.00
10/27/2021	American Program Bureau, Inc	OC Honors Speaker Geoffrey Canada	\$15,000.00
10/28/2021	Steinway Hall Dallas-Ft Worth-Plano	Spirio Steinway Piano (Cares Grant Funded)	\$143,890.00
11/03/2021	GCA Services Group	Custodial Services - October	\$67,454.70
11/03/2021	TouchNet Information Systems, Inc.	Touchnet 19 Credit Card Machines (Cares Grant Funded)	\$20,250.00
11/03/2021	Newton Engineering, PC	Geological Survey for Wood Health Science Building	\$12,000.00
11/03/2021	Achieving the Dream Inc.	2x1 Coaching Experience Membership	\$13,500.00
11/03/2021	Odessa Country Club	Golf Yearly Membership Fees	\$14,000.00
11/03/2021	Great Western Dining	Meal Charges (Week ending 10/20/2021)	\$26,343.35
11/03/2021	Hellas Construction, Inc.	Track and Field Phase 1 Construction (46% complete)	\$748,806.84
11/10/2021	KOSA -TV	OC Fall Advertisement	\$31,840.00
11/10/2021	Texas Book Co.	40 Laptops for students (Cares Grant Funded)	\$22,214.80
11/10/2021	Great Western Dining	Meal Charges (Week ending 10/27/2021)	\$27,922.20
11/10/2021	Burlington English Inc.	Annual Software License for Adult Education (AEL Grant Funded)	\$48,000.00
11/10/2021	Dell Marketing L.P.	150 Desktop Computers (Cares Grant Funded)	\$136,820.00
11/10/2021	Great Western Dining	Meal Charges (Week ending 11/03/2021)	\$23,763.54
11/11/2021	Echo Healthcare Inc	EMS Mannequin down payment (Perkins Grant Funded)	\$20,222.50
11/17/2021	Dale's Print & Copy	Law Enforcement Steel Signs	\$16,028.38
11/17/2021	NRG Energy, Inc.	Electric Utilities - October	\$101,181.38
11/17/2021	Great Western Dining	Meal Charges (Week ending 11/10/2021)	\$23,945.47
11/17/2021	ECISD	Dual Credit Scholarship	\$50,000.00
11/17/2021	Whitley Penn Lip	Audit Services	\$33,530.00
11/17/2021	Lumen Inc	OER subscription - Fall 2020 enrollments	\$41,250.00
11/18/2021	Practice Management Institute	Business Professions Contact Instruction Ward Memorial Hospital	\$25,160.00
11/23/2021	Synetra, a Computex Technology Solu	120 Cisco Replacement Phones	\$40,296.00
11/23/2021	Synetra, a Computex Technology Solu	3 Cisco 48-Ports (Cares Grant Funded)	\$32,646.00
11/23/2021	Honeywell, Inc.	Building Automation Maintenance Agreement	\$12,302.29
11/23/2021	City of Odessa	Water & Sewer Utilities - October	\$14,436.65
12/01/2021	Synetra, a Computex Technology Solu	Barracuda Security Software Upgrade (Cared Grant Funded)	\$77,033.00
12/01/2021	GCA Services Group	Custodial Services - November	\$67,454.70
12/02/2021	JSA Architects	OC Downtown Schematic Design 50% Complete	\$24,692.50
12/02/2021	JSA Architects	OC Downtown Schematic Design 100% Complete	\$20,625.00
12/02/2021	JSA Architects	Wood Health Science Buidling Design Development 75% Complete	\$185,625.00
12/02/2021	JSA Architects	Pedestrian Bridge Planning and Admin	\$14,545.00

