Ratings: S&P "A+" (underlying) / "AA" (AGM insured)"
(See "RATINGS", "BOND INSURANCE" and"
"BOND INSURANCE RISK FACTORS" herein)

OFFICIAL STATEMENT
Dated: July 28, 2021

NEW ISSUE – BOOK-ENTRY-ONLY

Interest on the Bonds is not excludable from gross income for federal tax purposes under existing law (see "CERTAIN FEDERAL INCOME TAX CONSIDERATIONS" herein.

$4,675,000
ODESSA COLLEGE DISTRICT
(A Political Subdivision of the State of Texas located in Ector County, Texas)
CONSOLIDATED FUND REVENUE REFUNDING BONDS, TAXABLE SERIES 2021

Dated Date: August 15, 2021 **Due: July 1, as shown on page ii hereof**
Interest to Accrue from Delivery Date

Interest on the Odessa College District $4,675,000 Consolidated Fund Revenue Refunding Bonds, Taxable Series 2021 (the "Bonds") will accrue from the Delivery Date, will be payable January 1 and July 1 of each year, commencing January 1, 2022, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be issued as fully registered obligations in denominations of $5,000 of principal amount or any integral multiple thereof for any one stated maturity. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or any integral multiple thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (the "Paying Agent/Registrar"), initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "BOOK-ENTRY-ONLY SYSTEM").

The issuer of the Bonds is a political subdivision located in Ector County, Texas that was formerly known as the Odessa Junior College District. The name of the District was changed to Odessa College District in 2018 as authorized by State law. The issuer operates Odessa College in the City of Odessa, Texas (herein, the issuer and the college are referred to as the "District" and the "College," respectively).

The Bonds are being issued in accordance with the Constitution and general laws of the State of Texas (the "State"), including particularly Chapters 130, Texas Education Code, as amended, Chapter 1207, Government Code, as amended, and a resolution adopted by the Board of Trustees of the District (the "Board") on May 25, 2021, authorizing the issuance of the Bonds (the "Bond Resolution"). In the Bond Resolution, the Board delegated to each of the College President and the Chief Financial Officer of the District (each, a "Pricing Officer") the authority to effect the sale of the Bonds by the execution of a pricing certificate for the Bonds evidencing the final terms of the Bonds (the "Pricing Certificate"). The Bond Resolution and the Pricing Certificate are collectively referred to herein as the "Resolution". The Bonds, together with any additional bonds that may be issued on parity with the Bonds, are special limited obligations of the District, payable solely from and secured by a consolidated pledge of certain revenues of the District, as described herein. The payment of the Bonds is additionally secured by a debt service reserve fund to be funded with proceeds from the Bonds (see "THE BONDS – Security and Source of Payment"). **THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. NEITHER THE TAXING POWER OF THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED AS SECURITY FOR THE BONDS.**

Proceeds from the sale of the Bonds will be used for the purposes of (i) refunding certain outstanding bonds of the District as shown on "SCHEDULE I – Schedule of Refunded Bonds" attached hereto, (ii) funding a debt service reserve fund for the Bonds, if deemed in the best interest of the financing by the Pricing Officer and (iii) paying the costs of issuing the Bonds (see "PLAN OF FINANCE– Purpose").

The Bonds maturing on and after July 1, 2032 are subject to optional redemption prior to maturity on July 1, 2031 or any date thereafter (see "THE BONDS – Optional Redemption").

ASSURED GUARANTY® MUNICIPAL

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP (see "BOND INSURANCE," "BOND INSURANCE RISK FACTORS," and "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY").

SEE INSIDE COVER PAGE FOR MATURITY AND PRICING SCHEDULES

The Bonds are offered for delivery when, as and if issued, subject to the approving opinions of the Attorney General of the State of Texas and of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel. Certain matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe, LLP, Austin, Texas, as counsel to the Underwriters. The Bonds are expected to be available for delivery through DTC on or about August 26, 2021.

SAMCO CAPITAL

FROST BANK **HILLTOPSECURITIES**

CUSIP Prefix 676040[A]

MATURITY AND PRICING SCHEDULE

$4,675,000
ODESSA COLLEGE DISTRICT
CONSOLIDATED FUND REVENUE REFUNDING BONDS, TAXABLE SERIES 2021

$2,800,000 Serial Current Interest Bonds

Maturity Date (7/1)	Principal Amount	Interest Rate	Initial Yield[B]	CUSIP Suffix[A]
2022	$350,000	0.28%	0.28%	JW9
2023	300,000	0.48%	0.48%	JX7
2024	295,000	0.69%	0.69%	JY5
2025	295,000	0.93%	0.93%	JZ2
2026	305,000	1.13%	1.13%	KA5
2027	305,000	1.35%	1.35%	KB3
2028	315,000	1.53%	1.53%	KC1
2029	315,000	1.65%	1.65%	KD9
2030	320,000	1.85%	1.85%	KE7

$655,000 2.00% Term Bonds due July 1, 2032, Priced to Yield 2.00% 676040KG2[A][B]
$1,220,000 2.10% Term Bonds due July 1, 2034, Priced to Yield 2.10% 676040KJ6 [A][B]

(Interest accrues from Delivery Date)

Optional Redemption…The Bonds, maturing on and after July 1, 2032, are subject to redemption prior to maturity, at the option of the District, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on July 1, 2031 or any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption (see “THE BONDS – Redemption Provisions”).

Mandatory Redemption…The Term Bonds maturing on July 1, 2032 and July 1, 2034 are subject to mandatory sinking fund redemption prior to their stated maturity on the dates and in the principal amounts set forth herein (see “THE BONDS – Redemption Provisions”).

[A] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by Capital IQ on behalf of the American Bankers Association. This data is included solely for the convenience of the registered owners of the Bonds, is not intended to create a database and does not serve in any way as a substitute for the services provided by CGS. None of the District, the Financial Advisor, or the Underwriters are responsible for the selection or correctness of the CUSIP numbers set forth herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance or other similar enhancements by investors that is applicable to all or a portion of certain maturities of the Bonds.
[B] The initial reoffering yield represents the initial offering yield to the public, which will be determined by the Underwriters. Portions of the Bonds may be sold by the Underwriters at prices other than those shown above.

Concurrent Offerings….The Bonds are being offered by the District concurrently with the District’s Consolidated Fund Revenue Bonds, Series 2021 (the “New Money Bonds”) but pursuant to a separate offering document. The Bonds and New Money Bonds are separate and distinct securities offerings being issued and sold independently. Such separate offering documents should be reviewed and analyzed independently, including, without limitation, the terms for payment, the treatment of interest for federal income tax purposes, the rights of the holders and other features. Initial delivery of the New Money Bonds through the facilities of DTC is expected to occur on or about August 26, 2021.

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ODESSA COLLEGE DISTRICT

ELECTED OFFICIALS

BOARD OF TRUSTEES*

Name	Position	Term Expires	Occupation
Gary S. Johnson	Chair	May 2027	Oil Company VP
Larry Johnson	Vice-Chair	May 2027	Retired Architect
Trudy Lewis	Secretary	May 2025	Community Volunteer
Tara Deaver	Asst. Secretary	May 2023	Physician
Hortencia DelBosque	Member	May 2023	Educator
Bruce Shearer	Member	May 2023	Business Consultant
Montie Garner	Member	May 2025	Retired Banker
Laci Harris	Member	May 2025	Medical Executive
J. E. Pressly	Member	May 2025	Retired

CERTAIN APPOINTED OFFICIALS

Name	Position	Length of Service
Gregory Williams, Ed.D.	College President	14 years
Brandy Ham	Chief Financial Officer	8 years
Tramaine Anderson, Ph.D.	Vice President for Instruction	1 year
Ken Zartner	Vice President for Administrative Services	3 years
Kimberly McKay	Vice President for Student Services & Enrollment Management	8 years

CONSULTANTS AND ADVISORS

Certified Public Accountants....................Whitley Penn, LLP

Bond Counsel.................... McCall, Parkhurst & Horton L.L.P.

Financial Advisor....................RBC Capital Markets, LLC

FOR ADDITIONAL INFORMATION PLEASE CONTACT:

Brandy Ham
Chief Financial Officer
Odessa College District
201 W. University
Odessa, Texas 79764
Phone: (432) 335-6651

Matthew Boles
Managing Director
RBC Capital Markets, LLC
200 Crescent Court, Suite 1500
Dallas, Texas 75201
Phone: (214) 989-1660

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the District or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriters.

This Official Statement, which includes the cover page, Schedules and Appendices hereto, is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein has been obtained from the District and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

None of the District, the Financial Advisor or the Underwriters make any representation regarding the information contained in this Official Statement regarding The Depository Trust Company or its Book-Entry-Only System. CUSIP numbers have been assigned to the Bonds by the CUSIP Service Bureau for the convenience of the owners of the Bonds.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in the Official Statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

The agreements of the District and others related to the Bonds are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Bonds is to be construed as constituting an agreement with any purchasers of the Bonds. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL SCHEDULES AND APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. **INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.**

References to website addresses presented herein are for informational purposes only and may not be in the form of a hyperlink solely for reader convenience. Unless specified otherwise, such websites and information or links contained therein are not incorporated into and are not part of the Official Statement for purposes of and as the term is defined in Rule 15c2-12.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented in "BOND INSURANCE" and "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

TABLE OF CONTENTS

The cover page hereof, the section entitled "Selected Data from the Official Statement," this Table of Contents and the Schedule and Appendices attached hereto are part of this Official Statement.

SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is a summary of certain information contained herein and is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement (which includes the Appendices attached hereto). No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement (which includes the Schedule and Appendices attached hereto).

The District The issuer of the Bonds is a political subdivision located in Ector County, Texas that was formerly known as the Odessa Junior College District. The name of the District was changed to Odessa College District in 2018 as authorized by State law. The issuer operates Odessa College in the City of Odessa, Texas (herein, the issuer and the college are referred to as the "District" and the "College" respectively). The District is a political subdivision of the State of Texas located in Ector County, Texas. The District is governed by a nine-member Board of Trustees (the "Board"). Currently, the District employs approximately 1,156 persons and has an enrollment of approximately 6,500 credit students each semester. The service area of the District includes the territory within Ector, Brewster, Andrews, Crane, Jeff Davis, Ward, Winkler, Presidio, Upton, Reeves, Culberson, and Loving Counties; and the Seminole Independent School District in Gaines County (see "ODESSA COLLEGE").

The Bonds The Consolidated Fund Revenue Refunding Bonds, Taxable Series 2021 (the "Bonds") are being issued in accordance with the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 130, Texas Education Code, as amended, Chapter 1207, Government Code, as amended, and a resolution adopted by the Board on May 25, 2021, authorizing the issuance of the Bonds (the "Bond Resolution"). In the Bond Resolution, the Board delegated to each of the College President and the Chief Financial Officer of the District (each, a "Pricing Officer") the authority to effect the sale of the Bonds by the execution of a pricing certificate for the Bonds evidencing the final terms of the Bonds (the "Pricing Certificate"). The Bond Resolution and the Pricing Certificate are collectively referred to herein as the "Resolution".

Purpose Proceeds from the sale of the Bonds will be used for the purposes of (i) refunding certain outstanding bonds of the District as shown on "SCHEDULE I – Schedule of Refunded Bonds" (defined herein), (ii) funding a debt service reserve fund associated with the issuance of the Bonds, if deemed in the best interest of the financing by the Pricing Officer, and (iii) paying the costs of issuing the Bonds (see "PLAN OF FINANCE– Purpose").

Payment of Interest The Bonds will bear interest from their Delivery Dates, and will be payable semiannually on each January 1 and July 1, commencing January 1, 2022 (see "THE BONDS – General Description")

Security The Bonds, together with any additional bonds that may be issued on parity with the Bonds, are special limited obligations of the District, payable solely from and secured by a consolidated pledge of certain revenues of the District, as described herein. In addition, the payment of the Bonds is additionally secured by a debt service reserve fund, which the District intends to fund with proceeds from the Bonds (see "THE BONDS – Security and Source of Payment"). **The Bonds do not constitute general obligations of the District, the State or any political subdivision of the State. Neither the taxing power of the District, the State or any political subdivision of the State is pledged as security for the Bonds** (see "THE BONDS – Security and Source of Payment," "RISK FACTORS FOR JUNIOR COLLEGES" and "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION").

Redemption Provisions *Optional Redemption.* The Bonds maturing on and after July 1, 2032 are subject to redemption prior to maturity, at the option of the District, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on July 1, 2031 or any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption (see "THE BONDS – Redemption Provisions").

Mandatory Redemption. The Term Bonds maturing on July 1, 2032 and July 1, 2034 are subject to mandatory sinking fund redemption prior to their stated maturity on the dates and in the principal amounts as set forth herein (see "THE BONDS – Redemption Provisions").

Ratings	S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), has assigned an underlying bond rating of "A+" to the Bonds. S&P has assigned a rating of "AA" (stable outlook) to the Bonds by virtue of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds guaranteeing the payment of principal and interest on the Bonds (see "BOND INSURANCE", "BOND INSURANCE RISK FACTORS" and "RATINGS").
Bond Insurance	The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp ("AGM") (see "BOND INSURANCE," "BOND INSURANCE RISK FACTORS," and "APPENDIX F - SPECIMEN MUNICIPAL BOND INSURANCE POLICY").
Paying Agent/ Registrar	The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas.
Book-Entry-Only System	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. The Bonds will be issued in principal denominations of $5,000 of principal amount or any integral multiple thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "BOOK-ENTRY-ONLY SYSTEM").
Tax Status	Interest on the Bonds is not excludable from gross income for federal tax purposes under existing law (see "CERTAIN FEDERAL INCOME TAX CONSIDERATIONS").
Payment Record	The District has never defaulted in the payment of its bonded indebtedness.
Legal Opinion	McCall, Parkhurst & Horton L.L.P., Dallas, Texas.
Concurrent Offering	The Bonds are being offered by the District concurrently with the District's Consolidated Fund Revenue Bonds, Series 2021 (the "New Money" Bonds") but pursuant to a separate offering document. The Bonds and the New Money Bonds are separate and distinct securities offerings being issued and sold independently. Such separate offering documents should be reviewed and analyzed independently, including, without limitation, the terms for payment, the treatment of interest for federal income tax purposes, the rights of the holders and other features. Initial delivery of the New Money Bonds through the facilities of DTC is expected to occur on or about August 26, 2021.

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OFFICIAL STATEMENT
relating to

ODESSA COLLEGE DISTRICT
(A political subdivision of the State of Texas located in Ector County, Texas)

$4,675,000
CONSOLIDATED FUND REVENUE REFUNDING BONDS,
TAXABLE SERIES 2021

INTRODUCTORY STATEMENT

This Official Statement, including Schedule I and Appendices A and B, have been prepared by the issuer of the Bonds (the "District") referenced above (the "Bonds") with the assistance of RBC Capital Markets, LLC, Financial Advisor to the District, in connection with the offering of the Bonds. The District is a political subdivision located in Ector County, Texas that was formerly known as the Odessa Junior College District. The name of the District was changed to Odessa College District in 2018 as authorized by State law. The District operates Odessa College in the City of Odessa, Texas (herein, the issuer and the college are referred to as the "District" and the "College" or "Odessa College," respectively). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Resolution (hereinafter defined) authorizing the issuance and sale of the Bonds, except as otherwise indicated herein (see "APPENDIX E – SELECTED PROVISIONS OF THE RESOLUTION").

All financial and other information presented in this Official Statement has been provided by the District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from revenues and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of the final Official Statement and the Escrow Agreement (as defined below) will be submitted to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

PLAN OF FINANCE

Purpose

Proceeds from the sale of the Bonds will be used for the purposes of refunding certain outstanding bonds of the District as shown on "SCHEDULE I – Schedule of Refunded Bonds" (the "Refunded Bonds"), (ii) funding a debt service reserve fund associated with the issuance of the Bonds and (iii) paying the costs of issuing the Bonds.

Refunded Bonds

The principal and interest due on the Refunded Bonds are to be paid on the respective interest payment dates and redemption date (shown in Schedule I) of the Refunded Bonds from funds to be deposited pursuant to a certain escrow agreement (the "Escrow Agreement") between the District and The Bank of New York Mellon Trust Company, National Association, Dallas, Texas (the "Escrow Agent"). The Resolution (as defined below) provides that a cash contribution by the District, if necessary, plus funds from the proceeds of the sale of the Bonds received from the initial purchasers of the Bonds listed on the cover page hereof (the "Underwriters"), will be deposited with the Escrow Agent in an amount that, together with investment earnings thereon, will be sufficient to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase direct noncallable obligations of the United States of America (the "Escrowed Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

Robert Thomas CPA, LLC, a firm of independent certified public accountants, will verify at the time of delivery of the Bonds to the Underwriters that the Escrowed Securities will mature and pay interest in such amounts which, together with the uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. Such maturing principal of and interest on the Escrowed Securities will not be available to pay debt service on the Bonds (see "VERIFICATION OF MATHMETICAL COMPUTATIONS").

By the deposit of the Escrowed Securities and cash with the Escrow Agent pursuant to the Escrow Agreement, the District will have effected the defeasance of all of the Refunded Bonds in accordance with Texas law. It is the opinion of Bond Counsel that as a result of such defeasance and in reliance upon the verification report of Robert Thomas CPA, LLC, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Escrowed Securities and any cash held for such purpose by the Escrow Agent and such Refunded Bonds will not be deemed as being outstanding obligations of the District payable from any revenues of the District nor for the purpose of applying any limitation on the issuance of debt. The District will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Bonds from time to time, including any insufficiency therein caused by the failure of the Escrow Agent to receive payment when due on the Escrowed Securities.

Sources and Uses of Proceeds

The proceeds from the sale of the Bonds, along with other available funds of the District will be applied, approximately as follows:

Sources:	
Principal Amount of the Bonds	$4,675,000.00
Issuer Contribution from Refunded Bonds Debt Service Reserve Fund	438,055.40
Total Sources	$5,113,055.40
Uses:	
Deposit to Escrow Fund	$4,592,531.72
Deposit to the Debt Service Reserve Fund	414,049.71
Costs of Issuance (including Bond Insurance Premium)	70,594.17
Underwriters' Discount	35,879.80
Total Uses	$5,113,055.40

THE BONDS

Authority for Issuance

The Bonds are being issued in accordance with the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 130, Texas Education Code, as amended, Chapter 1207, Government Code, as amended, and a resolution adopted by the Board of Trustees of the District (the "Board") on May 25, 2021, authorizing the issuance of the Bonds (the "Bond Resolution"). In the Bond Resolution, the Board delegated to each of the College President and the Chief Financial Officer of the District (each, a "Pricing Officer") the authority to effect the sale of the Bonds by the execution of a pricing certificate for the Bonds evidencing the final terms of the Bonds (the "Pricing Certificate"). The Bond Resolution and the Pricing Certificate are collectively referred to herein as the "Resolution."

General Description

The Bonds shall be dated August 15, 2021 and will be issued as fully registered obligations in principal denominations of $5,000 or any integral multiple thereof within a maturity. Interest on the Bonds will accrue from the date of initial delivery of the Bonds to the Underwriters at the interest rates shown on page ii hereof and such interest shall be payable to the registered owners thereof on January 1, 2022, and semiannually thereafter on each June 1 and January 1 until maturity or prior redemption. Interest accruing on the Bonds will be calculated on the basis of 360-day year of twelve 30-day months. The paying agent and transfer agent (the "Paying Agent/Registrar") for the Bonds is initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas.

Initially, the Bonds will be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described below. No physical delivery of the Bonds will be made to the beneficial owners. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will distribute the amounts paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "BOOK-ENTRY-ONLY SYSTEM").

In the event the Book-Entry-Only System is discontinued, printed certificates will be issued to the owners of the Bonds and thereafter interest on the Bonds shall be payable to the registered owner whose name appears on the bond registration books of the Paying Agent/Registrar at the close of business on the "Record Date" (hereinafter defined) and such accrued interest will be paid by (i) check sent United States mail, first class, postage prepaid, to the address of the registered owner appearing on such registration books of the Paying Agent/Registrar or (ii) such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. The record date (the "Record Date") for the interest payable on any interest payment date is the fifteenth business day of the month next preceding such interest payment date (see "REGISTRATION, TRANSFER AND EXCHANGE – Record Date for Interest Payment"). The principal of the Bonds redeemed prior to maturity will be payable only upon presentation of such Bonds at the designated office of the Paying Agent/Registrar upon maturity or redemption, as applicable.

Redemption Provisions

Optional Redemption. The Bonds, maturing on and after July 1, 2032, are subject to redemption prior to maturity, at the option of the District, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on July 1, 2031 or any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

Mandatory Redemption. In addition to the optional redemption described above, the Bonds maturing on July 1, 2032 and July 1, 2034 (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption prior to their stated maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date:

Term Bond due July 1, 2032		Term Bond due July 1,2034	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
7/1/2031	$325,000	7/1/2033	$340,000
7/1/2032*	330,000	7/1/2034*	880,000

* Stated Maturity.

The Paying Agent/Registrar shall select by lot or other customary method that results in a random selection the Term Bonds within the applicable stated maturity to be redeemed from moneys set aside for that purpose in the interest and sinking fund maintained for the payment of the Bonds. Any Term Bond not selected for prior mandatory sinking fund redemption shall be paid on the date of its stated maturity or upon optional redemption.

The principal amount of Term Bonds of a stated maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the District, by the principal amount of any Term Bond of like stated maturity which, at least 45 days prior to a mandatory redemption date: (1) shall have been acquired by the District and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory redemption requirement.

Notices of Redemption

At least 30 days prior to the date fixed for any such redemption, the District shall cause a written notice of such redemption to be deposited in the United States mail, first class, postage prepaid, addressed to each registered owner at the address shown on the Registration Books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and money sufficient to pay the principal of, premium if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds have not been redeemed.

ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN WHETHER OR NOT THE REGISTERED OWNER OF SUCH BOND RECEIVES SUCH NOTICE. UPON THE GIVING OF THE NOTICE OF REDEMPTION, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND INTEREST ON SUCH BOND OR PORTIONS THEREOF SHALL CEASE TO ACCRUE, IRRESPECTIVE OF WHETHER SUCH BONDS ARE SURRENDERED FOR PAYMENT, PROVIDED THAT MONIES FOR THE PAYMENT OF THE REDEMPTION PRICE AND THE INTEREST ACCRUED ON THE PRINCIPAL AMOUNT TO BE REDEEMED TO THE DATE OF REDEMPTION ARE HELD FOR THE PURPOSE OF SUCH PAYMENT BY THE PAYING AGENT/REGISTRAR.

DTC Notices

The Paying Agent/Registrar and the District, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Resolution or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds, respectively, held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds from the beneficial owners. Any such selection of Bonds to be redeemed will not be governed by the Resolution and will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Bonds or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the Bonds selected for redemption (see "BOOK-ENTRY-ONLY SYSTEM").

Security and Source of Payment

The Bonds are special obligations of the District, payable on a parity basis with all other Parity Obligations, secured by, and payable from a first lien on and pledge of the Gross Revenues of the District. "Gross Revenues" include: (a) the General Use Fee; (b) the College Bookstore Revenues; (c) the Tuition Pledge; (d) the College Cafeteria Revenues; (e) the Dormitory System Revenues; (f) the Operating Fees; (g) gifts, grants or donations from any public or private source that are not restricted or dedicated with respect to their use or purpose; and (h) the earnings of the District on all investments of the District lawfully available for such purpose. Gross Revenues shall not include; (i) tuition charged in excess of the amount permitted by the Texas law to be pledged to the payment of bonds; (ii) ad valorem taxes; and (iii) revenues received from the State of Texas. Additionally, the Bonds and other Parity Obligations of the District are equally and ratably secured by funds on deposit in the Pledged Funds established under the Resolution (see "APPENDIX E – SELECTED PROVISIONS OF THE RESOLUTION").

The Bonds do not constitute general obligations of the District, the State or any political subdivision of the State. Neither the taxing power of the District, the State or any political subdivision of the State is pledged as security for the Bonds.

The District is issuing the New Money Bonds in the amount of $26,435,000 simultaneously with the issuance of the Bonds. The New Money Bonds will be secured by and payable from the Gross Revenues on parity with the Bonds.

Reserve Fund

The Resolution provides that the District may create and establish a debt service reserve fund pursuant to the provisions of any resolution authorizing the issuance of Parity Obligations for the purpose of securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Gross Revenues and shall be held solely for the benefit of the owners of the particular Parity Obligations for which such debt service reserve fund was established, and the Resolution permits any debt service reserve fund to be funded with, cash, a surety policy or another Credit Facility.

The District will establish a debt service reserve fund (the "Series 2021 Refunding Reserve Fund") for the Bonds to be held at a Depository of the District. The Series 2021 Refunding Reserve Fund will be funded at an amount equal to the "Series 2021 Refunding Required Reserve Amount," which is the amount equal to the average Annual Debt Service Requirements for the Bonds, as determined on the date the Bonds are delivered and thereafter on any date that any part of the Bonds is redeemed prior to maturity and at the close of each Fiscal Year. The District will fund the Series 2021 Refunding Reserve Fund with proceeds from the Bonds. The amounts on deposit in the Series 2021 Refunding Reserve Fund will secure only the Bonds.

If the Series 2021 Refunding Reserve Fund at any time contains money, securities or a Credit Facility (as defined in the Resolution) having a value that is less than the Series 2021 Refunding Required Reserve Amount, the District will agree to cause monthly deposits to be made to the Series 2021 Refunding Reserve Fund on or before the 1st day of each month (beginning the month following the month the deficiency occurred), from Gross Revenues in an amount equal to 1/36th of the required reserve until the total Series 2021 Refunding Required Reserve Amount has been fully restored.