**VISION 2030 SUMMARY TO DATE**  
Through 12/03/2021

**Expended Funds**

<b>Admin Fees</b>	\$	38,637.50
<b>Terrace Apartments</b>	\$	896,462.29
<b>Health Science Building</b>	\$	1,087,804.68
<b>RA Pavilion</b>	\$	90,717.16
<b>Wilkerson Hall Phase II</b>	\$	9,535.00
<b>Parking Improvements</b>	\$	1,387.50
<b>Pedestrian Bridge</b>	\$	16,990.00
<b>Track &amp; Field</b>	\$	779,599.34
<b>Amphitheater Shade</b>	\$	3,970.00
<b>Student Housing</b>	\$	2,510.00
<b>Downtown Odessa</b>	\$	56,317.50
	\$	2,790.00
	\$	<u>2,986,720.97</u>

**VISION 2030 CONSTRUCTION EXPENDITURES**  
October 23, 2021 - December 03, 2021

<u>CK DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CURRENT</u>	<u>Transfers</u>	<u>TOTAL</u>
<b>Terrace Apartments</b>					
		Previous Expenditures		\$	896,162.29
11/19/2021	Vanco Insulation Abatement Inc	Fence Rental	300.00	\$	300.00
		<b>Total Expenditures to Date</b>		\$	<u>896,462.29</u>
<b>Health Science Building</b>					
		Previous Expenditures		\$	889,879.68
10/30/2021	JSA Architects	Design Development Phase (75% Complete)	185,625.00		
09/24/2021	Newton Engineering PC	Geological Survey	12,000.00		
11/19/2021	Vanco Insulation Abatement Inc	Fence Rental	300.00		
		<b>Total Expenditures to Date</b>			<u>197,925.00</u>
				\$	<u>1,087,804.68</u>
<b>Pedestrian Bridge</b>					
		Previous Expenditures		\$	2,445.00
11/30/2021	JSA Architects	Planning and Admin	14,545.00	\$	14,545.00
		<b>Total Expenditures to Date</b>		\$	<u>16,990.00</u>
<b>Track &amp; Field</b>					
		Previous Expenditures		\$	19,105.00
10/31/2021	Hellas Construction Inc	Phase 1 Construction (46% Complete)	748,806.84		
11/23/2021	Hellas Construction Inc	Geotechnical Report	4,800.00		
10/31/2021	JSA Architects	Admin and Planning	5,210.00		
11/30/2021	JSA Architects	Admin and Planning	1,677.50	\$	760,494.34
		<b>Total Expenditures to Date</b>		\$	<u>779,599.34</u>
<b>Downtown Odessa</b>					
		Previous Expenditures		\$	4,500.00
10/31/2021	JSA Architects	Schematic Design 50% Complete and Reimbursable Expenses	24,692.50		
11/30/2021	JSA Architects	Schematic Design 100% Complete	20,625.00		
11/30/2021	Newton Engineering PC	Geological Survey	6,500.00	\$	51,817.50
		<b>Total Expenditures to Date</b>		\$	<u>56,317.50</u>
<b>ECHS Remodel</b>					
		Previous Expenditures		\$	-
10/31/2021	JSA Architects	Admin and Planning	2,790.00	\$	2,790.00
		<b>Total Expenditures to Date</b>		\$	<u>2,790.00</u>

## ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Economic Development Program Agreement (this “*Agreement*”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by and between Odessa College, (the “*College*”), and IPointFive P1, LLC, a Delaware limited liability company (“*Applicant*”). The College and Applicant are hereinafter sometimes referred to individually as a “*Party*” and collectively as the “*Parties*.”

WHEREAS, on June 22, 2021, the Odessa College Board of Trustees voted in open-meeting to pass, approve, and adopt a resolution for tax abatement with the Applicant, which resulted in approval of the tax abatement by unanimous vote, and in recognition of the positive economic benefits to the College through Applicant’s proposed development of the Land (as defined in Section 2) on which Applicant intends to develop, construct and operate the Project (as defined in Section 2); and

WHEREAS, the purpose of this Agreement is to promote economic development as contemplated by Chapter 381 of the Texas Local Government Code whereby Applicant intends to develop, construct and operate the Project in conformance with this Agreement; and

WHEREAS, Applicant intends to invest approximately \$810,600,000.00 in the Project; and