The District may at any time substitute a qualifying Credit Facility for all or part of the cash or other Credit Facility on deposit in, or held for the benefit of, the Series 2021 Refunding Reserve Fund. During such time as the Series 2021 Refunding Reserve Fund contains the Series 2021 Required Reserve Amount, the District may, at its option, withdraw any amount in the Series 2021 Refunding Reserve Fund in excess of the Series 2021 Required Reserve Amount and, to the extent it represents proceeds from the sale of the Bonds, deposit such surplus in the Debt Service Fund, and, to the extent any such excess is from a source other than proceeds of the Bonds, in the Debt Service Fund or the Revenue Fund.

After satisfying the requirements described above for deposits to the Debt Service Fund and the Series 2021 Refunding Reserve Fund which are required to be made in the then current fiscal year, the District may use the Gross Revenues for any lawful purpose.

Rate and Tuition Covenants

In the Resolution, the District has agreed to make payments into the Debt Service Fund at such times and in such amounts as are necessary to provide for the full payment of the principal of and the interest on the Bonds and any Parity Obligations when due. The District has covenanted that it will establish, charge, and use its reasonable efforts to collect Gross Revenues which, if collected, will be sufficient to produce Gross Revenues for each Fiscal Year (1) in an amount at least equal to 150% of the Annual Debt Service

Requirements during such Fiscal Year of the then Outstanding Parity Obligations and to fund and/or maintain all funds and accounts created for the benefit of each series of Parity Obligations and (2) are sufficient to meet all financial obligations of the District relating to operating and maintaining the District's property, buildings, structures, activities, operations, or facilities of any nature or kind, that are authorized by Texas law and are reasonably anticipated to be paid from Gross Revenues.

The District has further covenanted to establish, maintain, enforce, charge and collect tuition from all students enrolled at all of the District's facilities (excepting any student in a category which is exempt by law or by the District from paying such tuition charges) in such amounts as shall be necessary, together with other legally available funds, including other Gross Revenues, to satisfy the covenant set forth in items (1) and (2) above; provided, however, the District may increase or decrease the tuition charged to such students, and increase or decrease the rentals, rates, charges, fees, tuition or other resources of the District which constitute Gross Revenues; and provided, further, that no such adjustment shall occur if the result thereof is that the District shall violate its covenant set forth in items (1) and (2) above.

Flow of Funds

Pursuant to the Resolution, the District covenants and agrees that Gross Revenues shall be deposited upon receipt to the credit of the Revenue Fund, and that the Gross Revenues on deposit in the Revenue Fund shall be applied to the extent required for the following uses in the order of priority shown:

FIRST: On a pro rata allocation determined on the basis of the Annual Debt Service Requirements for all Parity Obligations coming due in each Fiscal Year, to the Debt Service Fund in approximately equal monthly deposits for the payment of Parity Obligations as principal, premium, if any, and interest on Parity Obligations comes due, with such deposits to be made in accordance with the provisions of each resolution of the District authorizing the issuance of Parity Obligations;

SECOND: On a pro rata allocation determined on the basis of the Annual Debt Service Requirements for all Parity Obligations coming due in each Fiscal Year, to fund each debt service reserve fund, created by resolutions authorizing the issuance of Parity Obligations, in approximately equal monthly deposits, which contains less than the amount to be accumulated and/or maintained therein, as provided in the resolutions of the District authorizing the issuance of such Parity Obligations;

THIRD: To the funds and accounts established by resolutions of the District providing for the payment and security of Subordinate Lien Obligations hereinafter issued, with such deposits to be made in approximately equal monthly deposits, in accordance with the provisions of each resolution of the District authorizing the issuance of Subordinate Lien Obligations; and

FOURTH: To the payment of all necessary and reasonable maintenance and operating expenses of the District and for such other uses as may be permitted by law.

Additional Parity Bonds

In the Resolution, the District has reserved the right to issue additional Parity Obligations, which shall be payable from and secured by a first lien on and pledge of the Gross Revenues, in the same manner and to the same extent as to the Bonds. The Resolution provides that the Debt Service Fund will equally and ratably secure all Parity Obligations. In addition, the Resolution provides that the District may create and establish a debt service reserve fund pursuant to the provisions of any resolution authorizing the issuance of Parity Obligations for the purpose of securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations. Amounts once deposited or credited to such debt service reserve funds shall no longer constitute Gross Revenues and shall be held solely for the benefit of the owners of the particular Parity Obligations for which such debt service reserve fund was established. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other Parity Obligations.

The Resolution provides that the District may issue additional Parity Obligations upon complying with the following conditions: (1) the Designated Financial Officer shall have executed a certificate stating (a) that, to the best of his or her knowledge and belief, the District is not then in default as to any covenants, obligation or agreement contained in any resolution or other proceeding relating to any obligations of the District payable in whole or in part from, and secured by a lien on and pledge of, the Gross Revenues that would materially affect the security or payment of the Parity Obligations and (b) either (i) payments into all special funds or accounts created and established for the payment and security of all Outstanding Parity Obligations have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (ii) the application of the proceeds of sale of such Parity Obligations then being issued will cure any such deficiency; and (2) the Designated Financial Officer shall have executed a certificate to the effect that, according to the books and records of the District, the Gross Revenues, for the preceding Fiscal Year or for a 12 consecutive month period out of the 18 consecutive months immediately preceding the month the resolution authorizing the issuance of the Parity Obligations is adopted are equal to at least (i) 1.5 times the maximum Annual Debt Service Requirements for all Parity Obligations then Outstanding, and in making the determination of the Gross Revenues, the Designated Financial Officer may take into consideration a change in the rates and charges for services and facilities afforded by the District that became effective at least sixty (60) days prior to the last day of the period for which Gross Revenues are determined and, for purposes of satisfying the above Gross Revenues test, make a pro forma determination of the Gross Revenues of the District for the period of time covered by this certification or opinion based on such change in rates and charges being in effect for the entire period covered by the certificate of the Designated Financial Officer.

Legality

The Bonds are offered for delivery when, as and if issued, subject to the approving opinions of the Attorney General of the State of Texas and of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel (see “LEGAL MATTERS” and “APPENDIX C - FORM OF BOND COUNSEL’S OPINION”).

Payment Record

The District has never defaulted in the payment of its bonded indebtedness.

Ownership

The District, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of principal and interest, and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Paying Agent/Registrar will be bound by any notice or knowledge to the contrary.

All payments made to the person deemed to be the owner of any Bond in accordance with the Resolution will be valid and effectual and will discharge the liability of the District and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

REGISTERED OWNERS’ REMEDIES

In addition to all of the rights and remedies provided by the laws of the State of Texas, the Resolution provides an Event of Default shall have occurred in the event the District (i) defaults in the payments to be made to the Debt Service Fund or the Series 2021 Reserve Fund as required by the Resolution or (ii) defaults in the performance or observance of any other covenant, agreement or obligation of the District under the Resolution, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with the Resolution, and the continuation thereof for a period of 30 days after notice of such default is given by any Registered Owner to the District. Upon the occurrence of an Event of Default, the holder or holders of any Parity Obligations shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the District, its officers, the Board, and/or all of them, to observe and perform any covenants, conditions, or obligations prescribed in the Resolution. The Resolution further provides that no delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

If the District defaults in the payment of the principal or interest on the Bonds when due or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Resolution, the laws of the State permit any registered owner to seek a writ of mandamus from a court of proper jurisdiction requiring the District to make such payment or observe and perform such covenant, obligations, or condition. Such right is in addition to any other rights the registered owners of the Bonds may be provided by any other provision of the laws of the State. Under Texas law there is no right to the acceleration of maturity of the Bonds upon the failure of the District to observe any covenant under the Resolution. Although a registered owner of Bonds could presumably obtain a judgment against the District if a default occurred in the payment of principal of or interest on any such Bonds, such judgment could not be satisfied by execution against any property of the District. Such registered owner’s only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the Board, its officials and employees, and any appropriate officials of the State, to carry out, respect or enforce the covenants and obligations of the Resolution. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis. The Resolution does not provide for the appointment of a trustee to represent the interest of the bondholders upon any failure of the District to perform in accordance with the terms of the Resolution, or upon any other condition. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Resolution and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors, by general principles of equity which permit the exercise of judicial discretion and by governmental immunity. For a description of the remedial rights of the bond insurer, see "BOND INSURANCE RISK FACTORS" and "APPENDIX E – SELECTED PROVISIONS OF THE RESOLUTION."

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Financial Advisor and the Underwriters believe the source of such information to be reliable, but none of the District, the Financial Advisor or the Underwriters takes any responsibility for the accuracy or completeness thereof.

The District, the Financial Advisor, and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notice to the Beneficial Owners (as hereinafter defined), or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security will be issued for each maturity of the Bonds, as set forth on page ii hereof, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of "AA+" from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered (see "REGISTRATION, TRANSFER AND EXCHANGE – Future Registration").

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository.) In that event, Bonds will be printed and delivered in accordance with the Resolution.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.

REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. The Bonds are being issued in fully registered form in integral multiples of $5,000 of principal amount. Interest on the Bonds will be payable semiannually by the Paying Agent/Registrar by check mailed on each interest payment date by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Paying Agent/Registrar's books on the Record Date (defined below) or by such other customary banking arrangement acceptable to the Paying Agent/Registrar requested by and at the risk and expense of the registered owner.

Successor Paying Agent/Registrar

Provision is made in the Resolution for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a legally qualified bank, trust company, financial institution or other agency duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Bonds.

Future Registration

In the event the Book-Entry-Only System is discontinued, printed Bond certificates will be delivered to the owners of the Bonds and thereafter the Bonds may be transferred, registered and assigned on the registration books only upon presentation and surrender of such printed certificates to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar in lieu of the Bond being transferred or exchanged at the designated office of the Paying Agent/Registrar, or sent by United States registered mail to the new registered owner at the registered owner's request, risk and expense. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in authorized denominations and for a like kind and aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system to be utilized initially in regard to the ownership and transferability of the Bonds.

Record Date for Interest Payment

The record date ("Record Date") for the interest payable on any interest payment date means the fifteenth day of the month next preceding the interest payment date. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Limitation on Transfer of Bonds

Neither the District nor the Paying Agent/Registrar shall be required make any transfer or exchange (i) with respect to any Bond, during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date, provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Replacement Bonds

If any Bond is damaged, mutilated, destroyed, stolen or lost, a new Bond in the same principal amount as the Bond so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Bond, such new Bond will be delivered only upon surrender and cancellation of such mutilated Bond. In the case of any Bond issued in lieu of and in substitution for a Bond which has been destroyed, stolen or lost, such new Bond will be delivered only (a) upon filing with the District and the Paying Agent/Registrar of satisfactory evidence to the effect that such Bond has been destroyed, stolen or lost and proof of the ownership thereof, and (b) upon furnishing the District and the Paying Agent/Registrar with indemnity satisfactory to them. The person requesting the authentication and delivery of a new Bond must pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

Defeasance

The Resolution provides for the defeasance of the Bonds when payment of the principal amount of the Bonds plus interest accrued on the Bonds to their due date (whether such due date be by reason of stated maturity, redemption or otherwise), is provided by irrevocably depositing with a paying agent, or other authorized escrow agent, in trust (1) money in an amount sufficient to make such payment and/or (2) Defeasance Securities, that will mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds, and thereafter the District will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Bonds, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. The District has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance. The Resolution provides that "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District authorizes the defeasance, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Resolution does not contractually limit such investments, registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used for defeasance purposes or that for any other Defeasance Security will be maintained at any particular rating category.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. Provided, however, the District has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption at an earlier date those Bonds which have been defeased to their maturity date, if the District (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption, (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes. After firm banking and financial arrangements for the discharge and final payment of the Bonds have been made as described above, all rights of the District to initiate proceedings to take any other action amending the terms of the Bonds are extinguished.

Upon defeasance, such defeased Bonds shall no longer be regarded to be Outstanding or unpaid.

Amendments

The District may from time to time, without the consent of any holder amend or supplement the Resolution in order to (i) cure any ambiguity, defect or omission in the Resolution that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of the Resolution and which shall not materially adversely affect the interests of the holders, (v) qualify the Resolution under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (iv) make such other provisions in regard to matters or questions arising under the Resolution as shall not be inconsistent with the provisions of the Resolution and which shall not in the opinion of Bond Counsel materially adversely affect the interests of the holders.

Except as provided above, the holders of Bonds aggregating in principal amount 51% of the aggregate principal amount of then Outstanding Bonds which are the subject of a proposed amendment shall have the right from time to time to approve any amendment to the Resolution which may be deemed necessary or desirable by the District; provided, however, without the consent of all registered owners of all outstanding Bonds, no such amendment shall: (1) make any change in the maturity of any of the Outstanding Bonds; (2) reduce the rate of interest borne by any of the Outstanding Bonds; (3) reduce the amount of the principal of, or redemption premium, if any, payable on any Outstanding Bonds; (4) modify the terms of payment of principal or of interest or redemption premium on Outstanding Bonds or any of them or impose any condition with respect to such payment; or (5) change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On July 8, 2021, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On October 29, 2020, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Capitalization of AGM. At June 30, 2021:

The policyholders' surplus of AGM was approximately $2,943 million.

The contingency reserve of AGM was approximately $947 million.

The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,137 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Merger of MAC into AGM. On April 1, 2021, MAC was merged into AGM, with AGM as the surviving company. Prior to that merger transaction, MAC was an indirect subsidiary of AGM (which indirectly owned 60.7% of MAC) and AGM's affiliate, Assured Guaranty Corp., a Maryland-domiciled insurance company ("AGC") (which indirectly owned 39.3% of MAC). In connection with the merger transaction, AGM and AGC each reassumed the remaining outstanding par they ceded to MAC in 2013, and AGC sold its indirect share of MAC to AGM. All of MAC's direct insured par exposures have become insured obligations of AGM.

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (filed by AGL with the SEC on May 7, 2021).

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (filed by AGL with the SEC on August 6, 2021).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty

Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

BOND INSURANCE RISK FACTORS

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by AGM at such time and in such amounts as would have been due absence such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Default of payment of principal and interest does not obligate acceleration of the obligations of AGM without appropriate consent. Any amendment, supplement, modification to, or waiver of, the Resolution that requires the consent of Holders or adversely affects the rights and interests of AGM shall be subject to the prior written consent of AGM. Provided that AGM is not in default on the Policy, then AGM shall be deemed to be the sole holder of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the registered owners of the Bonds insured by it are entitled to take pursuant to the Resolution pertaining to, among other matters (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent/Registrar.

In the event AGM is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable Bond documents. In the event AGM becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of AGM and its claim paying ability. AGM's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of AGM and of the ratings on the Bonds insured by AGM will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds (see "RATINGS" herein).

The obligations of AGM are general obligations AGM and in an event of default by AGM, the remedies available to AGM may be limited by applicable bankruptcy law or other similar laws related to insolvency.

None of the District, the Financial Advisor or the Underwriters have made independent investigation into the claims paying ability of AGM and no assurance or representation regarding the financial strength or projected financial strength of AGM is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of AGM, particularly over the life of the investment.

ODESSA COLLEGE

General Description

Odessa College District began its instruction in 1946 with 184 students and was initially housed in temporary quarters in the old Odessa High School, with classes held after public school hours. The first permanent structure for the College was constructed in 1949 on a five acre plot on the Andrews Highway. By 1960, the campus had grown to 15 buildings on a 35 acre plot. In the 1990s, a series of property donations allowed the College to expand significantly, and today the College consists of multiple campuses and buildings throughout Ector County, Texas. The $170 million main campus of the District spreads over 80 acres and includes some 28 buildings that house more than 250 classrooms, computer labs, and other specialized skills labs.

The District has boundaries that are coterminous with (and is authorized to levy an ad valorem tax on taxable property located within) Ector County, Texas, which has a population of approximately 174,749. Ector County's economy is based on mineral, manufacturing and trade, and is supplemented by agriculture (see "APPENDIX B – GENERAL INFORMATION REGARDING THE DISTRICT"). The main campus of Odessa College is located in the City of Odessa, which is situated roughly midway between the cities of Fort Worth and El Paso and has a population of approximately 123,334.

The District service area now covers over 30,000 square miles (consisting of the territory within Ector, Brewster, Andrews, Crane, Jeff Davis, Ward, Winkler, Presidio, Upton, Reeves, Culberson, Loving, and Terrell counties, and portions of the territory within Pecos and Gaines counties), making it the largest service area for any community college district in Texas. The College offers extension courses and/or Adult Basic Education courses in eight towns as well as offering concurrent classes in seven area high schools. Approximately 6,500 students are enrolled in university-parallel and occupational/technical credit courses each semester. During a year, approximately 11,000 individuals also enroll in one or more Adult Basic Education, Continuing Education or Community Recreation courses.

Governance

Policy-making and supervisory functions are the responsibility of and are vested in a nine-member board of trustees. Members of the Board serve six-year staggered terms with elections being held each odd-numbered year on the first Saturday in May. The Board delegates administrative responsibilities to the College President of the College and his staff. Various supporting services are provided by independent consultants and advisors (see "BOARD OF TRUSTEES" and "CERTAIN APPOINTED OFFICIALS").

Coordinating Board

The College is subject to the supervisory powers of the Texas Higher Education Coordinating Board (the "Coordinating Board"). The Coordinating Board is an agency of the State established to promote the efficient use of State resources by providing coordination and leadership for the State's higher education systems, institutions and governing boards. The Coordinating Board is the highest authority in the State in matters of public higher education and exercises general control of the public junior colleges of Texas. The Coordinating Board has the responsibility for adopting policies, enacting regulations and establishing general rules necessary for carrying out the duties with respect to public junior colleges as prescribed by the Legislature. The Coordinating Board periodically reviews all degrees and certificate programs offered by the State's junior colleges and annually reviews the academic courses offered by such institutions.

Educational Programs, Accreditation and Awards

The purpose of the College is to serve the citizens who live in its service area as an educational and cultural resource center by providing community college programs and support services. The College received its most recent full accreditation from the Commission on Colleges of the Southern Association of Colleges and Schools in March in June 2012. It is also approved and subject to supervision by the Texas Higher Education Coordinating Board. Many departments at Odessa College have special accreditation from the respective bodies governing their field. These include the National Association of Schools of Music, the Accreditation Commission for Education in Nursing, the Commission on Accreditation in Physical Therapy Education, the Joint Review Committee on Education in Radiologic Technology, the Association of Surgical Technologists, and the Commission on Accreditation for Educational Programs for the Emergency Medical Services Professions.

The College has a comprehensive post-secondary curriculum providing the freshman and sophomore years of traditional baccalaureate programs for students who will continue their education at senior institutions and numerous career and technical programs for students who are preparing for specific careers. Learning options include weekend colleges, evening classes, off-campus instruction, concurrent or early enrollment classes in high school, internet courses and virtual courses.

The College now offers three Bachelor of Applied Arts and Science degrees with specializations in Entrepreneurship, Occupational Health and Safety Management, and Automation. The BAAS program provides students with the education and hands-on training that employers expect from today's graduates. Since the implementation of the BAAS programs at the College, the amount of interest in current students expanding their educational degrees have increased.

The College offers more than 45 associate degree programs and approximately 70 certificate options. Students can earn an Associate in Arts, Associate in Science, Associate in Arts in General Studies, Associate in Arts in Teaching, or an Associate in Applied Science. The following are just some of the areas of concentration in which a student may pursue an Associate's degree: Biology, Business Administration, Chemistry, Computer Science, English, Foreign Language, Geology, Mathematics, Music, Psychology, Speech, Social Sciences, and Teaching.

The career-technical programs of the College include fields such as Automotive Technology, Computer Information Systems, Culinary Arts, Cosmetology, Criminal Justice, Diesel Technology, Electronics Technology, Fire Technology, Industrial Engines and Transportation, Instrumentation & Electronics Technology, Mid-Management, Nursing, Office Systems Technology, Paralegal, Precision Manufacturing Technology, Physical Therapy Assistant, Radiologic Technology, Surgical Technology, Occupational Safety and Environmental Technology and Welding. Approximately one-third of the students enrolled for college credit at the College are in these programs. These programs are audited yearly and updated and amended as needed. The College endeavors to provide state-of-the-art equipment to provide practical learning that corresponds to actual employment conditions.

Extensive programs are offered in the area of Adult Basic Education, Continuing Education or Community Recreation including learning enrichment studies, precollege studies, adult basic education, GED preparation, and English. The Continuing Education/Lifelong Learning Program offers courses, seminars, workshops, institutes and conferences designed to provide lifelong learning through a wide array of educational, cultural and personal enrichment opportunities. Over 11,000 students enroll annually in these courses designed to improve occupational skills, enhance employment opportunities, or provide training in special or personal interests. Many of these courses are designed to meet the needs of business and industry and are taught off-campus at business sites.

In March 2017, the College received the 2017 Rising Star Award from the Aspen Institute for Community College Excellence, honoring it as one of the top four community colleges in the nation. The Aspen Prize is a biennial award which is recognized among American institutions of higher education as the most prestigious and elevated affirmation of high achievement and exemplary performance that a community college can receive.

In December 2017, the College was named one of the four winners of the Texas Higher Education Coordinating Board's 2017 Star Award. The Star Award is one of the most prestigious awards given to institutions of higher education, for which both colleges and universities in the state of Texas compete. The Star Award recognizes exceptional contributions toward achieving one or more of the goals of the state's long-range higher education plan, 60x30TX, designed to establish a globally competitive workforce in Texas by 2030. The selection was based on the College's success related to transitioning more than 80% of its courses from the traditional 16-week term into 8-week terms.

In 2018, the College received the 2018 Leah Meyer Austin Award, the highest honor awarded by community college reform leader Achieving the Dream. The award recognizes institutions that have demonstrated outstanding progress in designing a student-focused culture and aligning institutional strategies to promote student success.

In April 2019, the College received the 2019 Rising Star Award from the Aspen Institute for Community College Excellence, honoring it as one of the top community colleges in the nation. The College was honored for its remarkable efforts to engage students and faculty, resulting in a record-low course withdrawal rate of 1.8 percent and an increase in the graduation and transfer rate over five years from 15 percent to 36 percent. The Aspen Prize recognizes outstanding institutions selected from an original pool of all 1,200 public community colleges nationwide. The Aspen Institute assesses performance and achievements in four areas: student learning, certificate and degree completion, employment and earnings for graduates, and access and success for minority and low-income students.

In May 2021, the College was named one of the top ten community colleges by the Aspen Institute for Community College Excellence. The Aspen Institute commended the College reflecting its unwavering dedication to advancing student success. Odessa in one of only six community colleges out of the more than 1,000 nationwide to be a top 10 finalist for the Aspen Prize three or more times. The Aspen Prize is a biennial award which is recognized among American institutions of higher education as the most prestigious and elevated affirmation of high achievement and exemplary performance that a community college can receive. The Aspen Prize recognizes outstanding institutions selected from an original pool of all 1,200 public community colleges nationwide. The Aspen Institute assesses performance and achievements in four areas: student learning, certificate and degree completion, employment and earnings for graduates, and access and success for minority and low-income students. The District anticipates that such national recognition of quality and effectiveness will likely contribute to strong enrollment demand in the near future.

Student Services, Counseling and Activities

The College offers a complete program of student services designed to meet individual needs and enhance the overall educational development of its students. The services include counseling, financial aid, job placement, assistance for veterans and veterans' dependents, special services for the handicapped and displaced homemakers, career testing and information, as well as many student activities/programs, including intramural sports.

Student Body Composition

In 2020-21, approximately 66% of the student body resided in Ector County. The average age of the student body is 22, and the student body is approximately 62% female and 38% male. Approximately 30% of the student body receives some form of financial aid. Full-time students were 33% of the student body and part-time students were 67% of the student body. Students majoring in academic programs were 72% of the student body and student majoring in technical programs are 28% of the student body. The average course load per semester in 2020-21 is 9 hours.

Faculty

For fiscal year 2020-21, 123 full-time faculty members and approximately 228 part-time faculty members were employed by the District. At present approximately 12% of the full-time faculty members hold doctorate degrees, and_58% hold masters degrees. These figures include instructors in occupational/technical programs where the major emphasis is on skills and experience instructors have obtained in their respective fields of training.

The College's minimum requirement for a general academic faculty position is a master's degree or Board approved equivalent. During the 2020-21 school year, the beginning salaries for instructors with no prior teaching experience is as follows:

	Master's Degree	Doctorate Degree
Nine month position	$47,271	$54,828
Twelve month position	$58,758	$68,151

Occupational faculty are required to hold both a college degree and a minimum of 3 to 5 years full-time trade experience in their field of instruction.

Faculty are eligible for promotions when they earn 30 or 60 hours beyond a master's degree or complete a doctorate degree. Occupational faculty may also earn promotion for 15 or 20 years additional trade experience. Listed below are the number of faculty earning promotions in fiscal year 2016 through fiscal year 2021:

Fiscal Year	Faculty Promoted	Fiscal Year	Faculty Promoted
2016	3	2019	5
2017	7	2020	3
2018	0	2021	4

Faculty members who have met certain requirements may apply for tenure under the College's tenure policy. Tenure is awarded by the Board of Trustees upon the Tenure Committee's recommendation, with the College President's concurrence. Listed below are statistics describing the number of tenured instructors at the College.

Academic Rank	Number	No. Tenured	% Tenured
Professor	17	4	24%
Associate Professor	49	0	0%
Assistant Professor	20	1	5%
Instructor	53	2	4%

Formal collective bargaining agreements relating directly to wages and other conditions of employment are prohibited by State law, as are strikes by teachers. The Faculty Senate of the College exists to facilitate and improve the lines of communication between the faculty and administration with regard to academic and professional affairs. In addition, various local and state employee organizations engage in efforts to better terms and conditions of employment of college employees.

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Enrollment

The College has an open-door admissions policy, welcoming all adults who want to learn. The following tables set forth historical enrollment information.

Table 1 – Head Count Enrollment*

Academic Year	Fall	Spring	Summer Session First	Summer Session Second	Undergrad Total	Non-Credit Total	Combined Total
2010-11	5,211	5,646	1,928	11,205	23,990	7,223	31,213
2011-12	5,112	6,066	1,976	1,430	14,584	6,677	21,261
2012-13	5,019	5,512	1,933	1,426	13,890	5,196	19,086
2013-14	5,031	5,668	2,137	1,302	14,138	5,972	20,110
2014-15	5,058	4,502	4,099	1,356	15,015	5,858	20,873
2015-16	5,597	4,978	4,441	1,543	16,559	4,502	21,061
2016-17	6,173	5,414	4,778	1,867	18,232	3,617	21,849
2017-18	6,240	5,716	4,531	2,068	18,555	2,492	21,047
2018-19	6,593	6,403	1,591	1,936	16,523	3,525	20,048
2019-20	6,847	6,572	1,795	2,101	17,315	2,375	19,690
2020-21	6,978	6,395	NA	NA	NA	NA	NA

*Includes credit and non-credit fundable enrollment.

Table 2 - Semester Hour Load*

	Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
18 or more semester hours	176	127	112	69	67
15-17 semester hours	599	612	538	546	336
12-14 semester hours	1,558	1,479	1,655	1,612	1,061
9-11 semester hours	981	1,003	1,015	971	1,085
6-8 semester hours	1,839	1,804	1,668	1,705	1,686
3-5 semester hours	1,693	1,688	1,428	1,253	1,690
2 or less semester hours	132	134	177	84	248
Totals	6,978	6,847	6,593	6,240	6,173

*Includes non-credit equivalent hours.

Table 3 -Semester Hours– Credit Classes Only

Academic Year	Fall	Spring	Summer Session First	Summer Session Second	Annual Total
2010-11	45,629	44,788	7,631	5,145	103,193
2011-12	44,115	41,361	7,626	5,431	98,533
2012-13	42,199	40,357	7,276	5,731	95,563
2013-14	41,058	40,635	8,410	4,950	95,053
2014-15	30,438	42,116	19,979	5,389	97,922
2015-16	47,146	29,012	21,785	5,935	103,878
2016-17	54,166	33,299	23,938	6,883	118,286
2017-18	55,846	33,581	23,591	8,233	121,251
2018-19	59,262	51,509	11,147	3,012	124,930
2019-20	60,702	52,170	12,040	3,564	128,476
2020-21	60,411	54,092	NA	NA	NA

Table 4 – Annual Head Count Enrollment*

	2019-20	2018-19	2017-18	2016-17	2015-16
General Academic	12,613	11,790	12,911	11,493	9,875
Vocational for Credit	5,004	4,733	5,644	6,739	4,668
Total for Credit	17,617	16,523	18,555	18,232	14,543
Vocational for Non-Credit (State funded)	2,375	3,525	2,492	3,617	4,497
Total	19,992	20,048	21,047	21,849	19,040

*Includes non-credit equivalent hours.

Table 5 – Annual Contact Hours Generated*

	2019-20	2018-19	2017-18	2016-17	2015-16
General Academic	1,777,218	1,746,160	1,710,328	1,658,204	1,419,673
Vocational for Credit	844,944	789,360	748,112	772,864	761,454
Total for Credit	2,622,162	2,535,520	2,458,440	2,431,068	2,181,127
Vocational for Non-Credit (State funded)	139,421	187,180	126,772	269,205	243,577
Total	2,761,583	2,722,700	2,585,212	2,700,273	2,424,704

*Includes non-credit equivalent hours.

Tuition and Fees

The following tables provide information on the College's tuition and fee charges for the spring semester of the 2020-21 academic year.

Table 6 – 2020-21 Tuition and Fee Breakdown

	Tuition and Fees			Tuition Only			Fees Only	
Semester Hours	District Resident	Out of District	Out of State	District Resident	Out of District	Out of State	General Use Fee	Activity Fee
1	$285	$438	$681	$216	$369	$612	$63	$6
2	285	438	681	216	369	612	63	6
3	285	438	681	216	369	612	63	6
4	380	584	858	288	492	766	84	8
5	475	730	1,035	360	615	920	105	10
6	570	876	1,212	432	738	1,074	126	12
7	665	1,022	1,389	504	861	1,228	147	14
8	760	1,168	1,566	576	984	1,382	168	16
9	855	1,314	1,743	648	1,107	1,536	189	18
10	950	1,460	1,920	720	1,230	1,690	210	20
11	1,045	1,606	2,097	792	1,353	1,844	231	22
12	1,140	1,752	2,274	864	1,476	1,998	252	24
13	1,235	1,898	2,451	936	1,599	2,152	273	26
14	1,330	2,044	2,628	1,008	1,722	2,306	294	28
15	1,425	2,190	2,805	1,080	1,845	2,460	315	30
16	1,520	2,336	2,982	1,152	1,968	2,614	336	32
17	1,615	2,482	3,159	1,224	2,091	2,768	357	34
18	1,710	2,628	3,336	1,296	2,214	2,922	378	36
19	1,805	2,774	3,513	1,368	2,337	3,076	399	38
20	1,900	2,920	3,690	1,440	2,460	3,230	420	40
21	1,995	3,066	3,867	1,512	2,583	3,384	441	42
22	2,090	3,212	4,044	1,584	2,706	3,538	462	44
23	2,185	3,358	4,221	1,656	2,829	3,692	483	46
24	2,280	3,504	4,398	1,728	2,952	3,846	504	48
25	2,375	3,650	4,575	1,800	3,075	4,000	525	50

The following table provides estimated tuition and fee charges, assuming defined semester hours, for district residents for the spring semester of the 2020-21 academic year and of each of the prior three academic years.

Table 7 – Estimated Tuition and Fee Costs for District Residents

Semester Hours	2020-21 Increase $	2020-21 Increase %	2019-20 Increase $	2019-20 Increase %	2018-19 Increase $	2018-19 Increase $	2017-18 Increase $	2017-18 Increase %
3	$285	4.40%	$273	0.00%	$273	4.60%	$261	0.00%
6	570	4.40%	546	0.00%	546	4.60%	522	0.00%
9	855	4.40%	819	0.00%	819	4.60%	783	0.00%
12	1,140	4.40%	1,092	0.00%	1,092	4.60%	1,044	0.00%
15	1,425	4.40%	1,365	0.00%	1,365	4.60%	1,305	0.00%
18	1,710	4.40%	1,638	0.00%	1,638	4.60%	1,566	0.00%

Attendance Costs

The following represents the estimated annual cost for District Resident students taking 15 semester credit hours for each semester in the 2020-21 academic year.

	2020-21 Fall	2020-21 Spring
Tuition and Fees	$ 1,425	$ 1,425
Laboratory Fee	20	20
Books	522	522
Total for Commuter Student	$1,967	$1,967
Room and Board in Residence Halls	2,950	2,950
Total for Dorm Student	$4,917	$4,917
Total Est. Annual Cost (Commuter Student)		$3,934
Total Est. Annual Cost (Dorm Student)		$9,834

The District's Maintenance Tax

Pursuant to Chapter 130, Texas Education Code and an election held on August 29, 1946, the District is authorized to levy annual ad valorem taxes for maintenance and operations at a rate not to exceed $0.20 per $100 assessed valuation of taxable property in the District. NO PROCEEDS OF THE DISTRICT'S MAINTENANCE TAX HAVE BEEN, OR MAY BE, PLEDGED TO SECURE THE DISTRICT'S REVENUE DEBT, INCLUDING THE BONDS.

For the 2020-21 fiscal year, the District levied a maintenance tax of $0.16270 and a debt service tax of $0.02620 per $100 of taxable assessed valuation. The District's 2021 taxable assessed valuation is $15,610,700,207. A substantial portion of the District's taxable assessed valuation is comprised of minerals, consisting of oil and natural gas mineral interests. Additionally, its Top Ten Taxpayers are highly concentrated in the oil & gas industry or related industries. Fluctuations in the District's taxable assessed valuation in recent years has been largely attributable to changes in mineral values and related changes in (i) drilling activity, (ii) the amount of oil and natural gas produced from new and existing wells and (iii) levels of economic activity associated with such drilling and mineral production.

Sources of Funding for the District

The District, like all other Texas community colleges, has historically received its funding from three primary sources of revenue: appropriations from the State of Texas (the "State"), ad valorem tax collections, and student tuition, fees and other charges. 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.

State Appropriations. Since 2013, general revenues of the State have been appropriated for the support of the junior community colleges using a performance based funding methodology and an Outcomes-Based Formula. This formula is divided into 3 funding strategies: Contact Hours, Core Operations, and Student Success Points Funding. In particular, for each State fiscal biennium, the amount appropriated by the Texas Legislature for each public junior and community college district is based on each district's proportionate share of the total number of contact hours generated statewide by students enrolled in state-approved courses offered during the previous summer, fall and spring semesters. A contact hour is an instructional hour in which a student has contact with an instructor, including both lecture and laboratory hours. The proportional share of state appropriations allocated to each public junior or community college district is determined using a funding formula consisting of the product of (1) the median cost of each particular course contact hour for all junior and community colleges in the State times (2) the total number of contact hours for the district. Contact hour funding continues to be the primary funding. During this last biennium, Core operations were also funded at $680,406 per year for each community college and are intended to help cover basic operating costs, regardless of size or geographic locations. The Student Success Points portion of the appropriations are based upon a metric system designed to reward achievement and progress for all students from the least prepared to the most college ready student.

Amounts received from state appropriations, generally, may not be used to pay debt service on bonds (including the Bonds) or any other indebtedness of a district.

The availability and levels of State and federal funding for government operations and programs have become increasingly uncertain as a result of financial pressures and revenue shortfalls affecting the State, federal and other levels of government. Such uncertainty did affect the availability and levels of State and federal funding for junior and community college districts for the 2019/20 State biennium and the District expects such uncertainty to continue to affect levels of State and federal funding for the 2021/22 State biennium and, possibly, subsequent biennia.

State appropriations for District operations and employee benefits comprised approximately 18.7% of the District's total revenues for the fiscal year ending August 31, 2020 (as reported in the District's annual financial statements). These were slightly higher as compared to the fiscal year ending August 31, 2019 of 16.1%. Over the District's next two academic years 2020-21 and 2021-22, the District expects enrollment and contact hours to slightly higher. State appropriations to the District for the 2022/23 biennium have increased by 2%.

The District has proactively prepared for the reductions in state appropriations by reducing costs, increasing fees for the 2020-21 academic year, and taking advantage of increased local tax valuations. The District intends to continue to address reductions in state appropriations through consideration of different options including the implementation of cost cutting measures, tuition and/or fee increases, and tax revenue increases based on a growing local economy (see "Management's Discussion and Analysis" in "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2020").

Ad Valorem Tax Collections. Pursuant to Chapter 130, Texas Education Code, and the 1964 Election and subject to the approval of voters in the District, the District is authorized to levy annual ad valorem taxes to support its operations and the maintenance of its facilities. The maximum annual ad valorem tax rate shall never exceed $0.20 on the $100 valuation of taxable property in the District. In addition, the District is authorized to levy and pledge annual ad valorem taxes sufficient to pay the principal of and interest on voted ad valorem tax-secured bonds (including the Bonds) as the same come due; provided, that the annual bond tax shall never exceed $0.50 on the $100 valuation of taxable property in the District, and the annual bond tax, together with the annual maintenance and operations tax, shall never exceed $1.00 on the $100 valuation of taxable property in the District. At this time, the District has not taken action to increase its maximum bond tax rate or its maximum combined maintenance tax rate and bond tax rate beyond the currently authorized limit of $1.00 per $100 assessed valuation of taxable property in the District.

Student Tuition, Fees and Other Charges. Tuition and fees are collected from all students (except certain small categories of students exempt by law) enrolled at the District. In addition, the District collects revenues from other sources, including book store revenues, vending concessions, testing fees, and other miscellaneous revenues. Also, Federal funds are allocated for specific program support or specific student classification such as veterans or handicapped students (see "APPENDIX A – TABLE 14 - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS" in Appendix A and "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2020"). Revenues generated from the collection of tuition, fees and other charges are not pledged to secure the payment of debt service on the District's tax bonds.

Odessa College Foundation

The Odessa College Foundation Incorporated (the "Foundation") was chartered in 1996 operating under the Texas Non-Profit Corporation Act. Its sole purpose is to provide educational support of monies and other properties to the students, faculty and staff of the College. Gifts to the Foundation include cash gifts for scholarships and endowments, an estate provision, donated land, vehicles, artwork, and in kind services. The Foundation has received over $17.7 million of contributions and pledges since its inception. The market value of the Foundation's investments was approximately $14.3 million at March 31, 2021.

Within the Foundation, sixty-two permanently endowed scholarships have been established that awarded over $261,100 in scholarships during the 2019-2020 academic year. An additional $583,000 in non-endowed scholarships were awarded by the Foundation during the same period. Each scholarship has different eligibility requirements and provides different award amounts.

These Foundation scholarships supplement the state and federal student aid awarded by the College's office of Student Financial Aid in the form of grants, loans, and student employment in the belief that education should not be limited by the financial resources of students.

The Foundation is governed by a 20-member Board of Directors, composed of business and civic leaders of Ector County who serve without compensation. The Board of Directors meet four times a year, while the Executive Committee and other standing committees meet as needed. The Foundation is classified by the Internal Revenue Services as a 501(c)(3) organization and contributions to the Foundation are tax deductible.

Vision 2030

In January 2021, the College shared news of its plans for $100 million in capital improvements to be funded and constructed by 2030. "Vision 2030" is a comprehensive capital plan for the College to address enrollment growth, improve and expand educational and housing facilities, increase healthcare educational capacity and improve the College's ability to adapt and pivot to the changing educational landscape. Vision 2030 projects are expected to be funded through a combination of College resources, private donations and debt financing. One of the major capital projects of Vision 2030 is the construction of a new $39.7 million health sciences building, for which the College has been soliciting private support for several months. The College intends to use the proceeds from the Bonds to move forward with the construction of health science building with hopes of having the building operational by March 2024. A portion of the construction of the health sciences building will be funded with District resources, including donated funds.

FINANCIAL POLICIES AND ADMINISTRATION OF THE DISTRICT

Basis of Accounting

For financial statement purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the District are presented using the economic measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Encumbrance accounting, under which purchase order, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the financial statements. Under State 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 reservations of net assets since they do not constitute expenditures or liabilities.

Net Assets

The District's net assets are classified as follows:

Investment in Capital Assets, Net of Related Debt. This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of investment in capital assets, net of related debt.

Restricted Net Assets – Expendable. Restricted expendable net assets include resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted Net Assets – Nonexpendable. Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted Net Assets. Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet the current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

Investments. The District accounts for its investments at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Changes in unrealized gain (loss) on the carrying values of investments are reported as a component of investment income in the statements of revenue, expenses, and changes in net assets.

Classification of Revenues

The District has classified its revenues as either operating or non-operating revenues according to the following criteria:

> **Operating Revenues:** Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state and local grants and contracts and federal appropriations, and (4) interest on institutional student loans.
>
> **Non-operating Revenues:** Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues under GASB No. 9, Reporting Cash Flows of Propriety and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, and GASB No. 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenue from students, are reported net scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the District, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

EMPLOYEES' RETIREMENT PLAN AND OTHER BENEFITS

Employees' Retirement Plan

Defined Benefit Pension Plan. 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 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 Teas 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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

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 postemployment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc postemployment 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. C*ontribution 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.

Contribution Rates

	2020	2019
Member	7.7%%	7.7%
Non-Employer Contributing entity (State)	7.5%%	6.8%
Employers	7.5%%	6.8%
FY2019 Member Contribution		$1,341,848
FY2019 State of Texas On-behalf Contributions		$515,263
FY2019 District Contributions		$660,430

The District contributions to the TRS pension plan in 2020 were $701,046. Estimated State of Texas on-behalf contributions for 2020 were $496,582. 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.

Pension Liabilities. At August 31, 2020, the District reported a liability of $9,890,177 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	$9,890,177
FY2019 State of Texas On-behalf Contributions	7,375,457
FY2019 District Contributions	$17,265,634

The net pension liability was measured as of August 31, 2019, 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, 2018, thru August 31, 2019.

For more detailed information concerning the retirement plan, see "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2020 – Note 11").

Other Benefits and Post-Employment Benefits Other than Pensions

The District offers other benefits to its full-time employees such as a deferred compensation program, annual vacation leave, health care and life insurance. The District also 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.

For more detailed information concerning the retirement plan, see "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2020 – Notes 12 -15").

Collective Bargain

Formal collective bargaining agreements relating directly to wages and other conditions of employment are prohibited by State law, as are strikes by teachers. There are various local, state and national organized employee groups who engage in efforts to better terms and conditions of employment of school employees. Some colleges have adopted a policy to consult with employee groups with respect to certain terms and conditions of employment. The District does not recognize any organized, outside employee group for such purposes.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency (see "RATINGS"). In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

Further, Section 130.122, Texas Education Code, provides that the Bonds are legal and authorized investments for banks, trust companies, building and loan associations, savings and loan associations, small business investment corporations, insurance companies of all kinds and types, fiduciaries, trustees, and guardians, and for interest and sinking funds and other public funds of the State and all agencies, subdivisions, and instrumentalities thereof, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic. The Bonds are eligible to secure all deposits of public funds of the State and all agencies, subdivisions, and instrumentalities thereof, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the Bonds.

The District has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The District has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

INVESTMENT AUTHORITY AND INVESTMENT OBJECTIVES OF THE DISTRICT

District funds are invested as authorized by State law, particularly the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the "PFIA"), and in accordance with investment policies approved by the District. Both State law and the District's investment policies are subject to change.

Under State law, the District is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the "NCUSIF") or their respective successors; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the District selects from a list the governing body or designated investment committee of the District adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the District selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the District's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the District appoints as the District's custodian of the banking deposits issued for the District's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3;(9) (i) certificates of deposit or share certificates that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for District deposits, or (ii) where (a) the funds are invested by the District through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the District as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the District, (b) the broker or the depository institution selected by the District arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the District appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the District with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that (i) have a defined termination date, (ii) are fully secured by a combination of cash and obligations described in clause (1) above or clause (12) below, (iii) require the securities being purchased by the District or cash held by the District to be pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District, and (iv) are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the SEC that comply with Securities and Exchange Rule 2a-7; (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either have a duration of one year or more and invest exclusively in obligations described in clauses (1) through (13) above, or clauses (15) or (16) below, or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph; and (16) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) and (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District's name and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAm or an equivalent by at least one nationally recognized rating service. The District may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the District must do so by order, ordinance, or resolution.

The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Investment Objectives

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for District funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the District's investment officers must submit an investment report to the Board detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest District funds without express written authority from the Board.

Under State law, the District is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Board; (4) require the qualified representative of firms offering to engage in an investment transaction with the District to (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the District and the business organization that are not authorized by the District's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the District and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the District's investment policy; (6) provide specific investment training for the Treasurer, Chief Operating Officer and investment officers; (7) restrict reverse repurchase agreements to not more than ninety (90) days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District.

See Table 8 in "APPENDIX A – FINANCIAL INFORMATION REGARDING THE DISTRICT" for details on the current value of the District's investments.

RISK FACTORS FOR JUNIOR COLLEGES

State Appropriations and Ad Valorem Taxes

A significant amount of the District's current fund revenues are derived from State appropriations and the collection of ad valorem taxes levied for maintenance and operation purposes. Neither State appropriations nor ad valorem taxes are pledged to the payment of the Bonds. State appropriations are determined at each session of the State legislature, which meets biennially, and are not part of the Pledged Revenues. The State is not obligated to provide a specific appropriation in any year. The result of the future legislative deliberations cannot be predicted. Among the factors driving the allocation of State spending are population trends, court resolutions and lawsuits, federal mandates, statutory formulas and dedicated funds. State funding on education cannot be predicted until available money and other demands can be more precisely predicted or identified.

Other Factors Relating to Gross Revenues

The revenues of the District which are pledged to secure the Bonds will be affected by any event which would either reduce the student enrollment at District facilities or otherwise diminish the amount of anticipated fees to be generated by student enrollment. The Pledged Revenues may be affected by future events and conditions including, among others: demand for the use of the District's facilities; the ability of the District to attract qualified instructors; academic programing of the District; enrollment initiatives of the District; demand for higher educational institutions responsive to regional and national employment needs; economic developments in the area served by the District and, to some extent, competition from other universities and colleges or other institutions which might reflect changing attitudes toward traditional college education; tuition, fees and other costs of education; state and Federal regulation, including possible legislation and court decisions affecting the District's fee structure; and the impact on the District of remote learning" programs that are offered by the District (to persons residing outside of the District's service area) and by competing educational institutions (to persons residing in the District's service area).

Future Legislation

The Texas Legislature convenes in regular session every two years on odd years. Thereafter, the Governor may call one or more additional special sessions which may last no more than 30 days and for which the Governor sets the agenda. The Governor called a special session which began on July 8, 2021. In future sessions the Texas Legislature may consider bills that could have a direct impact on the District. The District can make no representations or predictions concerning the substance or the effect of any legislation that may be passed in the future or how such legislation could affect the District.

Infectious Disease Outlook (COVID-19)

In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State of Texas (the "State") because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings and other activities.

Over the ensuing year, COVID-19 negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the State. Following the widespread release and distribution of various COVID-19 vaccines in 2021 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment except in counties with an "area with high hospitalizations" where a county judge may impose COVID-19 related mitigation strategies. Ector County currently is not an "area with high hospitalizations." The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference into this Official Statement.

With the decrease in the number of active COVID-19 cases and the easing or removal of associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19. The District cannot predict the long-term economic effect of COVID-19 or the effect of any future outbreak of COVID-19 or a similar virus.

The District had experienced revenue losses and increased expenses due to COVID-19 in both fiscal year 2020 and fiscal year 2021. The District has received allocations from the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") of approximately $2.1 million and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (the "CRRSAA") of approximately $4.7 million. The District has also received an allocation of $8.5 million from the American Rescue Plan Act of 2021 (the "American Rescue Plan"). The federal relief the District has received has been and is expected to be used to offset the revenue losses and increased expenses of the District and has been distributed directly to support students as required by federal legislation.

The District continues to monitor the spread of COVID-19 and is working with local, State and national agencies to address the potential impact of the Pandemic upon the District. While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition.

Cyber Security

Computer networks and data transmission and collection are vital to the operations of the District. Information technology and infrastructure of the District may be subject to attacks by outside or internal hackers and may be subject to breach by employee error, negligence or malfeasance. An attack or breach could compromise systems and the information stored thereon, result in the loss of confidential or proprietary data and disrupt the operations of the District.

To mitigate these risks, the District continuously endeavors to improve the range of control for digital information operations, enhancements to the authentication process, and additional measures toward improving system protection/security posture. The District uses the Texas Administrative Code (TAC) 202 that establishes a baseline of security standards for institutions of higher education to guide decisions and activities about cyber security. The District is compliant with these standards and as of the distribution of this Official Statement, has not had experienced a cyber-attack that has disrupted operations or caused financial harm.

LEGAL MATTERS

The District will furnish to the Underwriters a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of the State of Texas as to the Bonds to the effect that the Bonds are valid and legally binding obligations of the District, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, with respect to the Bonds, issued in compliance with the provisions of the Resolution. A form of such opinion is attached hereto as APPENDIX C.

Though it represents the Financial Advisor and the Underwriters from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel, has been engaged by and only represents the District in connection with the issuance of the Bonds. Except as noted below, Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein except that in its capacity as Bond Counsel, such firm has reviewed the information appearing under captions or subcaptions "PLAN OF FINANCE" (except under the subcaption "Sources and Uses of Proceeds"), "THE BONDS" (except under the subcaption "Payment Record" and "DTC Notices"), "REGISTRATION, TRANSFER AND EXCHANGE," "LEGAL MATTERS (except for the last sentence thereof)," "TAX MATTERS," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," and "CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance With Prior Undertakings") and such firm is of the opinion that the information relating to the Bonds and legal matters contained under such captions and subcaptions is an accurate and fair description of the information purported to be shown therein and, with respect to the Bonds, such information conforms to the Resolution. The College expects to pay the legal fee of Bond Counsel for services rendered in connection with the issuance of the Bonds from proceeds of the Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe, LLP, Austin, Texas.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

General. The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Bonds and is based on the Internal Revenue Code of 1986 (the "Code"), the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service ("IRS") and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to the branch profits tax or, personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the "U.S. dollar". This summary is further limited to investors who will hold the Bonds as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term "U.S. Holder" means a beneficial owner of a Bond who or which is: (i) an individual citizen or resident of the United States, (ii) a corporation or partnership created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. As used herein, the term "Non-U.S. Holder" means a beneficial owner of a Bond that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF BONDS IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS BEFORE DETERMINING WHETHER TO PURCHASE BONDS.

THIS SUMMARY IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER, TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, OR ANY OTHER TAX CONSEQUENCE.

FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

Periodic Interest Payments and Original Issue Discount. The Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the Taxable Bonds or original issue discount, if any, accruing on the Bonds will be includable in "gross income" within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of Bonds. An owner will recognize gain or loss on the redemption, sale, exchange or other disposition of a Bond equal to the difference between the redemption or sale price (exclusive of any amount paid for accrued interest) and the owner's tax basis in the Bonds. Generally, a U.S. Holder's tax basis in the Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the Bonds has been held for more than one year.

Defeasance of the Bonds. Defeasance of any Bond may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

State, Local and Other Tax Consequences. Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes. Certain individuals, estates or trusts may be subject to a 3.8% surtax on all or a portion of the taxable interest that is paid on the Bonds. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS.

Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders

A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a Bond, will not be subject to U.S. federal income or withholding tax in respect of a Bond, provided that such Non-U.S. Holder complies, to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 of the Code or backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient’s federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

CONTINUING DISCLOSURE OF INFORMATION

In the Resolution, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under the captions “ODESSA COLLEGE” (Tables 1-7) and in APPENDIX A – FINANCIAL INFORMATION REGARDING THE DISTRICT (Tables 1-8) and in Appendix D, which is the District’s annual audited financial report. The District will update and provide the information in the numbered tables within six months after the end of each fiscal year ending in and after 2021 and, if not submitted as part of such annual financial information, the District will provide audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the District will file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation.