WHEREAS, Applicant intends to hire or cause to be hired for the Project approximately 125 Full Time Equivalent Employees, as such term is defined in Section 2; and

WHEREAS, the College agrees to make Economic Incentive Payments (as defined in Section 2) to Applicant to defray a portion of the Project’s costs;

NOW, THEREFORE, in consideration of the mutual benefits and promises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the College and Applicant agree as follows:

1. **Authority.** The College’s execution of this Agreement is authorized by Chapter 381 of the Texas Local Government Code and constitutes a valid and binding obligation of the College in the event Applicant proceeds with the development of the Project. The College acknowledges that Applicant is acting in reliance upon the College’s performance of its obligations under this Agreement in making its decision to commit substantial financial and administrative resources to develop the Project.

2. **Definitions.**

2.1 “*Ad Valorem Property Taxes*” means, for any Tax Year included in the Grant Period, the College’s ad valorem property taxes paid by Applicant to the College on the Taxable Value of the Project for such Tax Year. The term “Ad Valorem Property Taxes” does not include any ad valorem property taxes paid on the Taxable Value of the Land.

2.2 “**Affiliate**” of any specified person or entity means any other person or entity, which, directly or indirectly, through one or more intermediaries, (i) controls, or is controlled by, such specified person or entity, or (ii) is under direct or indirect common control with such specified person or entity. For purposes of this definition, “controls” when used with respect to any person or entity means (a) the ownership, directly or indirectly, of fifty (50%) or more of the voting securities of such person or entity; or (b) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise, and the terms “controlled” and “under direct or indirect common control with” have meanings correlative to the foregoing.

2.3 “**Agreement**” has the meaning assigned to such term in the Preamble of this Agreement.

2.4 “**Applicant**” has the meaning assigned to such term in the Preamble of this Agreement.

2.5 “**Commercial Operation**” means the date on which the Project becomes commercially operational and capable of being placed into service, such that such project has been constructed and is capable of producing industrial grade carbon dioxide gas (CO<sub>2</sub>).

2.6 “**Commercially Reasonable Efforts**” means, as to any Party, an undertaking by such Party to perform or satisfy an obligation or duty or otherwise act in a manner reasonably calculated to obtain the intended result by action or expenditure not disproportionate or unduly burdensome under the circumstances, which means, among other things, that such Party shall not be required to (i) expend funds other than for payment of the reasonable and customary costs and expenses of employees, contractors, counsel, consultants, representatives or agents of such Party in connection with the performance or satisfaction of such obligation, duty or other action, or (ii) institute or settle any litigation or arbitration as a part of its reasonable efforts.

2.7 “**Completion Tax Year**” has the meaning assigned to such term in Section 5.1.

2.8 “**College**” has the meaning assigned to such term in the Preamble of this Agreement.

2.9 “**Cure Period**” has the meaning assigned to such term in Section 6.3.

2.10 “**Economic Incentive Payment(s)**” or “**EIPs**” means, for any Tax Year included in the Grant Period, all payments required to be paid by the College to Applicant pursuant to this Agreement with respect to such Tax Year.

2.11 “**Effective Date**” means the last of the dates of execution of this Agreement as set forth immediately above the respective signatures of the College and Applicant below.

2.12 “**Final Determination**” means (i) a decision, judgment, decree or other order of a court or other governmental authority (including the Ector County Appraisal Review Board) with appropriate jurisdiction, which has become final and non-appealable; (ii) a final and binding settlement or compromise with a governmental authority (including the Ector County Appraisal

District) with appropriate jurisdiction; or (iii) any final disposition by reason of the expiration of all applicable statutes of limitations or by mutual agreement of the Parties.

2.13 “**Force Majeure**” means an event, occurrence or failure caused by (i) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over Applicant, the Project or the Land; (ii) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (iii) the action, judgment or decree of any court; (iv) floods, tornadoes, hailstorms, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, pandemics, epidemics, infectious disease outbreaks, or any other viral or biological emergencies or threats to public health or safety, riots or civil disturbances, insurrections, vandalisms, acts of terrorism, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of Applicant to ship from or receive at Applicant’s facilities, or failure of carriers to transport to or from Applicant’s facilities, products (finished or otherwise), feedstock, raw materials, equipment, parts or material; or (v) any other cause (except financial), whether similar or dissimilar, over which Applicant has no reasonable control and which forbids or prevents performance.