The District's current fiscal year end is August 31. Accordingly, the District must provide updated information included in the above-referenced tables by the last day of February in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) must be provided by August 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the District otherwise would be required to provide financial information and operating data as set forth above.

All financial information, operating data, financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided as set forth above may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

Notice of Certain Events

The District will also provide timely notices of certain specified events to the MSRB. The District will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties. In addition, the District will provide timely notice of any failure by the District to provide annual financial information in accordance with their agreement described above under "Annual Reports". Neither the Bonds nor the Resolution make any provision for a trustee, liquidity enhancement, credit enhancement (except for bond insurance, if purchased).

For these purposes, any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

For the events listed in clause (15) and (16) above, the term "financial obligation" means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of either (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Availability of Information from MSRB

The District has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of certain events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders and beneficial owners of the Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if (1) the agreement, as amended would have permitted an underwriter to purchase or sell the Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances, and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of the Resolution that authorizes such amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the District amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of information and data provided.

Compliance with Prior Undertakings

During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), has assigned a rating of “AA” (stable outlook) to the Bonds by virtue of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds guaranteeing the payment of principal and interest on the Bonds (see “BOND INSURANCE” and “BOND INSURANCE RISK FACTORS”). The District’s underlying rating for its revenue bonds is “A+” by S&P.

An explanation of the significance of the foregoing ratings may only be obtained from S&P. The foregoing ratings express only the view of S&P at the time the ratings are given. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P, if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds. The District is not aware of any ratings assigned to the Bonds other than the ratings of S&P described above.

VERIFICATION OF MATHEMETICAL COMPUTATION

Robert Thomas CPA, LLC, a firm of independent certified public accountants, will deliver to the District, on or before the settlement date of the Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrowed Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds.

Robert Thomas CPA, LLC, relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the District. In addition, Robert Thomas CPA, LLC, has relied on any information provided to it by the District’s retained advisors, consultants or legal counsel. Robert Thomas CPA, LLC was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

The verification report will be relied upon by Bond Counsel in rendering its opinion with respect to the defeasance of the Refunded Bonds.

LITIGATION

The financing system for public junior colleges, including the District, has not been challenged in court and is not the subject of any existing litigation. Additionally, the District is not a party to any litigation or other proceeding pending or to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the District, would have a material adverse effect on the financial condition of the District or upon the Bonds or the District's ability to issue and secure the Bonds as described herein.

At the time of the initial delivery of the Bonds, the District will provide the Underwriters with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

REGISTRATION AND QUALIFICATIONS OF BONDS FOR SALE

No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Bonds have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

FORWARD-LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. It is important to note that the District's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the District at a price equal to the initial offering prices to the public, as shown on page ii herein, less an underwriting discount of $35,879.80. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds and such public offering prices may be changed from time to time by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

FINANCIAL ADVISOR

RBC Capital Markets, LLC is employed as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the

Bonds. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the District to determine the accuracy or completeness of this Official Statement.

CONCLUDING STATEMENT

The financial data and other information set forth herein has been obtained from the District's records, financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and the Resolution contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and the Resolution. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

The Bond Resolution authorized the Pricing Officer to approve the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized its further use in the re-offering of the Bonds by the Underwriters.

By: *Brandy Ham*
Authorized Officer
Odessa College District

SCHEDULE I
SCHEDULE OF BONDS TO BE REFUNDED

Revenue Refunding Bonds, Series 2012

Original Dated Date	Original Principal Amount	Total Principal Amount Outstanding	Maturities Being Refunded	Principal Amount Outstanding	Principal Amount Being Refunded	Redemption Date
08/01/2012	$ 6,315,000.00	$ 4,420,000.00	07/01/2022	$ 235,000.00	$ 235,000.00	Maturity
			07/01/2023	245,000.00	245,000.00	07/01/2022
			07/01/2024	250,000.00	250,000.00	07/01/2022
			07/01/2025	260,000.00	260,000.00	07/01/2022
			07/01/2026	275,000.00	275,000.00	07/01/2022
			07/01/2027	285,000.00	285,000.00	07/01/2022
			07/01/2028	300,000.00	300,000.00	07/01/2022
			07/01/2029	305,000.00	305,000.00	07/01/2022
			07/01/2030	320,000.00	320,000.00	07/01/2022
			07/01/2031	330,000.00	330,000.00	07/01/2022
			07/01/2032 [a]	345,000.00	345,000.00	07/01/2022
			07/01/2033 [a]	360,000.00	360,000.00	07/01/2022
			07/01/2034 [a]	910,000.00	910,000.00	07/01/2022
Total Refunded Bonds				**$ 4,420,000.00**	**$ 4,420,000.00**	

[a] Represents the sinking fund of a term bond that matures on July 1, 2034.

APPENDIX A

FINANCIAL INFORMATION REGARDING THE COLLEGE

Table 1
SELECTED ANALYTICAL DATA

	Fiscal Years Ending August 31,					
	2021	**2020**	**2019**	**2018**	**2017**	**2016**
Analytical Data						
Total Enrollment Contact Hours	N/A	2,761,583	2,722,700	2,585,212	2,700,273	2,424,704
Ector County Population	174,749	172,026	157,173	162,124	157,087	159,436
Service Area Population	279,402	279,402	276,095	276,131	272,387	271,725
Unrestricted Fund Balance	N/A	(11,179,354)	(16,015,499)	(17,442,065)	$14,167,847	$13,873,519
Unrestricted Fund Balance/ Total Operating Expenses	N/A	-19.37%	-28.84%	-32.56%	28.44%	28.59%
Revenue Debt Service Coverage						
Total Gross Revenue	N/A	$ 21,794,354	$ 25,400,966	$ 20,529,008	$ 19,363,088	$ 17,889,760
Average						
Annual Debt Service	$ 2,561,346 [(a)]	$ 2,891,700	$ 2,898,700	$ 2,896,800	$ 2,885,900	$ 2,894,275
Annual Debt Service Coverage	8.51 x	7.54 x	8.76 x	7.09 x	6.71 x	6.18 x
Maximum						
Annual Debt Service (FY2022)	$ 4,259,667 [(a)]	$ 2,898,700	$ 2,898,700	$ 2,898,700	$ 2,898,700	$ 2,898,700
Annual Debt Service Coverage	5.12 x	7.52 x	8.76 x	7.08 x	6.68 x	6.17 x

[(a)] Coverage calculated against FY2020 revenue. Includes the College's Consolidated Fund Revenue Bonds, Series 2021 (the "Series 2021 Bonds") and the Bonds and excludes Refunded Bonds.

Table 2
OPERATING REVENUE BY SOURCE

Fiscal Year Ended 31-Aug	Tuition & Fees (Net Discounts)	Federal Grants	State and Local Grants	Private Gifts and Grants	Miscellaneous Income	Auxiliary Revenue	Total Operating Income
2011	$ 5,492,067	$ 2,534,666	$ 485,752	$ 78,813	$ 1,152,112	$ 829,461	$ 10,572,871
2012	7,463,390	2,236,600	493,036	61,863	1,284,575	847,098	12,386,562
2013	7,578,923	1,401,953	385,248	54,942	1,162,505	1,492,128	12,075,699
2014	6,947,080	1,265,632	1,284,172	309,161	1,186,538	1,530,071	12,522,654
2015	8,327,145	1,933,998	758,164	655,030	1,137,802	1,597,414	14,409,553
2016	7,700,564	1,513,270	342,103	2,348,173	1,153,601	1,570,704	14,628,415
2017	8,829,049	1,210,103	414,725	1,568,418	1,858,183	1,360,028	15,240,506
2018	9,298,172	1,293,885	278,861	2,288,512	1,648,414	1,425,237	16,233,081
2019	11,192,706	961,433	333,361	4,931,198	1,633,704	1,694,989	20,747,391
2020	10,965,280	1,621,539	446,623	1,762,444	1,081,728	1,533,473	17,411,087

Table 3
NON-OPERATING REVENUE BY SOURCE

Fiscal Year Ended 31-Aug	State Appropriations	Ad Valorem Taxes	Investment Income	Federal Grants	Other Income	Total Non-Operating Income
2011	$ 10,802,609	$ 16,026,859	$ 296,180	$ 7,570,334	$ 439,836	$ 35,135,818
2012	8,426,769	20,975,634	419,567	6,153,201	376,660	36,351,831
2013	8,596,849	22,695,211	324,775	5,093,033	283,647	36,993,515
2014	9,720,591	24,150,400	261,738	5,101,798	201,319	39,435,846
2015	9,537,537	26,159,189	181,053	4,902,974	249,540	41,030,293
2016	10,290,476	26,960,946	395,843	5,860,463	192,763	43,700,491
2017	10,208,033	25,990,293	267,972	6,479,983	541,994	43,488,275
2018	12,097,769	27,245,617	367,961	7,043,922	303,020	47,058,289
2019	11,071,830	28,079,376	872,927	7,087,496	205,635	47,317,264
2020	12,965,055	30,124,510	457,011	7,708,359	254,966	51,509,901

Table 4
REVENUE DEBT SERVICE COVERAGE

	Fiscal Years Ending August 31,					
	2021[(a)]	**2020**	**2019**	**2018**	**2017**	**2016**
Gross Revenue						
Tuition and Fees	N/A	$16,704,732	$16,062,513	$14,495,864	$13,766,493	$12,228,676
Investment Income	N/A	473,117	900,097	389,083	286,289	409,941
Other Income	N/A	3,083,032	6,743,367	4,218,824	3,950,278	3,680,439
Auxiliary Revenues	N/A	1,533,473	1,694,989	1,425,237	1,360,028	1,570,704
Total Gross Revenues		**$21,794,354**	**$25,400,966**	**$20,529,008**	**$19,363,088**	**$17,889,760**
Revenue Debt Service						
Average						
Annual Debt Service	$ 2,561,346 [(a)]	$ 2,891,700	$2,898,700	$2,896,800	$2,885,900	$2,894,275
Annual Debt Service Coverage	8.51 x	7.54 x	8.76 x	7.09 x	6.71 x	6.18 x
Maximum						
Annual Debt Service	$ 4,259,667 [(a)]	$2,898,700	$2,898,700	$2,898,700	$2,898,700	$2,898,700
Annual Debt Service Coverage	5.12 x	7.52 x	8.76 x	7.08 x	6.68 x	6.17 x

[(a)] Coverage calculated against FY2020 revenue. Includes the Series 2021 Bonds and the Bonds. Excludes the Refunded Bonds

Table 5
REVENUE DEBT SERVICE REQUIREMENTS[A]

Fiscal Year Ending	Outstanding Revenue Bonds		Plus: The Series 2021 Bonds		Less: The Refunded Bonds	Plus: The Bonds		Total Debt Service
8/31	Principal	Interest	Principal	Interest	Total	Principal	Interest	Requirements
2021	$ 230,000	$ 181,350	$ -	$ -	$ -	$ -	$ -	$ 411,350
2022	235,000	174,450	2,955,000	895,853	409,450	350,000	58,814	4,259,667
2023	245,000	167,400	2,450,000	939,200	412,400	300,000	68,440	3,757,640
2024	250,000	157,600	2,550,000	841,200	407,600	295,000	67,000	3,753,200
2025	260,000	147,600	2,650,000	739,200	407,600	295,000	64,965	3,749,165
2026	275,000	137,200	2,740,000	633,200	412,200	305,000	62,221	3,740,421
2027	285,000	126,200	1,950,000	523,600	411,200	305,000	58,775	2,837,375
2028	300,000	114,800	2,030,000	445,600	414,800	315,000	54,657	2,845,257
2029	305,000	102,800	2,110,000	364,400	407,800	315,000	49,838	2,839,238
2030	320,000	90,600	2,195,000	280,000	410,600	320,000	44,640	2,839,640
2031	330,000	77,800	885,000	192,200	407,800	325,000	38,720	1,440,920
2032	345,000	64,600	920,000	156,800	409,600	330,000	32,220	1,439,020
2033	360,000	50,800	960,000	120,000	410,800	340,000	25,620	1,445,620
2034	910,000	36,400	1,000,000	81,600	946,400	880,000	18,480	1,980,080
2035	-	-	1,040,000	41,600	-	-	-	1,081,600
Total	**$ 4,650,000**	**$ 1,629,600**	**$ 26,435,000**	**$ 6,254,453**	**$ 5,868,250**	**$ 4,675,000**	**$ 644,389**	**$ 38,420,191**

Average Annual Debt Service Requirement (FY2021-FY2035)……………………………………………………………………………………	$ 2,561,346
Debt Service Coverage Based on FY2020 Revenues………………………………………………………………………………………………	8.51 x
Maximum Annual Debt Service Requirement (FY2022)………………………………………………………………………………………………	$ 4,259,667
Debt Service Coverage Based on FY2020 Revenues………………………………………………………………………………………………	5.12 x

[A] Revenue bond debt service of the District is payable solely from certain tuition and revenue fees of the District along with other revenues pledged to such revenue bonds and are NOT secured by ad valorem taxes of the District. Does not include the District's outstanding general obligation debt.

Table 6
STATEMENT OF NET POSITION

	Fiscal Years Ending August 31,				
	2020	**2019**	**2018**	**2017**	**2016**
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 24,136,088	$ 16,058,273	$ 17,833,456	$ 12,816,327	$ 7,696,855
Short-term investments	-	-	-	-	497,438
Accounts Receivable - net	5,541,803	10,387,026	5,005,242	4,712,130	8,589,230
Inventories	58,582	44,024	30,002	12,387	10,326
Notes Receivable - current, net	2,250,228	2,603,809	2,661,818	2,394,819	2,066,577
Prepaid Items	1,978,032	2,570,504	2,464,710	1,924,161	1,518,737
Escrow Deposits	493,807	496,280	501,890	477,542	678,780
Total Current Assets	**$ 34,458,540**	**$ 32,159,916**	**$ 28,497,118**	**$ 22,337,366**	**$ 21,057,943**
Noncurrent Assets					
Restricted Cash and Equivalents	281,986	276,936	287,509	284,740	542,763
Endowment Investments	845,155	831,084	817,939	770,568	843,869
Other Long-term Investments	12,712,179	9,461,179	14,310,345	14,549,804	13,716,320
Notes Receiveables - noncurrent, net	657,636	1,036,778	1,713,205	2,230,339	2,797,344
Unamortized Bond Issuance Costs	36,596	39,210	61,005	82,799	104,594
Capital Assets, net of accum depreciation	117,848,811	117,648,143	111,462,472	111,229,149	110,533,985
Total Noncurrent Assets	**$ 132,382,363**	**$ 129,293,330**	**$ 128,652,475**	**$ 129,147,399**	**$ 128,538,875**
Deferred Outflows of Resources					
Deferred outflows related to pensions	$ 4,956,258	$ 5,093,490	$ 2,285,605	$ -	$ -
Deferred outflows related to Other Post Employment Benefits (OPEB)	3,116,229	1,043,495	812,312	-	-
Deferred outflows related to refunding of debt	6,607,230	6,921,860	7,147,573	2,306,163	2,680,974
Total Assets and Deferred Outflows of Resources	**$ 181,520,620**	**$ 174,512,091**	**$ 167,395,083**	**$ 153,790,928**	**$ 152,277,792**
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 2,446,083	$ 1,893,173	$ 2,567,288	$ 2,856,016	$ 3,092,196
Accrued Liabilities	837,151	360,679	343,658	339,910	336,829
Accrued Compensable Absences	721,365	648,073	542,367	522,363	514,378
Funds Held for Others	956,291	564,983	652,433	701,972	568,037
Deferred Revenue - tuition and fees	5,897,858	5,671,005	5,639,801	5,443,738	5,213,651
Deferred Revenue - other	751,259	1,437,957	2,295,361	848,042	515,132
Capital Lease Payable - current portion	55,842	55,842	55,842	-	-
Bonds Payable - current portion	1,905,000	4,265,000	4,110,000	3,955,000	3,795,000
Net OPEB liability - current portion	884,961	376,374	147,810	-	-
Total Current Liabilities	**$ 14,455,810**	**$ 15,273,086**	**$ 16,354,560**	**$ 14,667,041**	**$ 14,035,223**
Noncurrent Liabilities					
Capital Lease Payable - noncurrent	$ 55,841	$ 111,683	$ 167,525	$ -	$ -
Bonds Payable - noncurrent	62,330,000	64,235,000	68,500,000	72,690,000	76,645,000
Unamortized Bond Premium	293,268	314,215	366,183	1,469,228	1,564,991
Other Noncurrent Liabilities	36,926,902	35,119,133	35,269,774	6,992,209	6,813,032
Total Noncurrent Liabilities	99,606,011	99,780,031	104,303,482	81,151,437	85,023,023
Total Liabilities	**$ 114,061,821**	**$ 115,053,117**	**$ 120,658,042**	**$ 95,818,478**	**$ 99,058,246**
Deferred Inflows of Resources					
Deferred inflows related to pensions	$ 2,980,542	$ 2,235,390	$ 2,826,009	$ -	$ -
Deferred inflows related to OPEB	8,851,630.00	9,903,637.00	6,440,861.00	-	-
Deferred inflows related to Refunding of debt	5,668,998.00	5,938,951.00	6,132,612.00	2,271,936.00	2,831,749.00
NET POSITION					
Invested in Capital Assets (Net)	$ 57,113,267	$ 50,217,599	$ 39,856,873	$ 35,668,550	$ 31,177,308
Restricted for:					
Student Aid	845,155	831,084	817,939	772,368	843,869
Expendable:					
Student Aid	299,999	277,566	423,605	641,673	413,749
Instructional Programs	1,403,238	1,052,774	1,199,032	1,275,926	578,614
Loans	-	-	12,451	12,451	9,451
Capital Projects	1,073,422	(144,608)	1,270,292	294,674	791,749
Debt Service	401,902	5,162,080	5,199,432	2,867,025	2,699,538
Unrestricted	(11,179,354)	(16,015,499)	(17,442,065)	14,167,847	13,873,519
Total Net Position	**$ 49,957,629**	**$ 41,380,996**	**$ 31,337,559**	**$ 55,700,514**	**$ 50,387,797**
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 181,520,620**	**$ 174,512,091**	**$ 167,395,083**	**$ 153,790,928**	**$ 152,277,792**

Source: District's Audited Financial Statements.

Table 7
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	Fiscal Years Ending August 31,				
	2020	**2019**	**2018**	**2017**	**2016**
Operating Revenues					
Tuition and Fees - net of discounts[(A)]	10,965,280	11,192,706	9,298,172	8,829,049	7,700,564
Federal Grants and Contracts	1,621,539	961,433	1,293,885	1,210,103	1,513,270
State Grants and Contracts	446,623	333,361	278,861	414,725	342,103
Non-Governmental Grants and Contracts	1,762,444	4,931,198	2,288,512	1,568,418	2,348,173
Sales and Services of Educational Activities	201,696	341,193	414,776	442,469	462,333
Investment Income - program restricted	16,106	27,170	21,122	18,317	14,098
Auxiliary Enterprises	1,533,473	1,694,989	1,425,237	1,360,028	1,570,704
Other Operating Revenues	863,926	1,265,341	1,212,516	1,397,397	677,170
Total Operating Revenues	**$ 17,411,087**	**$ 20,747,391**	**$ 16,233,081**	**$ 15,240,506**	**$ 14,628,415**
Operating Expenses					
Instruction	$ 21,589,164	$ 20,096,687	$ 19,716,604	$ 18,202,820	$ 18,150,194
Public Service	1,055,149	1,296,333	1,274,628	1,573,592	1,252,286
Academic Support	5,237,503	4,905,622	4,805,381	4,811,312	4,806,744
Student Services	4,541,044	4,456,886	4,457,669	4,375,638	4,178,907
Institutional Support	7,242,473	6,906,187	6,953,501	6,146,576	5,948,343
Operation and Maintenance of Plant	5,163,959	4,769,231	4,898,905	4,448,521	4,122,054
Scholarships and Fellowships	6,999,201	6,880,063	5,642,063	5,041,023	4,975,800
Auxiliary Enterprises	2,420,590	2,840,330	2,590,897	2,277,141	2,396,721
Depreciation	3,476,108	3,374,677	3,224,592	2,942,461	2,687,726
Total Operating Expenses	**$ 57,725,191**	**$ 55,526,016**	**$ 53,564,240**	**$ 49,819,084**	**$ 48,518,775**
Operating Income (Loss)	**(40,314,104)**	**(34,778,625)**	**(37,331,159)**	**(34,578,578)**	**(33,890,360)**
Non-Operating Revenues (Expenses)					
State Appropriations	$ 12,965,055	$ 11,071,830	$ 12,097,769	$ 10,208,033	$ 10,290,476
Property Taxes - Maintenance & Operations	25,682,905	23,863,032	22,407,661	21,172,447	26,960,946
Property Taxes - Debt Service	4,441,605	4,216,344	4,837,956	4,817,846	
Federal Grants - non-operating	7,708,359	7,087,496	7,043,922	6,479,983	5,860,463
Gifts - noncapital	226,869	163,045	66,625	241,897	147,770
Investment Income - not restricted	457,011	872,927	367,961	267,972	395,843
Interest on Capital - related debt	(2,927,430)	(3,047,783)	(2,268,485)	(3,750,306)	(3,870,531)
Gain/(Loss) on Disposal of Capital Assets	(53,898)	(60,156)	(54,633)	(64,022)	(60,256)
Other Non-Operating Revenues	28,097	42,590	236,395	300,097	44,993
Other Non-Operating Expenses	(2,614)	(21,795)	(290,888)	(21,795)	(21,795)
Net Non-Operating Rev/(Exp)	**$ 48,525,959**	**$ 44,187,530**	**$ 44,444,283**	**$ 39,652,152**	**$ 39,747,909**
Income Before Other Revenue	**$ 8,211,855**	**$ 9,408,905**	**$ 7,113,124**	**$ 5,073,574**	**$ 5,857,549**
Other Revenues					
State Capital Grants	$ -	$ -	$ 1,464,989	$ -	$ -
Private Capital Gifts and Grants	352,578	622,932	11,500	238,393	631,645
Additions to Permanent Endowment	12,200	11,600	1,051,077	750	980
Gain on bond refunding	-	-	-	-	-
Total Other Revenues	**364,778**	**634,532**	**2,527,566**	**239,143**	**632,625**
Increase in Net Position	**$ 8,576,633**	**$ 10,043,437**	**$ 9,640,690**	**$ 5,312,717**	**$ 6,490,174**
Net Position					
Net Position - Beginning of Year	41,380,996	31,337,559	55,700,514	50,387,797	43,897,623
Prior period adjustment - GASB 68	-	-	-	-	-
Prior period adjustment - GASB 75	-	-	(34,003,645)	-	-
Net Position - End of Year	**$ 49,957,629**	**$ 41,380,996**	**$ 31,337,559**	**$ 55,700,514**	**$ 50,387,797**

Source: District's Audit Financial Statements

Table 8
CURRENT INVESTMENTS

As of February 28, 2021, the District's investable funds were invested in the following investment instruments:

Investment Instrument	Market Value	Percentage
Certificates of Deposit	$ 1,266,168	2.66%
Municipal Bonds	14,972,110	31.48%
Public Local Govt Investment Pools	29,338,264	61.68%
US Agency Securities	1,987,356	4.18%
Total	**$ 47,563,897**	**100.00%**

APPENDIX B

GENERAL INFORMATION REGARDING THE COLLEGE

GENERAL INFORMATION REGARDING THE DISTRICT AND ITS ECONOMY

The Odessa College (the "District" or the "College") is a political subdivision of the State of Texas, serving the people of Ector County and other areas within the Permian Basin. The College is a two-year institution primarily serving its local taxing district and service area and offering vocational, technical and academic courses for certification or associate degrees. The District has boundaries that are coterminus with Ector County (the "County") and a service area consisting of the territory within Ector, Brewster, Andrews, Crane, Jeff Davis, Ward, Winkler, Presidio, Upton, Reeves, Culberson, Loving, and Terrell counties, and portions of the territory within Pecos and Gaines counties. The County's economy is based on mineral, manufacturing and trade, and is supplemented by agriculture. The 2000 census population for Ector County was 121,123, an increase of 1.8% since 1990. The 2010 census population for the County was 137,130, an increase of 13.2% since 2000. The 2020 estimated population for the County is 174,749.

The main campus of the College is located in the City of Odessa (the "City" or "Odessa"), which is situated roughly midway between the cities of Fort Worth and El Paso. The City is the county seat of Ector County and is located in the heart of the Permian Basin in central west Texas. The area is known chiefly for the production of oil and gas. Historically, the principal component of the City's economic base has been comprised of oil producing, oil well servicing and oil supply companies as well as other oil and gas related businesses. . The 2000 census population for the City was 90,943, an increase of 1.4% since 1990. The 2010 census population for the City was 99,940, an increase of 9.9% since 2000. The 2019 estimated population for Odessa is 129,928.

POPULATION TRENDS

Year	City of Odessa	Ector County
2020 Est	129,928	174,749
2010	99,940	137,130
2000	90,943	121,123
1990	89,699	118,934

Source: Odessa Chamber of Commerce, World Population Review, US Census Bureau.

ECONOMIC ACTIVITY

Odessa is strategically located to be a major distribution center for international goods. According to data from the U.S. Department of Commerce, trade with Mexico continues to grow and provides tremendous benefits statewide. Many national and international companies outside the oil and gas industry view Odessa's diversified economy as pivotal for product distribution. In fact, several companies that sell goods worldwide have large distribution centers here. Global economies rely on these strategically located regional distribution hubs to supplement each company's robust inventory.

Oil and gas is without a doubt the most valuable mineral produced in Texas, and it's the backbone of the city of Odessa.In fact, the Permian Basin is hands down the #1 producer of oil & gas in the United States. We provide service, equipment, and manufacturing to a massive world petroleum market. Even though our economy has diversified significantly in recent years, Odessa is still considered one of the major oil field technology and manufacturing economies of the world.