2.14 “**Full Time Equivalent Employee**” or “**FTE**” means (i) an employee employed on average at least 35 hours per week, or (ii) any combination of employees, each of whom individually is not a full-time employee because they are not employed on average at least 35 hours per week, but who, in combination, are the equivalent of a full-time employee employed on average at least 35 hours per week. The term “Full Time Equivalent Employee” shall include any such employees of Applicant, any Affiliate of Applicant, and any third party operator or contractor at the Project and shall include original hires and their replacements over time.

2.15 “**Grant Period**” has the meaning assigned to such term in Section 5.2.

2.16 “**Grant Period Commencement Notice**” has the meaning assigned to such term in Section 5.1.

2.17 “**Land**” means approximately 3,900 acres of land, as more particularly described in **Exhibit A** attached hereto.

2.18 “**Party**” and “**Parties**” have the respective meanings assigned to such terms in the Preamble of this Agreement.

2.19 “**Pending Appeal**” has the meaning assigned to such term in Section 5.3.

2.20 “**Preliminary EIPs**” has the meaning assigned to such term in Section 5.3.

2.21 “**Program**” means the economic development program established by the College pursuant to Chapter 381 of the Texas Local Government Code under this Agreement to promote local economic development and stimulate business and commercial activity within the College.

2.22 “**Project**” means Applicant’s planned development of the Land consisting of a direct air capture facility, process components, related buildings, utility, infrastructure, and logistics improvements, and any and all other forms of real property improvements and tangible personal property associated with the foregoing, all of which are permitted by Chapter 381 of the Texas Local Government Code.

2.23 “**Tax Year**” shall have the meaning assigned to such term in Section 1.04(13) of the Texas Tax Code (i.e., the calendar year).

2.24 “**Taxable Value**” has the meaning assigned to such term in Section 1.04(10) of the Texas Tax Code.

3. **Term.** This Agreement shall become enforceable upon the Effective Date. This Agreement shall terminate upon Applicant’s receipt of all EIPs required to be paid by the College to Applicant pursuant to this Agreement, unless sooner terminated pursuant to other provisions of this Agreement.

4. **Rights and Obligations of Applicant.** In consideration of the College’s compliance with this Agreement, Applicant agrees as follows:

4.1 **Improvements and Additions to Real and Personal Property.** Applicant intends to invest a cumulative total of at least approximately \$810,600,000.00 in the Project.

4.2 **Provision of Jobs.** Within one year after the commencement of Commercial Operation, Applicant intends to employ or cause to be employed at the Project site approximately 125 Full Time Equivalent Employees and to thereafter retain or cause to be retained approximately 125 Full Time Equivalent Employees for the then remaining term of this Agreement.

4.3 **Salaries and Benefits.** Applicant estimates that the full-time jobs of Full Time Equivalent Employees will have an average annual salary of at least \$50,050 and include industry standard employment benefits, such as healthcare and retirement plans.

4.4 **Submission of Data.** As soon as practicable following the end of each Tax Year included in the Grant Period, Applicant shall (i) submit to the College a schedule detailing the Ad Valorem Property Taxes paid for such Tax Year, and (ii) identify on such schedule any Pending Appeals for such Tax Year as of the time such schedule is submitted to the College.

5. **Economic Incentive Payments.**

5.1 **Grant Period Commencement Notice.** On or before January 31<sup>st</sup> of the Tax Year immediately following the Tax Year in which substantial completion of construction of the Project occurs (the “**Completion Tax Year**”), Applicant shall provide written notice to the College (the “**Grant Period Commencement Notice**”) of the Completion Tax Year.



5.2 **Grant Period; EIPs Based on Ad Valorem Property Taxes.** For a period of ten (10) consecutive Tax Years (the “**Grant Period**”) beginning on January 1 of the Tax Year immediately following the Completion Tax Year specified in the Grant Period Commencement Notice, and subject to the provisions of Section 5.3, the College shall, pursuant to Chapter 381 of the Texas Local Government Code, make annual EIPs to Applicant within thirty (30) days after Applicant submits to the College the Ad Valorem Property Taxes schedule as required in Section 4.4. With respect to each Tax Year included in the Grant Period, and subject to the provisions of Section 5.3, the EIPs shall be calculated as follows:

- (a) calculations for such Tax Year shall be based upon the actual Ad Valorem Property Taxes paid by Applicant and collected by the College with respect to such Tax Year; and
- (b) the EIPs shall be an amount equal to the percentage of such Ad Valorem Property Taxes set forth opposite such Tax Year in the Table below:

<b>Table</b>	
<b>Tax Year of the Grant Period</b>	<b>Percentage of Ad Valorem Property Taxes</b>
1	100%
2	100%
3	100%
4	100%
5	100%
6	90%
7	80%
8	70%
9	60%
10	50%

5.3 **Effect of Pending Appeal.** If on the due date, as specified in Section 5.2, for payment of any EIPs with respect to a Tax Year included in the Grant Period there are any administrative or judicial protests, appeals, or other proceedings pending with respect to all or any portion of the Taxable Value of the Project for such Tax Year (a “**Pending Appeal**”), the College shall pay to Applicant on or before such due date the amount of EIPs calculated based upon the actual Ad Valorem Property Taxes paid by Applicant and collected by the College with respect to such Tax Year as of such due date (the “**Preliminary EIPs**”). Upon the occurrence of a Final Determination with respect to such Pending Appeal, Applicant shall recalculate the amount of the EIPs for such Tax Year, and the amount of the actual Ad Valorem Property Taxes paid by Applicant and collected by the College with respect to such Tax Year, to reflect any changes therein resulting from such Final Determination (including taking into account any refunds actually paid by the College to Applicant, and any additional Ad Valorem Property Taxes actually paid by Applicant to the College, as a result of such Final Determination) and submit a statement to the College setting forth such recalculations and the amount, if any, by which the EIPs so recalculated exceed the Preliminary EIPs (as appropriately adjusted, if applicable, to reflect any previous payment(s) resulting from any previous recalculation(s) of the amount of the EIPs for

such Tax Year, and the amount of the actual Ad Valorem Property Taxes paid by Applicant and collected by the College with respect to such Tax Year, under this Section 5.3), or the Preliminary EIPs (as so adjusted, if applicable) exceed the EIPs so recalculated, as the case may be, and:

- (a) if the EIPs so recalculated exceeds the Preliminary EIPs (as so adjusted, if applicable), then the College shall pay the amount of such excess, without interest or penalty, to Applicant within thirty (30) days after Applicant's delivery of such statement to the College; and
- (b) if the Preliminary EIPs (as so adjusted, if applicable) exceeds the EIPs so recalculated, then Applicant shall pay the amount of such excess, without interest or penalty, to the College within thirty (30) days after Applicant's delivery of such statement to the College.

## 6. Miscellaneous.

6.1 **Mutual Assistance.** The College and Applicant will do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement, and to aid and assist each other in carrying out such terms and provisions in order to put each other in the same economic condition contemplated by this Agreement regardless of any changes in public policy, the law, or taxes or assessments attributable to the Land or the Project.

6.2 **Representations and Warranties.** The College represents and warrants to Applicant that the Program and this Agreement are within its authority, and that it is duly authorized and empowered to establish the Program, enter into this Agreement, and perform its obligations hereunder. Applicant represents and warrants to the College that it has the requisite authority to enter into this Agreement.