Odessa has grown to be the healthcare hub for the surrounding communities with state-of-the-art services and technology. Of the top ten employers in our community, four are in the healthcare field. There are more than 200 physicians representing a wide variety of specialties, including cardiovascular surgery, emergency care, and comprehensive cancer care. In addition, there are more than 80 dentists in the community. Odessa's acute care hospitals, Medical Center Hospital and Odessa Regional Medical Center, have a combined total of 632 licensed beds. The Texas Tech University Health Sciences Center (TTUHSC) in Odessa is dedicated to improving the quality of healthcare, medical education, and medical research in the Permian Basin. In addition to several medical residency programs, TTUHSC also offers bachelor's and doctorate degrees in many healthcare fields.

The energy sector is evolving, with emerging challenges and exciting new technologies. Challenges include scarce fresh water for drilling needs and environmental concerns such as water usage and disposal of wastewater. New technologies can both address these problems and enhance all aspects of the exploration and production process. Odessa is well positioned to emerge as a center for the future of the energy industry beyond the basic support of oil and gas drilling and production.

With abundant energy and 24/7 manufacturing support, Odessa has the infrastructure, skilled workforce and business climate to ensure your company succeeds. With the discovery of oil in the 1920s, Odessa quickly became the regional hub for all manufacturing needs, and our city truly does support a 24/7 manufacturing industry. Response is critical in this industry and our workforce understands that. From machinery manufacturing to chemical and metal manufacturing, Odessa has been the longstanding leader in this industry.

Source: Odessa Economic Development Corporation.

MAJOR PRIVATE EMPLOYERS IN ODESSA AREA

Employer	Principal Line of Business	Approximate Number of Employees
Haliburton Services	Oil and Gas	1,160
Walmart	Retail/Grocery	877
Odessa Regional Medical Center	Medical	750
Champion X/Chemical Technologies	Oil & Gas	713
NexTier Complete Solutions	Oil & Gas	700
Saulsbury Companies	Electric & Construction	687
HEB	Grocery	648
Bobby Cox Companies, Inc.	Retail/Restaurants	609
Albertsons/United/Market Street	Grocery	560
Select Energy Oil Field Services	Oil & Gas	500
Sewell Family Dealerships	Automotive	490
Delek	Service	450
Family Dollar	Retail Distribution	334
Investment Corporation of America	Financial	325
Jones Bros Dirt & Paving	Construction	310
Lithia Motors	Automotive	281
REXtax LLC	Manufacturer	280
Lowe's Home Improvement	Retail	269
Lowe's Market Place	Grocery	249
Weatherford	Oil & Gas	242

Source: Odessa Economic Development Corporation.

EMPLOYMENT STATISTICS

	2021 April Statistics		
	City of Odessa	Ector County	State of Texas
Civilian Labor Force	59,672	78,715	14,043,919
Total Employed	54,347	70,902	13,162,609
Total Unemployed	5,325	7,813	881,310
Unemployment Rate	8.9%	9.9%	6.3%

	2020 Annual Statistics		
	City of Odessa	Ector County	State of Texas
Civilian Labor Force	62,629	82,852	13,983,319
Total Employed	56,490	73,736	12915,337
Unemployed	6,139	9.116	1,067,982
Unemployment Rate	9.8%	11.0%	7.6%

Source: Texas Workforce Commission, U.S. Department of Labor.

TRANSPORTATION

U.S. Interstate Highway 20, a main east/west route, and U.S. Highway 385, a main north/south route, provide for excellent transportation into the City. Loop 338 circles the entire city, allowing travelers to access any part of the City within minutes. Odessa is centrally located to make transportation in and out of the City easy for business. Access to an international airport, 10 minutes from the heart of the City, an interstate that was built to handle the distribution needs to travel coast to coast, and rail to take us to any point on the map make Odessa the hub of opportunity for local, regional, national and international business.

Within the city proper, multiple taxi and ride-sharing companies have recently staked claims here, in addition to well-conceived public transportation.

Midland International Airport, is conveniently located between the cities of Midland and Odessa and is just 10 minutes from the heart of Odessa. Flights out of the airport connect to every major city in the U.S. and Mexico. There are over 20 daily departures with non-stop service to Dallas and Houston. The airport is also a Border Entry Airport, which allows private and charter aircraft access without first stopping at a border city. Schleymeyer Field is located in northern Ector County and is Odessa's oldest municipal airport. Schleymeyer acts as Odessa's business reliever airport and is not served by commercial airlines.

Rail service is supplied by Union Pacific Railroad and offers piggyback service and 24-hour switching service. Operating seven days a week, Union Pacific provides reliable access to all major U.S. markets.

Source: Odessa Economic Development Corporation.

MEDICAL

Over the last several years, Odessa has grown to be the healthcare hub for the surrounding communities with state-of-the-art services and technology. There are more than 200 physicians representing a wide variety of specialties, including cardiovascular surgery, emergency care and comprehensive cancer care. In addition, there are more than 80 dentists in the community.

Medical Center Health System and Odessa Regional Medical Center are full-service hospitals with a combined total of 632 licensed beds. Texas Tech University Health Sciences Center ("TTUHSC") in Odessa is dedicated to improving the quality of healthcare, medical education and research in the Permian Basin. In addition to several medical residency programs, TTUHSC also offers bachelor's and doctorate degrees in many healthcare fields.

The University of Texas of the Permian Basin College of Nursing provides a pre-licensure Bachelor of Science degree in Nursing ("BSN"). The degree is science-based, patient-centered, and caring-driven. The curriculum consists of four years. The BSN program at the University of Texas of the Permian Basin prepares graduates to work in a wide variety of clinical settings and provides the necessary foundation for masters and doctoral degrees in nursing. Graduates of the BSN program will be prepared to take the National Council Licensure Examination for Registered Nurses.

The curriculum of the Odessa College associate degree nursing program prepares graduates to assume beginning staff positions under supervision as a member of the profession, as a provider of patient-centered care, as a patient safety advocate, and as a member of the healthcare team. Upon successful completion of the licensing examination, the graduate becomes a registered nurse.

The Odessa campus provides a premier learning environment for the School of Health Professions students with state of the art classrooms, laboratories, computer resources, and student support areas ranking among the finest within the State of Texas. Students at the Odessa campus are provided an educational structure for classroom and laboratory instruction by on-site faculty.

The TTUHSC Odessa campus also includes a School of Medicine and a School of Nursing. The School of Health Professions and the Health Sciences Center have tremendous community support with a designated Advisory Council comprised of over thirty highly involved and influential area volunteers.

Source: Odessa Economic Development Corporation.

EDUCATION

Odessa is primed with all the necessary resources to educate the present and ensure the future. Made up of the campuses of The University of Texas of the Permian Basin, Texas Tech Health Sciences Center, and Odessa College, Odessa's academic infrastructure prepares all students for promising futures in a variety of fields. These higher education institutions continue to work hard at creating a business culture that confidently produces a qualified and educated workforce. These institutions have grown by leaps and bounds over the last decade offering more resources to our community and the businesses located in Odessa.

Ector County Independent School District's 25 elementary schools, six middle schools, and three high schools pride themselves on preparing students with a solid educational basis for life as an adult.

Odessa College's Early College High School ("ECHS") program gives students the opportunity to graduate from high school not only with their GED, but also with a two-year Associates degree. The University of Texas of the Permian Basin's Falcon ECHS allows students to earn up to 60 college credit hours by the time they graduate from high school. These dual-credit classes are offered at no-cost to the students and their parents. The University of Texas Permian Basin also offers a STEM Academy program. STEM is an innovative public, open-enrollment charter school currently located on the campus in Odessa.

Source: Odessa Economic Development Corporation.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

**ODESSA COLLEGE DISTRICT
CONSOLIDATED FUND REVENUE REFUNDING BONDS, TAXABLE SERIES 2021
IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,675,000**

AS BOND COUNSEL for the Odessa College District (the "Issuer"), the issuer of the Bonds described above (the "Bonds"), we have examined into the legality and validity of the Bonds, which bear interest from the dates specified in the text of the Bonds, at the rates and payable on the dates as stated in the text of the Bonds, maturing, unless redeemed prior to maturity in accordance with the terms of the Bonds, serially, all in accordance with the terms and conditions stated in the text of the Bonds.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and a transcript of certified proceedings of the Issuer, and other pertinent instruments authorizing and relating to the issuance of the Bonds, including one of the executed Bonds (Bond Number T-1).

BASED ON SAID EXAMINATION, **IT IS OUR OPINION** that the Bonds have been authorized and issued and the Bonds delivered concurrently with this opinion have been duly delivered and that, assuming due authentication, Bonds issued in exchange therefore will have been duly delivered, in accordance with law, and that the Bonds, except as may be limited by laws applicable to the Issuer relating to bankruptcy, reorganization and other similar matters affecting creditors' rights generally, and by governmental immunity and general principles of equity which permit the exercise of judicial discretion, constitute valid and legally binding obligations of the Issuer, and that the Bonds are secured by and payable from a pledge of the Gross Revenues and Pledged Funds of the Issuer, all as provided in the resolution adopted by the Board of Trustees of the Issuer, pursuant to which the Bonds have been issued (the "Bond Resolution").

THE ISSUER HAS RESERVED THE RIGHT, subject to the restrictions stated in the Bond Resolution, to issue additional Parity Obligations (as defined in the Bond Resolution) which also may be made payable from, and secured by, a lien on and pledge of the Gross Revenues and the Pledged Funds (other than any debt service reserve fund created for the benefit of the Bonds) on a parity with the lien that secures the Bonds and any other Parity Obligations that may be issued from time to time by the Issuer in accordance with the conditions set forth therefor in the Bond Resolution.

THE HOLDER OF THE BONDS shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and the Bonds are payable solely from sources described in the Bond Resolution, and are not payable from any other funds or resources of the Issuer.

IT IS FURTHER OUR OPINION that the Bonds are not obligations described in Section 103(a) of the Internal Revenue Code of 1986, as amended.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of the Issuer and the sufficiency of the Gross Revenues of the Issuer. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

APPENDIX D

EXCERPTS FROM THE COLLEGE'S ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2020

whitleypenn

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Odessa, Texas 79761
432.362.3800 Main

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Independent Auditors' Report

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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of August 31, 2020 and 2019, 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 62, the Schedule of District's Contributions for Pensions to the Teachers Retirement System Pension Plan of the State of Texas on page 63, the Schedule of District's Proportionate Share of Net OPEB Liability from Employee Retirement System of State of Texas Retiree Health Plan on page 64 and the Schedule of District's Contributions to OPEB from Employee Retirement System of State of Texas Retiree Health Plan on page 65 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 80 through 98 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement of Federal Awards, and is also not a required part of the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *Provisions of the State of Texas Single Audit Circular*, and is not a required part of the basic purpose financial statements. In addition, the supplementary data presented in schedules A, B, C and D is presented for additional purposes and is not a required part of the basic financial statements.

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.

Audit Firm Merger

The financial statements of the District as of and for the year ended August 31, 2019, were audited by Johnson, Miller & Co., CPA's PC, who merged with Whitley Penn LLP as of November 16, 2020, and whose report dated November 26, 2019, expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2020, 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.

Whitley Penn LLP

Odessa, Texas
December 1, 2020

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, 2020 (Fiscal Year 2020), 2019 (Fiscal Year 2019), and 2018 (Fiscal Year 2018). 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

- During 2018, the district implemented a new accounting principal required by GASB Statement 75, requiring governmental employers to measure and report the liabilities associated with postemployment benefits other than pensions (or OPEB). Reported OPEBs may include post-retirement medical, pharmacy, dental, vision, life, long-term disability and long-term care benefits that are not associated with a pension plan. This required the District to record its proportionate share of the Employees Retirement Systems of Texas (ERS) net OPEB liability, deferred outflows and deferred inflows of resources, and current OPEB expenses. GASB 75 requires two new supplementary schedules, which can be found on pages 64 and 65 of this report.

- The implementation of GASB 75 required a restatement of beginning net position for the 2018 fiscal year from $55.7 million to $21.7 million, a decrease of $34.0 million. As a result, certain components of the Statement of Net Position cannot be compared to prior years.

- The District's net financial position increased during 2020 as total revenues exceeded total expenses by $8.6 million. Revenues exceeded expenses by $10 million and $9.6 million in fiscal years 2019 and 2018, respectively.

- Capital assets (net of depreciation) increased by approximately $201,000 in 2020, by $6,200,000 in 2019, and by $234,000 in 2018. The increases resulted primarily from construction and equipment purchases related to the Vision 2015 campus improvement program.

- The District's total bonded debt decreased during fiscal year 2020 by $4.3 million, or 6.2%, to $64.2 million. Debt decreased by $4.1 million and $4.0 million at the end of fiscal years 2019 and 2018, respectively.

- The net taxable property values in the District increased by approximately $2.0 billion, or 15% in 2020, after increasing by approximately $1.0 billion, or 7.6%, in 2019, and increasing by $.3 billion, or 2.7%, in 2018.

- Total tax revenues increased by $2 million, or 7.3%, to $30.1 million in 2020, compared to tax revenues of $28.1 million and $27.2 million in 2019 and 2018, respectively.

- Total semester hours for credit classes increased by 2.8% to 128,475 in 2020, compared to 124,930 in 2019, and 121,149 in 2018, respectively.

- Total contact hours from credit and noncredit instruction increased by 1.4% to 2,761,583 in 2020, compared to 2,722,700 in 2019, and 2,585,212 in 2018. The overall increase in 2020 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 2019 and 2018 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 and extraordinary items.

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

- **The Statement of Cash Flows**

  The final statement presented is the Statement of Cash Flows 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,				
	2020	2019	2018	2019 to 2020	2018 to 2019
Current assets	$ 34,459	$ 32,160	$28,497	$ 2,299	$ 3,663
Capital assets, net of depreciation	117,849	117,648	111,463	201	6,185
Other non-current assets	14,533	11,645	17,190	2,888	(5,545)
Deferred outflows of resources	14,680	13,059	10,245	1,621	2,814
Total assets and deferred outflows	181,521	174,512	167,395	7,009	7,117
Current liabilities	14,456	15,273	16,355	(817)	(1,082)
Non-current debt	62,679	64,661	69,034	(1,982)	(4,373)
Net Pension Liability	9,890	9,909	6,287	(19)	3,622
Net OPEB Liability	27,037	25,210	28,982	1,827	(3,772)
Deferred inflows of resources	17,501	18,078	15,399	(577)	2,679
Total liabilities and deferred inflows	131,563	133,131	136,057	(1,568)	(2,926)
Net Position:					
Net investment in capital assets	57,113	50,218	39,857	6,895	10,361
Restricted: nonexpendable	845	831	818	14	13
Restricted: expendable	3,179	6,348	8,105	(3,169)	(1,757)
Unrestricted	(11,179)	(16,016)	(17,442)	4,837	1,426
Total net position	$ 49,958	$ 41,381	$ 31,338	8,577	10,043

Figure 1 ***Note: FY2018 has been restated to account for cumulative effect of GASB Statement 75 implementation.***

The District implemented new financial reporting provisions required by GASB Statement 75 that required a restatement of beginning net position for the 2018 fiscal year from $55.7 million to $21.7 million, a decrease of $34.0 million. As a result, certain components of the Statement of Net Position cannot be compared to prior years.

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

During fiscal year 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.

During fiscal year 2018:

- There was an increase of $6,159,000 in current assets due to an increase in cash and cash equivalents. Cash and temporary investments increased by $5,017,000 due primarily to additional tuition revenue from higher enrollments, capital gifts and insurance proceeds, and reduced bond interest payments.

Capital assets, net of depreciation, increased by approximately $201,000, during 2020 while increasing $6,200,000 during 2019. 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 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.

During fiscal 2018:

- Construction in Progress decreased by approximately $2.1 million. Fiscal year 2018 construction costs amounted to $2.4 million on projects not yet completed, including the Baseball Field renovation, Pecos Center welding lab, and the Sewell Auto Tech Center. There was an offsetting decrease of $4.5 million to Construction in Progress with the completion of renovations to the Health Science Building, the Electronics Technology Building, and the Globe Theater. The completed costs were reclassified into Buildings and Other Land Improvements categories of capital assets.

- Buildings and improvements increased by $4.2 million due to the completion of renovations to the Health Science Building, the Electronics Technology Building, the Globe Theater and the Electrical Lineman Facilities.

- Major Equipment purchases included $539 thousand to purchase 4 trucks to use in our Truck Driver Training Academy, $280 thousand to purchase three buses for student transportation, and $100 thousand to purchase a mobile home located at the Graham Center Ranch.

Total liabilities decreased by $991,000 (-0.9%) in fiscal year 2020 after decreasing by $5.6 million (-4.6%) in fiscal 2019. The major contributing factors are explained below.

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.

- Deferred 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.

- Deferred 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.

During fiscal 2018:

- Accounts OPEB liability increased by $29.1 million due to the implementation of GASB 75 reporting for 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 $289,000, reflective of less construction activity related to Vision 2015 campus improvement projects.

- Deferred revenue increased by $1.6 million due to an increase in enrollment and tuition for Fall of 2018, an increase in state grant funds received near year-end, and unspent roof insurance proceeds.

- Bond and capital lease liabilities decreased by $4.9 million due to principle payments on bond obligations and unamortized bond premium.

- Net pension liability decreased by $0.7 million due to differences between actual and projected investment earnings by TRS.

Overall, the District's net position increased by $8.6 million during fiscal 2020, increased by $10.0 million during 2019, and decreased by $24.4 million during 2018. It is important for the readers of the financial statements to note that the 2018 decrease was the combined result of an $9.6 million increase from current operations offset by a $34 million restatement due to the GASB 75 change in accounting principle.

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.

During fiscal 2018:

- The Net Investment in Capital Assets, representing the net value of capital assets (land, buildings, and equipment) less the related debt, increased by $4.2 million, primarily as a result of payments and the refunding of bonded debt.

- The Restricted Net Position increased approximately $3.1 million due to an increase in restricted expendable capital projects of $1 million from the District's continued contribution to Vision 2015, an increase in restricted expendable debt service by $2.4 million from lower interest payments as well as a gain from the refunding of debt, and an increase in OER reserves.

- 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 $2.4 million during fiscal 2018 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)	
	2020	2019	2018	2019 to 2020	2018 to 2019
Operating revenues					
Tuition and fees (net of discounts)	$ 10,965	$ 11,193	$ 9,298	$ (228)	$ 1,895
Grants and contracts	3,831	6,226	3,861	(2,395)	2,365
Other	2,615	3,328	3,074	(713)	254
Total operating revenue	17,411	20,747	16,233	(3,336)	4,514
Operating expenses					
Instruction	21,589	20,097	19,717	1,492	380
Public Service	1,055	1,296	1,275	(241)	21
Academic Support	5,238	4,906	4,805	332	101
Student Services	4,541	4,457	4,458	84	(1)
Institutional Support	7,242	6,906	6,953	336	(47)
Operations & Maint of Plant	5,164	4,769	4,899	395	(130)
Scholarship & Fellowships	6,999	6,880	5,642	119	1,238
Auxiliary enterprises	2,421	2,840	2,591	(419)	249
Depreciation	3,476	3,374	3,224	102	150
Total operating expenses	57,725	55,525	53,564	2,200	1,961
Operating loss	(40,314)	(34,778)	(37,331)	(5,536)	2,553
Non-operating revenue/(expense)					
State appropriation	12,965	11,072	12,098	1,893	(1,026)
Ad valorem taxes	30,125	28,079	27,246	2,046	833
Federal student aid grants	7,708	7,087	7,044	621	43
Interest on debt	(2,927)	(3,049)	(2,269)	122	(780)
Other	655	997	325	(342)	672
Total non-operating income	48,526	44,186	44,444	4,340	(258)
Other revenue					
Capital grants and gifts	365	635	2,528	(270)	(1,893)
Increase in net position	**8,577**	**10,043**	**9,641**	**(1,466)**	**402**
Net position, beginning of year	41,381	31,338	55,701	10,043	(24,363)
Prior period adjustment GASB 75 Implementation	N/A	N/A	(34,004)	N/A	34,004
Net assets beginning of year as restated	41,381	31,338	21,697	10,043	9,641
Net position, end of year	**$ 49,958**	**$ 41,381**	**$ 31,338**	**$ 8,577**	**$ 10,043**

Figure 2 ***Note: FY2018 has been restated to account for GASB Statement 75 changes.***

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 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.

During fiscal 2018:

- Tuition and Fee Revenue, net of discounts, increased by $469,000, or about 5.3%. Gross tuition and fees increased by $729,000 due to higher enrollments and an increase of 2.5% in semester credit hours. At the same time, scholarship allowances and discounts increased by $260,000 due to increased federal student aid grants, primarily Pell grants which increased by 9.1%.

- Non-governmental Grants and Contracts increased by $720,000 due to a new private grant from the Odessa Development Corporation starting during the year to continue over a three year period.

Non-Operating Revenues (Expenses):

Non-Operating Revenues (Expenses) are funds received for which goods and services are not directly provided to those providing the revenue. Non-Operating Revenues (Expenses) increased by $4.3 million in 2020 after decreasing by $258 thousand in 2019 and increasing $4.8 million during 2018. Key factors impacting Non-Operating Revenues (Expenses) are discussed below:

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 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.

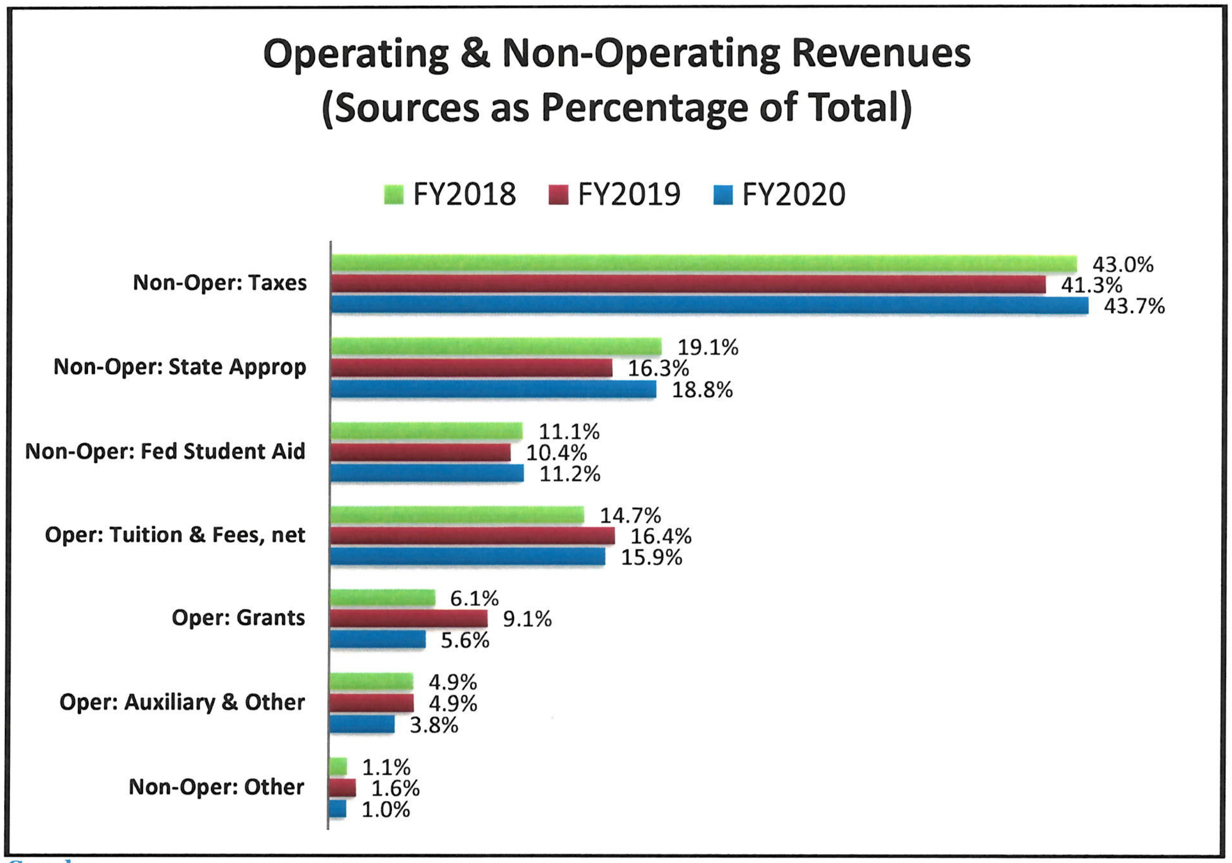
During fiscal 2018:

- Total State Appropriations increased by $1,890,000, or 18.5%. $771,000 of the increase was due to increased contact hour and success points funding for the 2018-2019 legislative biennium. The remaining $1,119,000 increase resulted from increased benefit payments paid by the state as now reported under GASB 68 and GASB 75.

- Property Tax revenue increased by $1,256,000, or 4.8%. Net assessed valuations increased 2.7%, and the combined tax rate was raised 0.9%.

- Federal Student Aid Revenue increased $564,000 or 8.7%. The number of recipients awarded during the 2017-18 academic year increased resulting in a larger disbursement of aid in August of 2018 for the fall semester.

Graph 1 below illustrates the sources of Operating and Non-operating Revenues as a percentage of total revenues for fiscal years 2020, 2019, and 2018. As evidenced by the graph, the majority of revenue is derived from non-operating sources.



Graph 1

A comparison of fiscal 2020 to fiscal 2019 shows an increase in the percentage of revenues provided by state appropriations, taxes, and federal student aid. The percentage derived from all other revenue sources decreased during the same period. Comparing the prior two fiscal years (2019 to 2018) reveals increases in the percentage of revenues provided by tuition and fees, grants, and other non-operating and decreases in the percentage of property taxes, state appropriations, and federal student aid.

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 $2.2 million or 4.0% in 2020, after an increase of $2.0 million or 3.7%, during 2019, and a similar increase of $3.7 million, or 7.5% during 2018. Key factors impacting operating expenses by functional expense categories are described below:

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 position 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 do 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 primarily 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.

During fiscal 2018:

- Instruction expenses increased by $1,500,000, or 8.3%, due primarily to an increase in state paid benefits expense related to GASB 75 implementation.

- Institutional Support increased by $806,000, or 13.1%, due primarily to an increase in state paid benefits as well as a new grant for campus police software in the amount of $46,000.

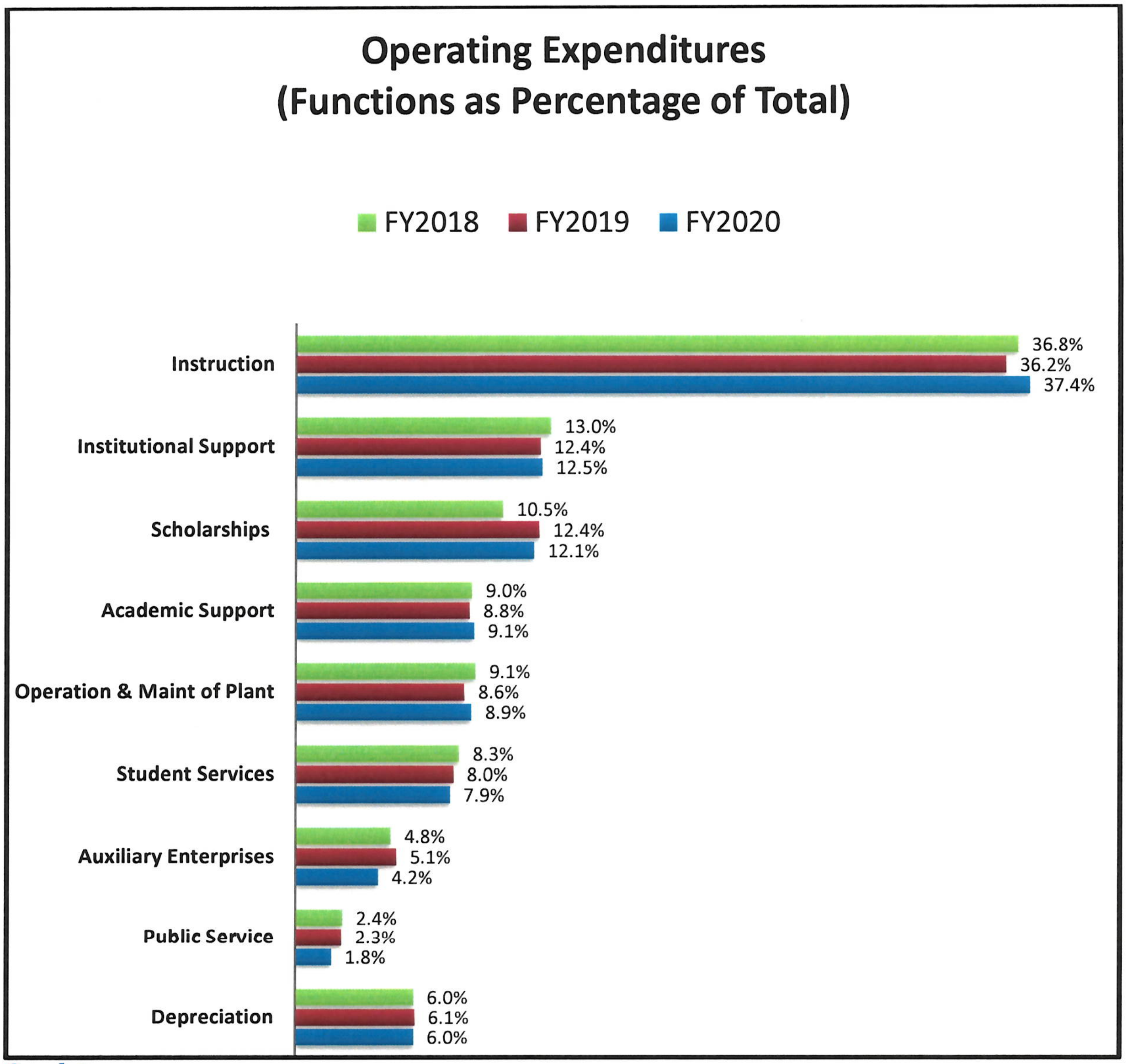
- Operation & Maintenance of Plant expenses increased by $451,000, or 10.1%, due do expenses related to hail damage, upgrades to the Globe Theater, and renovations to Deaderick Hall to accommodate a new Early College High School.

- Scholarships expenses increased by $601,000 or 11.9%, 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 $283,000, or 9.6%, 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 $353,000 in fiscal 2020, $623,000 in 2019, and $1,465,000 in 2018. 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. The 2018 capital donations were dedicated to the Baseball renovation, Globe Theater renovations, and acquisition of equipment for fine arts.

Graph 2 below compares each functional operating expense category as a percentage of total expenses for fiscal years 2020, 2019 and 2018.



Graph 2

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets, net of depreciation, was $117.8 million at the end of fiscal 2020, compared to $117.6 million in 2019, and $111.5 million in 2018. A summary of capitalized assets for fiscal years 2020, 2019, and 2018 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)	
	2020	**2019**	**2018**	**2019 to 2020**	**2018 to 2019**
Land	$ 4,196	$ 4,196	$ 4,196	$ 0	$ 0
Buildings and improvements	129,807	121,392	118,578	8,415	2,814
Other land improvements	8,713	8,590	8,545	123	45
Construction in progress	772	6,836	1,451	(6,064)	5,385
Furniture and equipment	17,310	16,202	14,985	1,108	1,217
Library materials	2,054	2,108	2,164	(54)	(56)
Subtotal	162,852	159,324	149,919	3,528	9,405
Less: Accumulated depreciation	(45,003)	(41,676)	(38,456)	(3,327)	(3,220)
Net Capital Assets	$ 117,849	$ 117,648	$ 111,463	$ 201	$ 6,185

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.

Debt Administration

The District had outstanding debt of $64.2 million as of August 31, 2020, and $68.5 million and $72.6 million as of August 31, 2019 and 2018, 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. Principal payments on long-term debt totaled $4,265,000 in 2020, $4,110,000 in 2019, and $3,955,000 in 2018. Details of the outstanding long-term debt by type as of August 31, 2020, 2019, and 2018 are listed below in Figure 4.

Outstanding Debt
(thousands of dollars)

	Year Ended August 31,		
	2020	**2019**	**2018**
General Obligation Bonds (2)	$ 59,585	$ 61,195	$ 62,745
Revenue Bonds (2)	4,650	7,305	9,865
Total Outstanding Bonded Indebtedness	$ 64,235	$ 68,500	$ 72,610

Figure 4

On May 24, 2018, S&P Global Ratings affirmed its rating of 'A+' with a stable outlook for the District's series 2009 and 2012 Revenue Bonds.

On November 28, 2017, S&P Global Ratings assigned a rating of 'AA-' with a stable outlook for the new Limited Tax Refunding Bonds, Series 2017.

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

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

Both the 2009 and 2012 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 declined from July 2020 to August 2020, retreating to 229.1 for the month down from 232.3 in July, and down 15.7% from the August 2019 OEI of 271.9. The monthly average posted West Texas Intermediate crude oil price of $38.17 was the highest since February 2020 and represents an improvement of nearly $24/bbl compared to the April 2020 low monthly average of $14.68. This improvement has reversed the decline in the rig count, adding six rigs on average since the low point of 75 rigs in July 2020. Economic activity remains broadly lower in Odessa through August 2020 and the unemployment rate has increased to 11.1% compared to that of August 2019 of 2.9%.

As a result, the District expects the assessed tax values to decrease slightly next year due to lower oil prices and oilfield service activity. At the time of this report, general spending in Ector County is down 23.6% year-to-year, home sales are down 24%, and the rig count is 77.6% below last year's volume. Sales tax revenues along with hotel and apartment occupancy rates are all significantly lower 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 is 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

Brandy Ham
Chief Financial Officer

FINANCIAL STATEMENTS

Odessa College District

Exhibit 1

STATEMENTS OF NET POSITION

August 31,

		2020	2019
ASSETS:			
Current Assets			
Cash and cash equivalents (Notes 2 and 4)	$	24,136,088	16,058,273
Accounts receivable, net (Note 17)		5,541,803	10,387,026
Inventories (Note 2)		58,582	44,024
Notes receivable – current, net		2,250,228	2,603,809
Prepaid items		1,978,032	2,570,504
Escrow deposits		493,807	496,280
Total Current Assets		34,458,540	32,159,916
Noncurrent Assets:			
Restricted cash and cash equivalents (Notes 2 and 4)		281,986	276,936
Endowment investments (Notes 2, 3 and 4)		845,155	831,084
Other long-term investments (Notes 2, 3 and 4)		12,712,179	9,461,179
Notes receivable – noncurrent, net		657,636	1,036,778
Unamortized bond insurance costs		36,596	39,210
Capital assets, net of accumulated depreciation (Notes 2 and 6)		117,848,811	117,648,143
Total Noncurrent Assets		132,382,363	129,293,330
Total Assets	$	166,840,903	161,453,246
Deferred Outflows of Resources:			
Deferred outflows related to pensions	$	4,956,258	5,093,490
Deferred outflows related to Other Post Employment Benefits (OPEB)		3,116,229	1,043,495
Deferred outflows related to refunding of debt		6,607,230	6,921,860
Total Deferred Outflows of Resources	$	14,679,717	13,058,845
LIABILITIES:			
Current Liabilities			
Accounts payable (Note 17)	$	2,446,083	1,893,173
Accrued liabilities		837,151	360,679
Accrued compensable absences (Notes 7 and 13)		721,365	648,073
Funds held for others		956,291	564,983
Deferred revenue – tuition and fees (Note 2)		5,897,858	5,671,005
Deferred revenue – other (Note 2)		751,259	1,437,957
Capital lease payable – current portion (Notes 6 and 7)		55,842	55,842
Bonds payable – current portion (Notes 7, 8 and 9)		1,905,000	4,265,000
Net OPEB liability – current portion (Notes 7 and 15)		884,961	376,374
Total Current Liabilities		14,455,810	15,273,086
Noncurrent Liabilities:			
Capital lease payable – noncurrent (Notes 6 and 7)		55,841	111,683
Bonds payable – noncurrent (Notes 7, 8 and 9)		62,330,000	64,235,000
Unamortized bond premium		293,268	314,215
Net pension liability (Note 7 and 11)		9,890,177	9,908,953
Net OPEB liability (Notes 7 and 15)		27,036,725	25,210,180
Total Noncurrent Liabilities		99,606,011	99,780,031
Total Liabilities	$	114,061,821	115,053,117

Odessa College District

Exhibit 1

STATEMENTS OF NET POSITION (CONTINUED)

August 31,

		2020	2019
Deferred Inflows of Resources:			
Deferred inflows related to pensions	$	2,980,542	2,235,390
Deferred inflows related to OPEB		8,851,630	9,903,637
Deferred inflows related to refunding of debt		5,668,998	5,938,951
Total Deferred Inflows of Resources	$	17,501,170	18,077,978
NET POSITION:			
Net investment in capital assets	$	57,113,267	50,217,599
Restricted for:			
Nonexpendable:			
Student aid		845,155	831,084
Expendable:			
Student aid		299,999	277,566
Instructional programs		1,403,238	1,052,774
Unexpended capital projects		1,073,422	(144,608)
Debt service		401,902	5,162,080
Unrestricted		(11,179,354)	(16,015,499)
Total Net Position (Schedule D)	$	49,957,629	41,380,996

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

Odessa College Foundation, Incorporated

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

		2019	2018
CURRENT ASSETS			
Cash and cash equivalents	$	1,438,976	1,213,023
Pledges receivable		12,700	10,950
Total current assets		1,451,676	1,223,973
Marketable Securities at Fair Value		11,971,200	9,951,702
Pledges Receivable - Noncurrent		10,000	20,000
Total Assets	$	13,432,876	11,195,675

LIABILITIES AND NET ASSETS

		2019	2018
LIABILITIES			
Accounts payable	$	438	882
Total current liabilities		438	882
NET ASSETS			
Net assets without donor restrictions			
Undesignated		1,570,564	145,969
Designated for Half-Century scholarships		205,155	205,155
Designed for Health Science scholarships		156,040	156,040
Total net assets without donor restrictions		1,931,759	507,164
Net assets with donor restrictions		11,500,679	10,687,629
Total net assets		13,432,438	11,194,793
Total current liabilities and net assets	$	13,432,876	11,195,675

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

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years ended August 31,

		2020	2019
OPERATING REVENUES:			
Tuition and fees (net of discounts of $5,739,452 and $4,869,807, respectively)	$	10,965,280	11,192,706
Federal grants and contracts		1,621,539	961,433
State grants and contracts		446,623	333,361
Non-governmental grants and contracts		1,762,444	4,931,198
Sales and services of educational activities		201,696	341,193
Investment income (program restricted)		16,106	27,170
Auxiliary enterprises		1,533,473	1,694,989
Other operating revenue		863,926	1,265,341
Total operating revenues (Schedule A)		17,411,087	20,747,391
OPERATING EXPENSES:			
Instruction		21,589,164	20,096,687
Public service		1,055,149	1,296,333
Academic support		5,237,503	4,905,622
Student services		4,541,044	4,456,886
Institutional support		7,242,473	6,906,187
Operation and maintenance of plant		5,163,959	4,769,231
Scholarships and fellowships		6,999,201	6,880,063
Auxiliary enterprises		2,420,590	2,840,330
Depreciation		3,476,108	3,374,677
Total operating expenses (Schedule B)		57,725,191	55,526,016
OPERATING LOSS		(40,314,104)	(34,778,625)
NON-OPERATING REVENUES (EXPENSES):			
State appropriations		12,965,055	11,071,830
Property taxes for maintenance and operations		25,682,905	23,863,032
Property tax for debt service		4,441,605	4,216,344
Federal grants, non-operating		7,708,359	7,087,496
Gifts – noncapital		226,869	163,045
Investment income – not restricted to programs		457,011	872,927
Interest on capital – related debt		(2,927,430)	(3,047,783)
Loss on disposal of capital assets		(53,898)	(60,156)
Other non-operating revenues		28,097	42,590
Other non-operating expenses		(2,614)	(21,795)
Net non-operating revenues (Schedule C)		48,525,959	44,187,530
Income before other revenues		8,211,855	9,408,905

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

Years ended August 31,

	2020	2019
OTHER REVENUES:		
Private capital gifts and grants	$ 352,578	622,932
Additions to permanent endowment	12,200	11,600
Total other revenues	364,778	634,532
Increase in Net Position	8,576,633	10,043,437
NET POSITION – BEGINNING OF YEAR	41,380,996	31,337,559
NET POSITION – END OF YEAR	$ 49,957,629	41,380,996

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

Odessa College Foundation, Incorporated

STATEMENTS OF ACTIVITIES

Years ended December 31, 2019 and 2018

		Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total 2019	Total 2018
Revenues, gains and other support:					
Contributions (including pledges)	$	-	1,550,416	1,550,416	656,671
Earnings (losses) on investments, net of fees		(59,336)	579,878	520,542	615,055
Net realized gains (loss) on marketable securities		235,277	-	235,277	(6,555)
Net unrealized gains (loss) on marketable securities		1,265,199	-	1,265,199	(1,265,883)
Net assets released from restrictions through satisfaction of program restrictions		1,317,244	(1,317,244)	-	-
Total revenues, gains and other support		2,758,384	813,050	3,571,434	(712)
Expenses:					
Scholarships		738,139	-	738,139	643,306
Program and college support		579,105	-	579,105	230,453
General and administrative		16,545	-	16,545	19,862
Total expenses		1,333,789	-	1,333,789	893,621
CHANGES IN NET ASSETS		1,424,595	813,050	2,237,645	(894,333)
Net assets at beginning of year		507,164	10,687,629	11,194,793	12,089,126
Net assets at end of year	$	1,931,759	11,500,679	13,432,438	11,194,793

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

Odessa College District

Exhibit 3

STATEMENTS OF CASH FLOWS

Years ended August 31,

		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from students and other customers	$	12,099,202	12,806,077
Receipts from grants and contracts		8,930,768	377,655
Receipts from loan collections from students and employees		1,699,814	1,770,512
Other receipts		880,032	1,292,511
Payments to or on behalf of employees		(31,089,209)	(31,572,820)
Payments to suppliers for goods or services		(12,603,425)	(12,006,933)
Payments of scholarships		(5,531,091)	(8,121,023)
Loans issued to students and employees		(1,709,918)	(1,698,358)
Other cash receipts		711,148	1,371,264
Net cash used in operating activities		(26,612,679)	(35,781,115)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:			
Receipts from state allocations		9,678,292	8,415,468
Receipts from ad valorem taxes		29,985,040	28,121,311
Receipts from non-operating federal revenue		7,708,359	7,087,496
Receipts from gifts and grants other than for capital purposes		239,069	174,645
Receipts from student organizations and other agencies		502,147	233,625
Payments to student organizations and other agencies		(110,839)	(321,075)
Deposit with escrow agents		2,473	5,610
Net cash provided by non-capital and related financing activities		48,004,541	43,717,080
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Amortization of bond premiums		(20,947)	(51,968)
Proceeds from capital grants and gifts		1,137,578	1,342,637
Proceeds from insurance recoveries		26,378	21,535
Purchases of capital assets		(4,406,200)	(9,529,248)
Payments on capital debt and leases		(7,248,272)	(7,213,625)
Net cash used in capital and related financing activities		(10,511,463)	(15,430,669)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Receipts from sale and maturity of investments		7,144,000	9,229,655
Receipts from investment earnings		521,426	794,171
Purchases of investments		(10,462,960)	(4,314,878)
Net cash used in investing activities		(2,797,534)	(5,708,948)
Increase (decrease) in cash and cash equivalents		8,082,865	(1,785,756)
Cash and cash equivalents – September 1		16,335,209	18,120,965
Cash and cash equivalents – August 31	$	24,418,074	16,335,209

Odessa College District Exhibit 3

STATEMENTS OF CASH FLOWS (CONTINUED)

Years ended August 31,

		2020	2019
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:			
Operating loss	$	(40,314,104)	(34,778,625)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation expense		3,476,108	3,374,677
Payments made directly to ERS by state for benefits		3,286,762	2,656,362
Changes in assets and liabilities:			
Receivable, net:			
Tuition and fees receivable, net		(261,042)	8,372
State and federal operating grants receivable		(173,854)	(16,072)
Private grants receivable		5,432,834	(4,693,505)
Employee receivable		17,126	(7,421)
Sales and services receivable, net		(248,434)	(270,189)
Auxiliary receivable, net		209,256	(473,554)
Inventories		(14,558)	(14,022)
Other assets		592,472	(105,794)
Accounts payable		1,228,437	(765,371)
Accrued payroll liabilities		476,472	17,021
Deferred inflows		(576,808)	2,678,496
Deferred outflows		(1,620,872)	(2,813,355)
Accrued liabilities		2,316,356	77,923
Deferred revenue:			
Deferred tuition and fees revenue		226,853	31,204
Other deferred revenue		(686,698)	(857,404)
Compensated absences		73,292	105,706
Loans to students and employees		(52,277)	64,436
Total adjustments		13,701,425	(1,002,490)
Net cash used in operating activities	$	(26,612,679)	(35,781,115)

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

Odessa College District

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2020 and 2019

Odessa College District

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 and 2019

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

1. Reporting Guidelines

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

2. Tuition Discounting

Texas Public Education Grants

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

Title IV, Higher Education Act (HEA) Program Funds

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

Other Tuition Discounts

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

3. Basis of Accounting

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

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. *Budgetary Data*

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

5. *Cash and Cash Equivalents*

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

6. *Deferred Inflows*

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

7. *Deferred Outflows*

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

8. *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.

9. *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.

10. *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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. *Capital Assets*

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

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

12. *Deferred Revenue*

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

13. *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.

14. *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.

15. *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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. 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. The requirements of this statement were effective for reporting periods beginning after December 15, 2018. Community college implementation was originally planned for FY 2020 but is now postponed to FY 2021, as a result of GASB 95. Earlier application is encouraged.

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.

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. Community college implementation was originally planned for FY 2020 but is now postponed to FY 2021, as a result of GASB 95.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. New Accounting Pronouncements (Continued)

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. 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.

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.

NOTE 3 – AUTHORIZED INVESTMENTS (CONTINUED)

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

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

- the categorization of investments by risk which is required by GASB Statement No. 3 Note 4 in the footnote **"Deposits and Investments,"** and

- placing a statement in the scope paragraph of the **Report on Compliance and on Internal Control over Financial Reporting (pages 74-75)** 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, 2020 and 2019, the carrying amount of the District's deposits were $1,662,264 and $3,495,554, respectively. Bank balances equaled $2,129,472 and $5,044,085. Bank balances of $370,518 and $369,842 were covered by federal depository insurance, and $1,758,954 and $4,674,273 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 $22,742,508 and $12,826,253 in state approved public funds investment pools at August 31, 2020 and 2019, respectively.

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

Cash and Deposits

		2020	2019
Bank Deposits			
Demand Deposits	$	2,129,472	2,155,485
Transit Items		(467,208)	(1,498,531)
Time Deposits		-	2,838,600
		1,662,264	3,495,554
Cash and Cash Equivalents			
Public Funds Investment Pools		22,742,508	12,826,253
Petty Cash on Hand		13,302	13,402
Total Cash and Deposits	$	24,418,074	16,335,209

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security		Market Value August 31, 2020	Market Value August 31, 2019
Total Cash and Deposits	$	24,418,074	16,335,209
Total Investments		13,557,334	10,292,263
Total Deposits and Investments	$	37,975,408	26,627,472
Current Cash and Temporary Investments (Exh. 1)	$	24,136,088	16,058,273
Restricted Cash and Temporary Investments (Exh. 1)		281,986	276,936
Endowment Investments (Exh. 1)		845,155	831,084
Other Long-Term Investments (Exh. 1)		12,712,179	9,461,179
Total Deposits and Investments (Exh. 1)	$	37,975,408	26,627,472

As of August 31, 2020, the District had the following investments and maturities:

			Investment Maturities in Years		
Investment Type		Fair Value	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

As of August 31, 2019, the District had the following investments and maturities:

			Investment Maturities in Years		
Investment Type		Fair Value	Less than 1	1 to 2	2 to 5
Certificates of Deposit	$	2,318,621	1,325,450	499,452	493,719
Municipal Bonds		7,973,642	4,131,590	2,685,055	1,156,997
Total Fair Value	$	10,292,263	5,457,040	3,184,507	1,650,716

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.

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk: In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations of states, agencies, counties, cities, and other political subdivisions must be rated at least A. Applicable credit ratings of investments at August 31, 2020 and 2019 are reported below.

Investment Type	Credit Rating
Tex Pool Prime	S&P: AAAm
TexPool	S&P: AAAm
LOGIC	S&P: AAA - AAAm as of August 31, 2019
Lone Star Government Overnight Fund	S&P: AAAm
Lone Star Corporate Overnight Plus Fund	S&P: AAAf/S1+ - AAAf/s/+ as of August 31, 2019
Municipal Bonds	S&P: A and above

Concentration of Credit Risk: The District does not place a limit on the amount the District may invest in any one issuer. The District does not have any investments from single issuers that are more than 5% of the total investments.