6.3 **Default.** During the term of this Agreement, the College may declare a default hereunder by Applicant if Applicant refuses or neglects to comply with any of the terms of this Agreement in any material respect. If the College declares Applicant to be in default of this Agreement, the College shall notify Applicant in writing prior to the end of the term of this Agreement and shall be entitled to suspend the payment of any EIPs that otherwise become due after the date such written notice is given to Applicant, and if such default is not cured within sixty (60) days from the date of such notice (such sixty (60) day period, or such longer period as is provided for in this Section 6.3, is referred to herein as the "**Cure Period**"), then this Agreement may be terminated by the College; provided, however, that in the case of a default caused by an event constituting Force Majeure which cannot be cured by Commercially Reasonable Efforts within such sixty-day period, the Cure Period shall be deemed extended if Applicant (i) shall promptly, upon the receipt of such notice, advise the College of Applicant's intention to institute all steps necessary to cure such default, and (ii) shall thereafter proceed to use Commercially Reasonable Efforts to cure such default. If such default is cured, the College shall promptly pay any such suspended EIPs to Applicant. If after notice of default and failure to cure, the College terminates this Agreement, it shall provide Applicant written notice of such termination, and such termination and Applicant's forfeiture of any such suspended EIPs shall constitute the College's sole remedy. If Applicant believes that such termination was improper, Applicant may file suit in Ector County, Texas, appealing such termination within ninety (90) days after receipt from the

College of written notice of the termination. Applicant may declare a default hereunder by the College if the College refuses or neglects to comply with any of the terms of this Agreement. If Applicant declares the College to be in default of this Agreement, Applicant shall notify the College in writing of such default, and if such default is not cured within sixty (60) days from the date of such notice, Applicant shall have the right to pursue any remedy at law or in equity for the College's breach hereof.

6.4 **Attorney's Fees.** Except as otherwise expressly provided in this Agreement, (i) each of the Parties shall pay its own costs and expenses relating to this Agreement, including its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement, and (ii) in the event of a dispute between the Parties in connection with this Agreement, the prevailing Party in the resolution of any such dispute, whether by litigation or otherwise, shall be entitled to full recovery of all attorneys' fees, costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party to the extent allowed by law.

6.5 **Entire Agreement; Amendment; Waiver.** This Agreement contains the entire agreement between the Parties. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement. This Agreement may only be amended, altered or revoked by written instrument signed by the College and Applicant. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement.

6.6 **Binding Effect.** This Agreement shall be binding on and inure to the benefit of the Parties, their respective successors and permitted assigns.

6.7 **Assignment.** Applicant may assign all or any part of its rights and obligations under this Agreement to a new owner or lessee of all or any portion of the Land or the Project, provided that Applicant shall provide written notice of such assignment to the College. In the event of a partial assignment by Applicant to a new owner or lessee of all or any portion of the Land or the Project, the College shall enter into a substantially similar agreement to this Agreement with the assignee. The College shall not assign any its rights or obligations under this Agreement to any other person or party. A collateral assignment of all or any part of this Agreement for the benefit of creditors providing financing for the Project shall not be an assignment for purposes of this Section 6.7 and notice to the College shall be required with respect to any such collateral assignment.

#### 6.8 **Termination.**

6.8.1 Except as otherwise provided in Section 6.8.2, in the event Applicant determines it will not proceed with, commence or complete construction of the Project, Applicant shall have the right to terminate this Agreement by notifying the College in writing of its exercise of such right, such exercise of such right shall not be a default by Applicant under this Agreement, and this Agreement and the rights and obligations of the Parties will be deemed terminated and of no further force or effect as of the date of such notice

6.8.2 In the event Applicant determines that it will not proceed with, commence or complete construction of a portion or portions of the Project, Applicant shall have the right to terminate this Agreement as to such portion or portions of the Project by notifying the College in writing of its exercise of such right and designating in said notice such portion or portions of the Project, such exercise of such right shall not be a default by Applicant under this Agreement, and this Agreement and the rights and obligations of the Parties will be deemed terminated as to such portion or portions of Project designated in said notice of termination and of no further force or effect as of the date of such notice.