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

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value measurements were arrived at using the following inputs at August 31, 2020 and 2019:

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

	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
Investment Type	Level 1	Level 2	Level 3	2019
Certificates of Deposit	$ 2,318,621	-	-	2,318,621
Municipal Bonds	7,973,642	-	-	7,973,642
Total	$ 10,292,263	-	-	10,292,263

Odessa College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2020 and 2019

NOTE 6 – CAPITAL ASSETS

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

	Balance September 1, 2019	Increases	Decreases	Balance August 31, 2020
Not Depreciated:				
Land	$ 4,196,316	-	-	4,196,316
Construction in progress	6,835,876	2,473,670	8,537,354	772,192
Total Capital Assets – Not Depreciated	11,032,192	2,473,670	8,537,354	4,968,508
Other Capital Assets:				
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
Total Buildings and Other Improvements	129,982,414	8,537,354	-	138,519,768
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
Total Capital Assets – Depreciable	148,291,756	9,794,357	202,870	157,883,243
Total Capital Assets	159,323,948	12,268,027	8,740,224	162,851,751
Accumulated Depreciation:				
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
Total Buildings and Other Improvements	29,672,310	2,438,683	-	32,110,993
Library books	680,938	64,685	-	745,623
Furniture, machinery and equipment	11,322,557	972,740	148,973	12,146,324
Total Accumulated Depreciation	41,675,805	3,476,108	148,973	45,002,940
Net Capital Assets	$ 117,648,143	8,791,919	8,591,251	117,848,811

Capital assets activity for the year ended August 31, 2019, was as follows:

	Balance September 1, 2018	Increases	Decreases	Balance August 31, 2019
Not Depreciated:				
Land	$ 4,196,316	-	-	4,196,316
Construction in progress	1,451,091	8,244,982	2,860,197	6,835,876
Total Capital Assets – Not Depreciated	5,647,407	8,244,982	2,860,197	11,032,192
Other Capital Assets:				
Buildings and building improvements	118,577,612	2,814,500	-	121,392,112
Other real estate improvements	8,544,604	45,698	-	8,590,302
Total Buildings and Other Improvements	127,122,216	2,860,198	-	129,982,414
Library books	2,164,227	-	56,807	2,107,420
Furniture, machinery and equipment	14,984,789	1,375,521	158,388	16,201,922
Total Capital Assets – Depreciable	144,271,232	4,235,719	215,195	148,291,756
Total Capital Assets	149,918,639	12,480,701	3,075,392	159,323,948
Accumulated Depreciation:				
Buildings and building improvements	22,906,248	2,045,903	-	24,952,151
Other real estate improvements	4,470,637	249,522	-	4,720,159
Total Buildings and Other Improvements	27,376,885	2,295,425	-	29,672,310
Library books	612,399	68,539		680,938
Furniture, machinery and equipment	10,466,883	1,010,713	155,039	11,322,557
Total Accumulated Depreciation	38,456,167	3,374,677	155,039	41,675,805
Net Capital Assets	$ 111,462,472	9,106,024	2,920,353	117,648,143

Odessa College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2020 and 2019

NOTE 7 – LONG-TERM LIABILITIES

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
Bonds					
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
Total Bonds	68,500,000	-	4,265,000	64,235,000	1,905,000
Leases					
Capital leases	167,525	-	55,842	111,683	55,842
Total Capital Leases	167,525	-	55,842	111,683	55,842
Other Liabilities					
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
Total Other Liabilities	36,143,580	5,112,667	2,723,019	38,533,228	884,961
Total Long-Term Liabilities	$ 104,811,105	5,112,667	7,043,861	102,879,911	2,845,803

Long-term liability activity for the year ended August 31, 2019, was as follows:

	Balance September 1, 2018	Increases	Decreases	Balance August 31, 2019	Due Within One Year
Bonds					
General obligation bonds, Series 2011	$ 4,835,000	-	1,550,000	3,285,000	1,610,000
General obligation bonds, Series 2017	57,910,000	-	-	57,910,000	-
Revenue bonds, Series 2009	4,770,000	-	2,340,000	2,430,000	2,430,000
Revenue bonds, Series 2012	5,095,000	-	220,000	4,875,000	225,000
Total Bonds	72,610,000	-	4,110,000	68,500,000	4,265,000
Leases					
Capital leases	223,367	-	55,842	167,525	55,842
Total Capital Leases	223,367	-	55,842	167,525	55,842
Other Liabilities					
Accrued compensable absences	542,367	105,706	-	648,073	-
Net pension liability	6,287,233	4,228,175	606,455	9,908,953	-
Net OPEB liabilities	29,130,351	3,035,255	6,579,052	25,586,554	376,374
Total Other Liabilities	35,959,951	7,369,136	7,185,507	36,143,580	376,374
Total Long-Term Liabilities	$ 108,793,318	7,369,136	11,351,349	104,811,105	4,697,216

NOTE 8 – DEBT AND LEASE OBLIGATIONS

Debt service obligations at August 31, 2020, 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
2021	$	1,675	2,603	4,278	230	181	411	1,905	2,784	4,689
2022		1,830	2,536	4,366	235	174	409	2,065	2,710	4,775
2023		1,890	2,481	4,371	245	167	412	2,135	2,648	4,783
2024		1,985	2,386	4,371	250	158	408	2,235	2,544	4,779
2025		2,080	2,287	4,367	260	148	408	2,340	2,435	4,775
2026-2030		12,075	9,766	21,841	1,485	572	2,057	13,560	10,338	23,898
2031-2035		15,320	6,524	21,844	1,945	230	2,175	17,265	6,754	24,019
2036-2040		18,575	3,112	21,687	-	-	-	18,575	3,112	21,687
2041		4,155	166	4,321	-	-	-	4,155	166	4,321
Total	$	59,585	31,861	91,446	4,650	1,630	6,280	64,235	33,491	97,726

Obligations under capital leases at August 31, 2020 were as follows:

For the Year Ended August 31,		Total
2021	$	55,842
2022		55,841
Total minimum lease payments		111,683
Less: Amount representing interest costs		(18,709)
Present value of minimum lease payments	$	92,974

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%.
- 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, 2020 and 2019 was $1,675,000 and $3,285,000, respectively.
- The final payment is due on August 31, 2021.

NOTE 9 – BONDS PAYABLE (CONTINUED)

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, 2020 and 2019 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 7.53 and 8.76 for the years ended August 31, 2020 and 2019, respectively.

Consolidated Fund Revenue Refunding Bonds, Series 2009

- To refund the outstanding obligations of the Series 1998-A Bonds, to pay for related bond issuance costs, and to deposit $2,491,009 in a debt service reserve fund.
- Issued on July 15, 2009.
- $22,720,000 original amount of issue; all authorized bonds have been issued.
- Source of payment – pledged revenues, including: the general use fee, the college bookstore revenues, the tuition pledge, the college cafeteria revenues, the dormitory system revenues, the operating fees, gifts, grants, or donations from any public or private source that are not restricted or dedicated with respect to their use or purpose, and the earnings on all investments of the District lawfully available for such purpose.
- Standard &Poor's Ratings Services currently rates the bonds as 'A+' with a stable outlook.
- Moody's Investors Service currently rates the bonds as 'A1' with a stable outlook.
- Due in annual installments of principal and interest varying from $2,478,600 to $2,570,029, with interest rates from 3.00% to 4.00%.
- Outstanding principal balance as of August 31, 2020 and 2019 was $-0- and $2,430,000, respectively.
- Not subject to redemption prior to stated maturity.
- Final payment was made on December 1, 2019.

NOTE 9 – BONDS PAYABLE (CONTINUED)

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%.
- Standard &Poor's Ratings Services currently rates the bonds as 'A+' with a stable outlook.
- Outstanding principal balance as of August 31, 2020 and 2019 is $4,650,000 and $4,875,000, respectively.
- Not subject to redemption prior to stated maturity.
- Final payment is due on July 1, 2034.

A Summary of bond principal is as follows:

	Balance Sept. 1, 2019	Issued	Retired	Balance Aug. 31, 2020
Series 2009 Bonds	$ 2,430,000	-	2,430,000	-
Series 2011 Bonds	3,285,000	-	1,610,000	1,675,000
Series 2012 Bonds	4,875,000	-	225,000	4,650,000
Series 2017 Bonds	57,910,000	-	-	57,910,000
Total Bonds	$ 68,500,000	-	4,265,000	64,235,000

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 District'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.

NOTE 10 - REFUNDING AND DEFEASED BONDS OUTSTANDING (CONTINUED)

Defeased Bonds:

As of August 31, 2020 and 2019, the following bonds outstanding are considered legally defeased:

Bond Issue	Year Refunded	2020 Par Value Outstanding	2019 Par Value Outstanding
Limited Tax Bonds, Series 2011	2017	$ 57,990,000	$ 57,990,000

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.

Pension Plan Fiduciary Net Position Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (512) 542-6592.

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

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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.

Contribution Rates

		2019	2020
Member		7.7%	7.7%
Non-Employer Contributing entity (State)		6.8%	7.5%
Employers		6.8%	7.5%
FY2019 Member Contributions	$	1,341,848	
FY2019 State of Texas On-behalf Contributions	$	515,263	
FY2019 District Contributions	$	660,430	

The District's contributions to the TRS pension plan in 2020 were $701,046 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 $496,582.

- 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.

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Contributions (Continued)

Public junior colleges or junior college districts are required to pay the employer contribution rate in the following instances:

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

Actuarial Assumptions

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

• Valuation Date	August 31, 2018 rolled forward to August 31, 2019
• 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*	2.63*
• Last year ending August 31 in the 2016 to 2115 Projection period (100 years)	2116
• Inflation	2.3%
• 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 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 were primarily based on a study of actual experience for the three-year period ending August 31, 2017 and were adopted in July 2018. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period. Assumptions, methods, and plan changes were updated from the prior year's report. The net pension liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

- The total pension liability as of August 31, 2019 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, 2017.
- 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, 2018 to 7.25 percent as of August 31, 2019.

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

Discount Rate

The discount rate used to measure the total pension liability was 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.

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, 2019, are summarized below:

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Discount Rate (Continued)

Asset Class	FY 2019 Target Allocation*	New Target Allocation**%	Long-Term Expected Geometric Real Rate of Return***
Global Equity:			
USA	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	-%	-%
Private Equity	13.00%	14.00%	8.40%
Stable Value:			
U.S. Treasuries****	11.00%	16.00%	3.10%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Absolute Return (Including Credit Sensitive Investments)	-%	-%	-%
Real Return:			
Global Inflation Linked Bonds****	3.00%	-%	-%
Real Assets	14.00%	15.00%	8.50%
Energy, Natural Resources and Infrastructure	5.00%	6.00%	7.30%
Commodities	-%	-%	-%
Risk Parity:			
Risk Parity	5.00%	8.00%	5.8%/6.5%*****
Asset Allocation Leverage			
Cash	1.00%	2.00%	2.50%
Asset Allocation Leverage	-%	(6.00)%	2.70%
Total	100%	100.00%	7.23%

* FY 2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018

** New target allocation based on the Strategic Asset Allocation dated 10/1/2019

*** 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

**** New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds

***** 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

Source: Teacher Retirement System of Texas 2019 Comprehensive Annual Financial Report.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2019 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:	$15,202,639	$9,890,177	$5,586,058

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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

At August 31, 2020, the District reported a liability of $9,890,177 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	$	9,890,177
State's proportionate share that is associated with the District		7,375,457
Total	$	17,265,634

The net pension liability was measured as of August 31, 2019, 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, 2018, thru August 31, 2019.

At the measurement date of August 31, 2019, the employer's proportion of the collective net pension liability was .0190257448%, which was an increase of .0010233540% from its proportion measured as of August 31, 2018.

Changes Since the Prior Actuarial Valuation

- The single discount rate as of August 31, 2018, was a blended rate of 6.907%, and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 86th Texas Legislature, 2019 an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a $2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas Legislature approved funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in September2019 in either the matching amount of their monthly annuity payment of $2,000, whichever was less.

For the year ended August 31, 2020, the District recognized pension expense of $1,005,698 as well an on-behalf revenue and pension expense of $1,158,580 representing pension expense incurred by the State on-behalf of the District.

At August 31, 2020, 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	$	41,548	343,403
Changes in actuarial assumptions		3,068,419	1,268,016
Net difference between projected and actual investment earnings		594,600	495,292
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions		550,645	873,831
Contributions paid to TRS subsequent to the measurement date*		701,046	-
Total	$	4,956,258	2,980,542

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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

* The $701,046 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, 2021.

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:		
2021	$	112,140
2022		34,901
2023		508,851
2024		521,578
2025		166,220
Thereafter		(69,020)
		1,274,670

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.

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 2020 and 2019. 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 $593,494 and $651,683 for the fiscal years ended August 31, 2020 and 2019, 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 $25,891,915 and $24,811,213 for fiscal years 2020 and 2019, respectively. The total payroll of employees covered by the Teacher Retirement System (TRS) was $17,004,159 and $17,289,606 and the total payroll of employees covered by the Optional Retirement Program (ORP) was $4,521,346 and $4,674,184 for fiscal years 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019 in the amounts of $721,365 and $648,073 respectively.

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

NOTE 14 –HEALTH CARE AND LIFE INSURANCE BENEFITS

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

For the year ended August 31, 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.

For the year ended August 31, 2019, 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.

NOTE 14 –HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

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

		2020	2019
Number of retirees receiving benefits		176	182
Cost of state's contribution	$	749,240	754,356
Cost of local contribution		783,622	802,390
Total cost of benefits for retirees	$	1,532,862	1,556,746
Number of active employees receiving benefits		360	357
Cost of state's contribution	$	1,349,340	1,276,064
Cost of federal grant contribution		36,263	42,533
Cost of local contribution		1,836,468	1,781,250
Total cost of benefits for active employees	$	3,222,071	3,099,847

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.

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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.

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 FY19

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, 2020 and 2019

		2020	2019
Employers	$	324,181	265,061
Members (employees)		169,518	175,358
Nonemployer Contributing Entity (State of Texas)		16,305	14,318

Source: ERS FY2019 Comprehensive Annual Financial Report

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2019 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, 2019
Actuarial cost method	Entry Age
Amortization method	Level Percent of Pay, Open
Remaining amortization period	30 years
Asset valuation method	N/A
Discount rate	2.97%

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions
ERS Group Benefits Program Plan (Continued)

Projected annual salary increase (includes inflation)	2.50% to 9.50%
Annual healthcare trend rate	7.30% for FY2021, 7.40% for FY2022, 7.00% for FY 2023, decreasing 50 basis points per year to an ultimate rate of 4.50% for 2028 and later years
Inflation assumption rate	2.50%
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: FY2019 ERS CAFR 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 3.96%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.97%, which amounted to a decrease of 0.99%. 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.

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 2.97% in measuring the net OPEB Liability.

		1% Decrease in Discount Rate 1.97%	Discount Rate 2.97%	1% Increase in Discount Rate 3.97%
District's Proportionate share of the net OPEB	$	33,319,255	27,921,686	23,768,451

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 7.3% and the ultimate rate is 4.5%. 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 7.3% in measuring the net OPEB liability.

		1% Decrease Healthcare Cost Trend Rates (6.3% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.3% decreasing to 4.5%)	1% Increase in Healthcare Cost trend Rates (8.3% decreasing to 5.5%)
District's Proportionate share of the net OPEB liability:	$	23,445,592	27,921,686	33,770,913

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2020, the District reported a liability of $27,921,686 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	$	27,921,686
State's Proportionate share that is associated with District		26,129,685
	$	54,051,371

The net OPEB liability was measured as of August 31, 2019, 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, 2018, thru August 31, 2019.

At the measurement date of August 31, 2019, the employer's proportion of the collective net OPEB liability was 0.08078566%, which was 0. 08633098% measured as of August 31, 2018.

For the year ended August 31, 2020, the District recognized OPEB expense of $29,602 and revenue of $29,602 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 increased from 3.96% to 2.97% 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.

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

At August 31, 2020 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:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$	-	726,547
Changes in actuarial assumptions		1,987,038	6,239,438
Difference between projected and actual investment earnings		11,479	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions		560,892	1,885,645
Contributions paid to ERS subsequent to the measurement date*		556,820	-
Total	$	3,116,229	8,851,630

* The $701,046 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, 2021.

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:		OPEB Expense Amount
2021	$	(2,190,864)
2022		(2,190,864)
2023		(1,425,278)
2024		(489,942)
2025		4,727
Thereafter		-
		(6,292,221)

NOTE 16 – PENDING LAWSUITS AND CLAIMS

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

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

NOTE 17 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2020 and 2019 were as follows:

		2020	2019
Tuition and fees receivable	$	1,073,037	599,044
Taxes receivable		2,838,066	2,545,046
Federal receivable		960,641	764,986
State receivable		75,644	97,445
Interest receivable		101,435	111,961
Other receivables		3,893,861	9,255,978
Subtotal		8,942,684	13,374,460
Allowance for doubtful accounts		(3,400,881)	(2,987,434)
Total	$	5,541,803	10,387,026

Payables at August 31, 2020 and 2019 were as follows:

		2020	2019
Vendors payable – operations	$	1,002,291	1,130,885
Vendors payable – capital		82,026	757,553
Students payable		1,361,766	4,735
Total	$	2,446,083	1,893,173

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 2020 and 2019 for which monies have not been received nor funds expended totaled $4,656,853 and $3,237,528, respectively. Of these amounts,$3,937,730 and $1,492,809 were from federal contract and grant awards; $142,128 and $265,695 were from state contract and grant awards; and $576,995 and $1,479,024 were from private contract and grant awards for the fiscal years ended August 31, 2020 and 2019, respectively.

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:

		2020	2019
Assessed valuation of the District (at January 1, 2020 and 2019)	$	19,206,363,467	16,664,735,324
Less: exemptions		(3,166,182,399)	(2,697,448,578)
Less: abatements		(63,155,575)	(73,097,624)
Net assessed valuation of the District	$	15,977,025,493	13,894,189,122

NOTE 19 – AD VALOREM TAX (CONTINUED)

At August 31:	2020			2019		
	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	$ 0.159228	0.027562	0.186790	0.169654	0.030006	0.199660

Taxes levied (including adjustments to the certified levies) for the year ended August 31, 2020 and 2019 were $29,746,114 and $27,700,308 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:	2020			2019		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	$ 24,622,071	4,262,124	28,884,195	22,978,068	4,065,775	27,043,843
Delinquent taxes collected	393,095	75,108	468,203	447,403	94,711	542,114
Penalties and interest collected	374,773	64,166	438,939	378,699	70,063	448,762
Total collections	$ 25,389,939	4,401,398	29,791,337	23,804,170	4,230,549	28,034,719

Tax collections for the year ended August 31, 2020 and 2019 were 97.00% and 97.44%, 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.

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, 2020, the District abated property taxes totaling $117,968 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 2020 amounted to $112,932, compared to $118,823 for fiscal year 2019.

NOTE 20 – TAX ABATEMENTS

B. CUDD Pumping Service, Inc.

- Commitment: Job creation and new investment as follows:
  - Create and maintain at least 30 new jobs, 80 existing jobs, and 35 transfer jobs by December 31, 2013
  - Expend at least $31 million in new construction and equipment by December 31, 2013
- Terms of abatement: 5-year declining abatement of 100% in first year, 80% in second year, 60% in third year, 40% in fourth year, and 20% in the fifth year.
- The abatement for fiscal year 2020 amounted to $-0-, compared to $22,472 for fiscal year 2019.

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, 2020 and 2019.

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 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 December 1, 2020, the date these financial statements were available for issuance, and noted no other significant event that would require recording or disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

Odessa College District

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Year Ended August 31, 2020

Fiscal Year Ending August 31,*	2019**	2018**	2017**	2016**	2015**	2014**
District's proportionate share of collective net pension liability (%)	0.0190257448%	0.0180023908%	0.0196632016%	0.0185035302%	1.0192738%	0.0232258%
District's proportionate share of collective net pension liability	$ 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	7,375,457	7,522,556	4,294,673	5,626,139	5,266,936	3,714,719
Total	$ 17,265,634	17,431,509	10,581,906	12,618,348	12,079,968	9,918,651
District's covered payroll amount	$ 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	58.16%	57.31%	40.21%	44.25%	43.94%	41.79%
Plan fiduciary net position as percentage of the total pension liability	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 INCLUDE:

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

NOTE 2: CHANGES OF ASSUMPTIONS:

The following changes of assumptions occurred during the year ending August 31, 2020:

- The total pension liability as of August 31, 2019 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, 2018.
- 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, 2018 to 7.25 percent as of August 31, 2019.

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 CONTRIBUTIONS FOR PENSIONS TO THE TEACHERS RETIREMENT SYSTEM PENSION PLAN OF THE STATE OF TEXAS

Year Ended August 31, 2020

Fiscal Year Ending August 31,*		2020**	2019**	2018**	2017**	2016**	2015**
Legally required contributions	$	701,046	660,430	596,916	636,008	587,904	570,704
Actual contributions		701,046	660,430	596,916	636,008	587,904	570,704
Contributions deficiency (excess)	$	-	-	-	-	-	-
District's covered employee payroll amount	$	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		4.12%	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 INCLUDE:

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

NOTE 2: CHANGES OF ASSUMPTIONS:

The following changes of assumptions occurred during the year ending August 31, 2020:

- The total pension liability as of August 31, 2019 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, 2018.
- 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, 2018 to 7.25 percent as of August 31, 2019.

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

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

Year Ended August 31, 2020

Fiscal year ending August 31,*		2019**	2018**	2017**
District's proportionate share of collective net OPEB liability (%)		0.08078566%	0.08633098%	0.08549391%
District's proportionate share of collective net OPEB liability ($)	$	27,921,686	25,586,554	29,130,351
State's proportionate share of net OPEB liability associated with District		26,129,685	19,949,542	26,090,419
Total	$	54,051,371	45,536,096	55,220,770
District's covered-employee payroll	$	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		130%	116%	146%
Plan fiduciary net position as percentage of the total OPEB liability		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.

NOTE 1: CHANGES OF BENEFIT TERMS INCLUDE:

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.

NOTE 2: CHANGES OF ASSUMPTIONS:

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 increased from 3.96% to 2.97% 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.

Odessa College District

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

For the Year Ended August 31, 2020

Fiscal year ending August 31,*		2020	2019**	2018**	2017**+
Legally required contributions	$	556,820	803,686	811,500	2,351,561
Actual contributions		556,820	803,686	811,500	2,351,561
Contributions deficiency (excess)	$	-	-	-	-
District's covered employee payroll amount	$	21,525,505	21,963,789	19,934,240	19,710,138
Contributions as a percentage of covered employee-payroll		2.59%	3.66%	4.07%	11.93%

*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.

+The 2017 number includes both retiree and active which is different from what was sent in the GASB 75 documents. The methodology is changing to include both active and retiree for future years.

NOTE 1: CHANGES OF BENEFIT TERMS INCLUDE:

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.

NOTE 2: CHANGES OF ASSUMPTIONS:

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 increased from 3.96% to 2.97% 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.

SCHEDULES

Odessa College District

Schedule A

SCHEDULE OF OPERATING REVENUES

Year Ended August 31, 2020
With Memorandum Totals for the Year Ended August 31, 2019

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2020 Total	2019 Total
Tuition:						
State-funded credit courses						
In-district resident tuition	$ 5,729,314	-	5,729,314	-	5,729,314	5,477,947
Out-of-district tuition	3,757,565	-	3,757,565	-	3,757,565	3,471,074
Non-resident tuition	1,072,160	-	1,072,160	-	1,072,160	977,357
TPEG credit set aside*	447,456	-	447,456	-	447,456	416,771
State-funded continuing education	1,053,384	-	1,053,384	-	1,053,384	1,149,028
TPEG non-credit set aside*	71,420	-	71,420	-	71,420	74,705
Non-state funded educational programs	118,318	-	118,318	-	118,318	180,878
Total tuition	12,249,617	-	12,249,617	-	12,249,617	11,747,760
Fees:						
Student use fees	2,309,970	-	2,309,970	-	2,309,970	2,187,105
Institutional/course fees	1,372,306	221,852	1,594,158	-	1,594,158	1,556,684
Student/activity fees	-	-	-	219,985	219,985	218,501
Laboratory fees	277,158	-	277,158	-	277,158	290,365
Other fees	41,789	12,055	53,844	-	53,844	62,098
Total fees	4,001,223	233,907	4,235,130	219,985	4,455,115	4,314,753
Scholarship allowances and discounts:						
Tuition bad debt allowance	(107,883)	-	(107,883)	-	(107,883)	(52,885)
Local remissions and exemptions	(2,196,786)	(12,959)	(2,209,745)	(18,628)	(2,228,373)	(2,125,663)
State remissions and exemptions	(390,111)	-	(390,111)	-	(390,111)	(342,617)
TPEG allowances	(105,829)	-	(105,829)	-	(105,829)	(115,520)
Federal grants to students	(2,002,829)	-	(2,002,829)	-	(2,002,829)	(1,431,564)
State grants to students	(103,493)	-	(103,493)	-	(103,493)	(9,837)
Local grants to students	(800,934)	-	(800,934)	-	(800,934)	(791,721)
Total scholarship allowances	(5,707,865)	(12,959)	(5,720,824)	(18,628)	(5,739,452)	(4,869,807)
Total net tuition and fees	10,542,975	220,948	10,763,923	201,357	10,965,280	11,192,706
Other operating revenues:						
Federal grants and contracts	17,357	1,604,182	1,621,539	-	1,621,539	961,433
State grants and contracts	-	446,623	446,623	-	446,623	333,361
Nongovernmental grants and contracts	76,250	1,686,194	1,762,444	-	1,762,444	4,931,198
Sales and services of educational activities	201,696	-	201,696	-	201,696	341,193
Investment income (program restricted)	-	14,570	14,570	1,536	16,106	27,170
General operating revenues	822,260	41,666	863,926	-	863,926	1,265,341
Total other operating revenues	1,117,563	3,793,235	4,910,798	1,536	4,912,334	7,859,696

Odessa College District

Schedule A

SCHEDULE OF OPERATING REVENUES (CONTINUED)

Year Ended August 31, 2020
With Memorandum Totals for the Year Ended August 31, 2019

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2020 Total	2019 Total
Auxiliary enterprises:						
Bookstore	-	-	-	54,497	54,497	60,477
Food service	-	-	-	652,365	652,365	771,455
Student housing	-	-	-	729,861	729,861	752,726
Other auxiliaries	-	-	-	96,750	96,750	110,331
Total net auxiliary enterprises	-	-	-	1,533,473	1,533,473	1,694,989
Total Operating Revenues	$ 11,660,538	4,014,183	15,674,721	1,736,366	17,411,087	20,747,391
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, $518,876 and $491,476 for years ending August 31, 2020 and 2019, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

Odessa College District

Schedule B

SCHEDULE OF OPERATING EXPENSES BY OBJECT

Year Ended August 31, 2020
With Memorandum Totals for the Year Ended August 31, 2019

	Salary & Wages	Staff Benefits		Other Expenses	Total 2020	Total 2019
		State	Local			
Unrestricted - Educational Activities						
Instruction	$ 13,651,345	-	2,729,143	2,249,983	18,630,471	17,530,412
Public service	605,584	-	150,050	197,715	953,349	973,522
Academic support	3,207,527	-	699,650	772,879	4,680,056	4,379,742
Student services	2,572,520	-	650,820	710,092	3,933,432	3,896,519
Institutional support	3,417,300	-	955,270	1,975,397	6,347,967	6,314,234
Operation and maintenance of plant	1,034,164	-	372,604	3,749,262	5,156,030	4,782,961
Scholarship and fellowships	-	-	-	696,413	696,413	701,365
Total Unrestricted Educational Activities	24,488,440	-	5,557,537	10,351,741	40,397,718	38,578,755
Restricted - Educational Activities						
Instruction	605,214	1,796,207	25,460	531,812	2,958,693	2,566,275
Public service	31,800	34,991	4,931	30,078	101,800	322,811
Academic support	75,439	391,698	-	90,310	557,447	525,880
Student services	45,615	375,826	-	186,171	607,612	560,367
Institutional support	15,621	688,040	150	190,695	894,506	591,953
Operation and maintenance of plant	-	-	-	7,929	7,929	(13,730)
Scholarship and fellowships	-	-	-	6,302,788	6,302,788	6,178,698
Total Unrestricted Educational Activities	773,689	3,286,762	30,541	7,339,783	11,430,775	10,732,254
Total Educational Activities	25,262,129	3,286,762	5,588,078	17,691,524	51,828,493	49,311,009
Auxiliary Enterprises	629,786	-	176,106	1,614,698	2,420,590	2,840,330
Depreciation Expense – Buildings and other real estate improvements	-	-	-	2,438,683	2,438,683	2,295,425
Depreciation Expense – Equipment and furniture	-	-	-	1,037,425	1,037,425	1,079,252
Total Operating Expenses	$ 25,891,915	3,286,762	5,764,184	22,782,330	57,725,191 (Exhibit 2)	55,526,016 (Exhibit 2)