6.9 **Notice.** All notices and communications required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed duly given (i) on the date of delivery, if delivered personally, (ii) when receipt is confirmed by non-automated means, if sent by electronic mail, (iii) on the third (3rd) day after mailing, if mailed by first class registered or certified mail, postage prepaid, return receipt requested, with the United States Postal Service, or (iv) on the next business day after deposit with a nationally recognized courier for next day service and so addressed and if there is evidence of acceptance by receipt. All notices and communications hereunder shall be delivered to a Party at the addresses set forth below (or at such other address or addresses as a Party shall have specified in a notice given in accordance with this Section 6.9):

If to the College: Odessa College President  
201 W. University  
Odessa, TX 79764  
Email: @

If to Applicant: Occidental Petroleum Corporation  
Attn: Michael Horne  
Director Property & Excise Tax  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Houston, TX 77046  
Phone: (713) 840-3022  
Fax: (713) 840-3043  
Email: Michael\_Horne@oxy.com

and

1PointFive P1, LLC  
Attn: Josh Barvin  
Business Development Manager  
5 Greenway Plaza, Suite 110  
Houston, TX 77046  
Phone: (713) 840-3007  
Email: josh\_barvin@oxy.com

with required copies to:

Duff & Phelps  
919 Congress Ave. #1450  
Austin, TX 78701  
Attn: Michael Lateur, Managing Director, Specialty Tax  
Phone: (512) 671-5575  
Email: Michael.Lateur@duffandphelps.com

6.10 **Interpretation.** When a reference is made in this Agreement to a Section or Exhibit, such reference shall be to a Section of, or Exhibit to, this Agreement, unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the context otherwise requires, the word “including” shall mean “including, but not limited to,”. Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

6.11 **Applicable Law.** This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Ector County, Texas.

6.12 **Severability.** In the event any provisions of this Agreement are illegal, invalid or unenforceable under present or future laws, and in that event, it is the intention of the Parties that the remainder of this Agreement shall not be affected. It is also the intention of the Parties of this Agreement that in lieu of each clause and provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, and this Agreement shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

6.14 **No Third-Party Beneficiaries.** This Agreement shall be for the sole and exclusive benefit of the Parties and shall not be construed to confer any rights, privileges, or causes of action upon any third parties, except as permitted by Section 6.7.

6.15 **Exhibit.** The following **Exhibit A** is attached and incorporated by reference for all purposes:

**Exhibit A:** Description of the Land

6.16 **No Joint Venture.** It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the Parties. The College and its past, present and future officers, elected officials, employees and agents do not assume any responsibilities or liabilities to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.

EXECUTED to be effective as of the Effective Date.

(SIGNATURES ON FOLLOWING PAGES)

SIGNED AND AGREED to on the \_\_\_ day of \_\_\_\_\_, 2021.

**ECTOR COUNTY, TEXAS**

By: \_\_\_\_\_  
Dr. Gregory D. Williams, Odessa College  
President

SIGNED AND AGREED to on the \_\_\_ day of \_\_\_\_\_, 2021.

**1POINTFIVE P1, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_



## **EXHIBIT A**

### **Description of the Land**

3,900 acre tract out of the PSL Survey and T&P RR Co Survey, in Ector County, Texas. All of Section 2, Block 15, PSL Survey, Ector County, Texas; Also known as Ector County Appraisal District Parcel Number R100044839. All of Section 3, Block 15, PSL Survey, Ector County, Texas; Also known as Ector County Appraisal District Parcel Number R100044840. All of Section 4, Block 15, PSL Survey, Ector County, Texas; Also known as Ector County Appraisal District Parcel Number R100044841. All of Section 5, Block 15, PSL Survey, Ector County, Texas; Also known as Ector County Appraisal District Parcel Number R100044842. All of Section 6, Block 15, PSL Survey, Ector County, Texas; Also known as Ector County Appraisal District Parcel Number R100044843. All of Section 16, Block 45, T2S, T&P RR Co Survey, Ector County, Texas; Also known as Ector County Appraisal District Parcel Number R100014343.