Odessa College District

Schedule C

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

Year Ended August 31, 2020
With Memorandum Totals for the Year Ended August 31, 2019

	Unrestricted	Restricted	Auxiliary Enterprises	2020 Total	2019 Total
NON-OPERATING REVENUES:					
State appropriations:					
Education and general support	$ 9,644,058	-	-	9,644,058	8,379,118
State group insurance	-	2,129,377	-	2,129,377	1,913,052
State retirement matching	-	1,158,580	-	1,158,580	744,533
Nursing shortage reduction grant	-	33,040	-	33,040	35,127
Total state appropriations	9,644,058	3,320,997	-	12,965,055	11,071,830
Property taxes for maintenance and operations	25,682,905	-	-	25,682,905	23,863,032
Property taxes for debt service		4,441,605	-	4,441,605	4,216,344
Federal revenue, non-operating	-	7,708,359		7,708,359	7,087,496
Gifts – noncapital	56,930	75,909	94,030	226,869	163,045
Investment income – not restricted to programs	457,011	-	-	457,011	872,927
Other non-operating revenues	-	28,097	-	28,097	42,590
Total Non-Operating Revenues	35,840,904	15,574,967	94,030	51,509,901	47,317,264
NON-OPERATING EXPENSES:					
Interest on capital-related debt	215,752	2,711,678	-	2,927,430	3,047,783
Loss on disposal of capital assets	53,898	-	-	53,898	60,156
Other non-operating expenses	2,614	-	-	2,614	21,795
Total Non-Operating Expenses	272,264	2,711,678	-	2,983,942	3,129,734
Net Non-Operating Revenues	$ 35,568,640	12,863,289	94,030	48,525,959 (Exhibit 2)	44,187,530 (Exhibit 2)

Odessa College District

Schedule D

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY

Year Ended August 31, 2020
With Memorandum Totals for the Year Ended August 31, 2019

	Details by Source					Available for Current Operations	
		Restricted					
	Unrestricted	Expendable	Non-Expendable	Capital Assets Net of Depreciation And Related Debt	Total	Yes	No
Current:							
Unrestricted, undesignated	$ (11,366,712)	-	-	-	(11,366,712)	(11,366,712)	-
Unrestricted, board designated	17,638	-	-	-	17,638	-	17,638
Restricted	-	1,703,237	-	-	1,703,237	-	1,703,237
Auxiliary enterprises	44,552	-	-	-	44,552	44,552	-
Loans	278,619	-	-	-	278,619	278,619	-
Endowment	-	-	845,155	-	845,155	-	845,155
Plant:							
Capital projects	(153,451)	1,073,422	-	-	919,971	(919,971)	-
Debt service	-	401,902	-	-	401,902	-	401,902
Investment in plant	-	-	-	57,113,267	57,113,267	-	57,113,267
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
Total Net Position, August 31, 2019	$ (16,015,499)	6,347,812	831,084	50,217,599	41,380,996 (Exhibit 1)	(16,177,745)	57,558,741
Net Increase (Decrease) in Net Position	$ 4,836,145	(3,169,251)	14,071	6,895,668	8,576,633 (Exhibit 2)	6,054,175	2,522,458

Odessa College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2020

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number		Direct Awards	Pass Through Awards	Total	Subrecipients Expenditures
U.S. Department of Education						
Direct Programs:						
Student Financial Aid Cluster						
Federal Supplemental Educational Opportunity Grant (19-20)	84.007A	$	78,475	-	78,475	-
Federal Supplemental Educational Opportunity Grant (20-21)	84.007A		34,000	-	34,000	-
Subtotal			112,475	-	112,475	-
Federal College Work Study (19-20)	84.033A		65,759	-	65,759	-
Federal College Work Study (20-21)	84.033A		2,175	-	2,175	-
Subtotal			67,934	-	67,934	-
Federal Pell Grant (19-20)	84.063P		4,242,006	-	4,242,006	-
Federal Pell Grant (20-21)	84.063P		2,679,801	-	2,679,801	-
Subtotal			6,921,807	-	6,921,807	-
Direct Student Loans	84.268		6,300	-	6,300	-
Total Student Financial Assistance Cluster			7,108,516	-	7,108,516	-
Coronavirus Aid, Relief, and Economic Security (CARES) Act						
COVID-19 - CARES Student Portion	84.425E		623,500	-	623,500	-
COVID-19 - CARES Institutional Portion	84.425F		486,583	-	486,583	-
Subtotal			1,110,083	-	1,110,083	-
Pass-through from:						
Texas Workforce Commission						
Adult Education Literacy (18-19) 1118ALA002	84.002A		-	43,541	43,541	-
Adult Education Literacy (19-20) 1118ALAB02	84.002A		-	519,152	519,152	
Adult Education Literacy (20-21) 1118ALAC02	84.002A		-	267	267	-
El Civics (18-19) 1118ALA002	84.002A		-	61,137	61,137	-
El Civics (19-20) 1118ALAB02	84.002A		-	62,163	62,163	
El Civics (20-21) 1118ALAC02	84.002A		-	6,858	6,858	
Subtotal			-	693,118	693,118	-
Pass-through from:						
Texas Higher Education Coordinating Board						
Carl Perkins Vocational Education – Basic 204254	84.048		-	305,553	305,553	-
Subtotal			-	305,553	305,553	-
Total U.S. Department of Education			8,218,599	998,671	9,217,270	-
U.S. Department of Agriculture						
Pass-through from:						
Texas Department of Agriculture						
Child and Adult Care Food Program 03004	10.558		-	2,614	2,614	-
Total U.S. Department of Agriculture			-	2,614	2,614	-
National Science Foundation						
Pass-through from:						
Research and Development Cluster						
Texas Texas University						
SPMF HRD-1202008	47.076		-	2,000	2,000	-
Total National Science Foundation			-	2,000	2,000	-
U.S. Department of Health and Human Services						
Pass-through from:						
Texas Workforce Solutions						
Designated Vendor Program	93.596		-	114,314	114,314	-
Total U.S. Department of Health and Human Services			-	114,314	114,314	-
Total Expenditures of Federal Awards		$	8,218,599	1,117,599	9,336,198	-

Notes to Schedule on following page.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2020

Note 1: FEDERAL ASSISTANCE RECONCILIATION

Federal grants and contracts revenue, Operating Sch A	$	1,621,539
Federal grants and contracts revenue, Non-Operating Sch C		7,708,359
Federal Direct Student Loans		6,300
Total Federal Revenues Per Schedule of Expenditures of Federal Awards	$	9,336,198

Note 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

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

Federal Grantor CFDA Number/Program Name		Total Loans: New Loans Processed	Total Loans: Administrative Costs Recovered	Processed & Administrative Costs Recovered
Department of Education				
84.032 Federal Family Education Loan Program	$	1,133,410	-	1,133,410
Total U.S. Department of Education	$	1,133,410	-	1,133,410

Odessa College District

Schedule F

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended August 31, 2020

Grantor Agency/Program Title	Grant/ Contract Number		Disbursement and Expenditures
Texas Workforce Commission			
Skills Small Business	1120SSD002	$	2,250
Skills Small Business	1118SSD000		3,363
Skills Development Fund	1119SDF001		40,959
Texas Higher Education Coordinating Board			
TEOG (20-21)			22,269
TEOG (19-20)			282,220
TEOG Renewal			58,283
Nursing Shortage Reduction Program Over 70% FY2016			24,482
Nursing Shortage Reduction Program Regular FY2017			13,013
Nursing Shortage Reduction Program Over 70% FY2017			32,483
Texas Law Enforcement Officer Standards in Education Agency			341
Total Expenditures of State Awards		$	479,663

NOTE 1: STATE ASSISTANCE RECONCILIATION

State revenues per Exhibit 2:		
Operating Revenues:		
State grants and contracts	$	446,623
Other Revenues:		
State capital grants		-
State revenues per Schedule C:		
Non-Operating Revenues:		
Nursing shortage reduction grant		33,040
Total State Revenues per Schedule of Expenditures of State Awards	$	479,663

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.

APPENDIX E

SELECTED PROVISIONS OF THE RESOLUTION

SELECTED PROVISIONS OF THE RESOLUTION

Selected provisions of the Resolution as modified by the Pricing Certificates for the respective series of Bonds are reproduced below. This reproduction is not a complete recital of the terms of the Resolution, and reference is made to the Resolution in its entirety, copies of which are available upon request to the District.

Section 7. DEFINITIONS. In addition to terms defined elsewhere in this Resolution, unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this Resolution, or any resolution amendatory or supplemental hereto, shall be construed, are used, and are intended to have meanings as follows:

“Act” - Chapter 130, Texas Education Code, specifically Sections 130.123 and 130.125 thereof.

“Amortization Installment” - With respect to any Term Bonds of any series of Parity Obligations, the amount of money which is required to be deposited into a mandatory redemption account for retirement of such Term Bonds (whether at maturity or by mandatory redemption and including redemption premium, if any) provided that the total Amortization Installments for such Term Bonds shall be sufficient to provide for retirement of the aggregate principal amount of such Term Bonds.

“Annual Debt Service Requirements” - As of the date of calculation, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Issuer on such debt, or be payable in respect of any required purchase of such debt by the Issuer) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Issuer:

(1) Committed Take Out. If the Board has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Funded Debt is subject to required purchase, all under arrangements whereby the Board's obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2) Balloon Parity Debt. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Issuer) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein and throughout this Resolution as “Balloon Parity Debt”), the amount of principal of such Balloon Parity Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Parity Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Parity Debt on the date of calculation;

(3) Consent Sinking Fund. In the case of Balloon Parity Debt, if a Designated Financial Officer shall deliver to the Issuer a certificate providing for the retirement of (and the instrument creating such Balloon Parity Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Parity Debt shall permit the accumulation of a sinking fund for), such Balloon Parity Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Parity Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Parity Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Issuer has elected to apply the rule set forth in clause (2) above;

(4) Prepaid Debt. Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such debt; and

(5) Variable Rate. As to any Parity Obligations that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Issuer, either (A) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (B) an interest rate equal to the 30-year Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose (if two Series of Parity Obligations which bear interest at variable interest rate, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations);

(6) Guarantee. In the case of any guarantee, as described in clause (2) of the definition of Debt, no obligation will be counted as Parity Obligations for the purpose of the definition of "Annual Debt Service Requirements" unless the Board has made such guarantee payable from the Gross Revenues on a parity basis to the lien created on the Gross Revenues hereby to secure the Bonds, or if the Board does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the guarantee is secured by the Gross Revenues, as aforesaid, and the Board is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Parity Obligations and calculations of annual debt service requirements with respect to such guarantee shall be made assuming that the Board will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Board no longer anticipates making payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(7) Commercial Paper. With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8) Credit Agreement Payments. If the Board has entered into a Credit Agreement in connection with an issue of Debt and secured its obligation under the Credit Agreement from the Gross Revenues on a parity basis to the lien created on the Gross Revenues hereby to secure the Bonds, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Board or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) which are to be replaced by payments under a Credit Agreement, from either the Board or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"Authorized Officer" – The Chair, the Vice Chair or the Secretary of the Board, the President of the College or the Chief Financial Officer of the Issuer and any other person authorized by official action of the Board to perform the act or sign the document in question.

"Board" - The Board of Trustees of the Issuer.

"Bond Counsel" - McCall, Parkhurst & Horton L.L.P., or such other firm of attorneys of nationally recognized standing in the field of law relating to municipal revenue bonds selected by the Board.

"Bond Date" - The date specified in the Pricing Certificate for the dating of the Bonds.

"Bonds" - The "Odessa College District Consolidated Fund [Improvement and/or Refunding] Revenue Bonds, [Taxable or Tax-Exempt] Series 2021" (or such other designation as may be provided in the Pricing Certificate) authorized by this Resolution and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Resolution; and the term "Bond" means any of the Bonds.

"Business Day" - Any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the designated payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

"Code" - The Internal Revenue Code of 1986, and any amendments thereto.

"College" - Odessa College in the City of Odessa, Ector County, Texas, and all present and future campuses owned or to be owned and operated by the Issuer.

"College Bookstore Revenues" - All of the revenues and income of every nature derived by the Issuer from the operation and ownership of the bookstore or bookstores now or hereafter owned and operated by the Issuer, together with all extensions and improvements thereto and replacements thereof.

"College Cafeteria Revenues" - All of the revenues and income of every nature derived by the Issuer from the operation and ownership of any and all facilities of the Issuer provided for the purpose of feeding the students and the faculty of, and visitors to, the Issuer, including without limitation all cafeterias and all vending machines for the sale of food and other products.

"Credit Agreement" - Collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations.

"Credit Facility" - (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, provided that a Rating Agency having an outstanding rating on Parity Obligations would, at the time that such facility is entered into by the Issuer, rate the Parity Obligations fully insured by a standard policy issued by the issuer in its two highest generic rating categories for such obligations; and (ii) a letter or line of credit issued by any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Obligations would, at the time that such facility is entered into by the Issuer, rate the parity obligations in its two highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the Parity Obligations and the interest thereon.

"Credit Provider" - Any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

"Debt" - All:

(1) indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

"Defeasance Securities" Any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

"Depository" - Such bank or banks at any time selected by the Board to serve as depository of the funds of the Issuer.

"Designated Financial Officer" - The Chief Financial Officer of the Issuer or such other financial or accounting official of the Issuer so designated by the Board.

"Dormitory System Revenues" - All of the revenues and income of every nature derived by the Issuer from the operation and ownership of all present and future facilities owned by the Issuer for the purpose of housing the married and/or unmarried students and or faculty.

"Fiscal Year" - Any twelve consecutive month period established by the Issuer as its "fiscal year."

"Funded Debt" - All Parity Obligations created or assumed by the Issuer, either through the use of the proceeds or by an obligation of the Issuer to pay, guarantee or otherwise provide for the payment thereof which mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the Issuer to a date, more than one year after the original creation or assumption of such debt by the Issuer.

"General Use Fee" - The gross collections of a general fee to be fixed, charged and collected from all students (except any category of students exempt from paying fees by State law or the Board) regularly enrolled in the Issuer, for the use and availability of the College or other facilities of the Issuer, as authorized by the Act.

"Gross Revenues" - All revenues of the Issuer, including: (a) the General Use Fee; (b) the College Bookstore Revenues; (c) the Tuition Pledge; (d) the College Cafeteria Revenues; (e) the Dormitory System Revenues; (f) the Operating Fees; (g) gifts, grants or donations from any public or private source that are not restricted or dedicated with respect to their use or purpose; and (h) the earnings of the Issuer on all investments of the Issuer lawfully available for such purpose; provided, that, Gross Revenues shall not include; (i) tuition charged in excess of the amount permitted by the Act to be pledged to the payment of bonds; (ii) ad valorem taxes; and (iii) revenues received from the State of Texas; and, provided further, that if the Issuer receives an opinion of Bond Counsel to the effect that ad valorem taxes or revenues received from the State of Texas (or any part of such revenues) may be used to secure Parity Obligations, and the Board adopts a resolution whereby such revenues are declared to be included in the definition of Gross Revenues for the benefit of all or any part of the Issuer's Parity Obligations, such sources shall thereafter constitute Gross Revenues to the extent included in the resolution of the Board. Amounts on deposit in a Pledged Fund, and the proceeds of the investment thereof, secure the Parity Obligations for which such Pledged Fund was created, and do not constitute Gross Revenues for the purpose of securing other Parity Obligations.

"Issuer" - The Odessa College District, and, where appropriate, the Board thereof.

"Maturity" - When used with respect to any debt, the date on which the principal of such debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Non-Recourse Debt" - Any Debt secured by a lien (other than a lien on Gross Revenues or Pledged Funds), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other revenue producing property of the Issuer that generates the Gross Revenues securing Parity Obligations; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Issuer and being used in the operations of the Issuer.

"Operating Fees" - Any and all rentals, rates, charges, and or fees that are additional to the General Use Fees, the College Bookstore Revenues, the College Cafeteria Revenues, and the Dormitory System Revenues, and the Tuition Pledge, that may be collected from students and others for the occupancy, use, and/or availability of all or any part of the Issuer's property, buildings, structures, activities, operations, or facilities of any nature or kind, that are authorized by the Act, whether heretofore levied or assessed or hereafter levied or assessed pursuant to the requirements of Section 9(a).

"Outstanding" - When used with respect to Parity Obligations, means, as of the date of determination, all Parity Obligations theretofore delivered under this Resolution and any resolution authorizing Additional Parity Obligations, except:

(1) Parity Obligations theretofore canceled and delivered to the Issuer or delivered to the Paying Agent/Registrar for cancellation;

(2) Parity Obligations deemed paid pursuant to the provisions of Section 26 of this Resolution or any comparable section of any resolution authorizing additional Parity Obligations;

(3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Resolution and any resolution authorizing Additional Parity Obligations; and

(4) Parity Obligations under which the obligations of the Issuer have been released, discharged or extinguished in accordance with the terms thereof.

“Parity Obligations” - bonds, notes, warrants or other obligations which the Issuer reserves the right to issue or enter into, as the case may be, in the future under the terms and conditions provided in Section 17 of this Resolution and which obligations are equally and ratably secured wholly or in part by a pledge of and lien on the Gross Revenues on a parity with the lien of and pledge of the Gross Revenues which secures the Bonds. The Bonds and the Issuer's Consolidated Fund Revenue Bonds, Series 2012 (to the extent any of such bonds not refunded by the Bonds) currently constitute all the Issuer's Parity Obligations.

“Paying Agent/Registrar” - The bank, trust company, financial institution or other entity so named in the Pricing Certificate in accordance with the provisions of Section 3.

“Pledged Funds” - With respect to the Bonds, (a) amounts on deposit in the Revenue Fund and allocable to the Bonds in accordance with Section 10 hereof, (b) amounts on deposit in the Debt Service Fund, together with any investment securities or other investments or earnings belonging to said fund, (c) amounts on deposit in the applicable Series 2021 Reserve Fund (provided that such fund is directed to be created for the benefit of a series of Bonds in the Pricing Certificate”), together with any investment securities or other investments or earnings belonging to said fund and (d) amounts on deposit in the Series 2021 Construction Fund, together with any investment securities or other investments or earnings belonging to said fund.

“Pricing Certificate” - The Certificate authorized by Section 3 to be prepared by a Pricing Officer for the purpose of supplementing this Resolution and providing for terms of the Bonds and the terms of sale of the Bonds.

“Pricing Officer” - Shall have the meaning set forth in Section 3(a) hereof.

“Purchase Agreement” - A bond purchase agreement, notice of sale and bidding instructions or private placement agreement providing for the sale of the Bonds of a series to the Purchaser thereof.

“Purchaser” - That entity or, collectively, those entities, named in the Pricing Certificate as the purchaser or purchasers of the Bonds of a series.

“Record Date” - The date for determining the Registered Owner for purposes of making a payment on the Bonds of a series, as such term is specified in the Pricing Certificate.

“Registered Owners” - The registered owners of the Bonds from time to time as shown in the books kept by the Paying Agent/Registrar as bond registrar and transfer agent.

“Reserve Fund Obligation” – To the extent permitted by law, a surety bond or insurance policy (which, under applicable law, shall not entitle the provider thereof to any right of reimbursement or repayment other than a right to subrogation upon payments being made to bondholders), issued by a company or institution having a rating in one of the two highest rating categories by two Rating Agencies, deposited in the Series 2021 Reserve Fund to satisfy the Series 2021 Required Reserve Amount, whereby the issuer of such surety bond or insurance policy is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument.

“State” - The State of Texas.

“Stated Maturity “ - The annual principal payments of the Parity Obligations payable on the respective dates set forth in the resolutions which authorize the issuance of such Parity Obligations.

“Series 2021 Required Reserve” - An amount, if any, to be deposited upon the issuance of the Bonds into a Series 2021 Reserve Fund or accumulated therein over time for the benefit of a series of Bonds, as specified in the Pricing Certificate, and such amount may be recalculated from time to time as provided in the Pricing Certificate.

“Series 2021 Reserve Fund” - A fund that may be ordered created in a Pricing Certificate in accordance with Section 10(c) hereof and, if more than one subaccount or fund shall be created distinctive wording shall be added to identify the series of Bonds that such subaccount or fund pertains to.

“Subordinate Lien Obligations” - Any bonds, notes, warrants, leases, guarantees or other obligations issued by the Issuer that are payable, in whole or in part, from and secured by a lien on and pledge of the Gross Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Gross Revenues that are or will be pledged to the payment of any Parity Obligations.

“Term Bonds” - Those Parity Obligations so designated in the resolutions authorizing such obligations which shall be subject to retirement by operation of a mandatory redemption account.

"Term of Issue" - With respect to any Balloon Parity Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Parity Debt and ending on the final maturity date of such Balloon Parity Debt or (ii) twenty-five years.

"Tuition Pledge" - Means an amount equal to 25 percent of the tuition charges collected from each enrolled student for each semester or term, said amount being allocated from the tuition charges charged students at the College, as permitted and established by law.

Section 8. PLEDGE; SECURITY AND PAYMENTS. The Bonds are special obligations of the Issuer, payable on a parity basis with all other Parity Obligations, if any, and secured by the Gross Revenues. The Bonds are additionally secured by the Pledged Funds. The Gross Revenues and the Pledged Funds are hereby pledged to the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable; and the Gross Revenues are further pledged to the establishment and maintenance of the Pledged Funds, to the extent hereinafter provided. The Bonds are and will be secured by and payable only from the Gross Revenues and the Pledged Funds, and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed of the Issuer. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption.

Section 9. RATES AND CHARGES; COVENANTS RELATING TO GROSS REVENUES. (a) Rate Covenant. In each Fiscal Year, the Board shall establish, charge, and use its reasonable efforts to collect Gross Revenues which, if collected, will be sufficient to produce Gross Revenues for each Fiscal Year (1) in an amount at least equal to 150% of the Annual Debt Service Requirements during such Fiscal Year of the then Outstanding Parity Obligations and to fund and/or maintain all funds and accounts created for the benefit of each series of Parity Obligations and (2) are sufficient to meet all financial obligations of the Issuer relating to operating and maintaining the Issuer's property, buildings, structures, activities, operations, or facilities of any nature or kind, that are authorized by the Act and are reasonably anticipated to be paid from Gross Revenues.

(b) Tuition. The Board covenants and agrees to establish, maintain, enforce, charge and collect tuition from all students enrolled at all of the Issuer's facilities (excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of adoption of the resolution authorizing the issuance of such Parity Obligations, is exempt by law or by the Board from paying such tuition charges) in such amounts as shall be necessary, together with other legally available funds, including other Gross Revenues, to satisfy the covenant set forth in Section 9(a) above; provided, however, the Issuer may increase or decrease the tuition charged to such students, and increase or decrease the rentals, rates, charges, fees, tuition or other resources of the Board which constitute Gross Revenues; and provided, further, that no such adjustment shall occur if the result thereof is that the Issuer shall violate its covenant set forth in Section 9(a) above.

(c) Anticipated Deficit. If the Board determines, for any reason whatsoever, that there are not anticipated to be legally available funds, including Gross Revenues, sufficient to meet all financial obligations of the Board described in Section 9(a) above, including the deposits and payments due on or with respect to Outstanding Parity Obligations as the same mature or come due, then the Board shall fix, levy, charge, and collect such rentals, rates, charges, fees, tuition or other charges of the Issuer, effective at the next succeeding regular semester or semesters or summer term or terms, in such amounts, without any limitation whatsoever (other than as provided in (d) below), as will be at least sufficient to provide, together with other legally available funds, including Gross Revenues, the money for making when due all such financial obligations of the Board, including all payments and deposits due on or with respect to Outstanding Parity Obligations when and as required by this Resolution or any resolution pursuant to which additional Parity Obligations are authorized to be issued.

(d) Economic Effect of Adjustments. Any adjustments in the rate or manner of charging for any rentals, rates, fees, charges, tuition or other resources included in Gross Revenues will be based upon a certificate and recommendation of the Designated Financial Officer, delivered to the Board, as to the rates and anticipated collection of the Gross Revenues by the Issuer (after taking into account the anticipated effect the proposed adjustments in such rentals, rates, fees, tuition, or other charges would have on enrollment and the receipt of Gross Revenues and other funds by the Issuer) which will be anticipated to result in Gross Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board described in Section 9(a) above, including all deposits and payments due on or in connection with Outstanding Parity Obligations when and as required by this Resolution or any resolution pursuant to which additional Parity Obligations are authorized to be issued.

Section 10. CREATION AND CONFIRMATION OF FUNDS; FLOW OF FUNDS. (a) There has previously been created and there is hereby confirmed to be held at a Depository of the Issuer, for the prorata benefit of all Parity Obligations, the "Odessa College District Revenue Fund" (herein called the "Revenue Fund") and the "Odessa College District Debt Service Fund" (herein called the "Debt Service Fund". The Issuer may establish a project construction fund in connection with the issuance of any series of Parity Obligations issued for the purpose of providing funds for the facilities and purposes of the Issuer. Each project construction fund may be designated by the Issuer as a Pledged Fund for the benefit of the series of Parity Obligations in connection with which such fund was created.

(b) For ease of administration, the Issuer may establish in the Revenue Fund or the Debt Service Fund, or in the accounting records of the Issuer, subaccounts for each series of Parity Obligations, and, if such subaccounts are established, the Issuer shall deposit to such subaccounts a prorata amount of the Gross Revenues. The Issuer shall deposit to the Debt Service Fund, or to the appropriate subaccount therein, accrued interest, if any, received from the sale of each series of Parity Obligations. Notwithstanding the establishment of such subaccounts, the Gross Revenues on deposit in the Revenue Fund and the Debt Service Fund shall secure all Parity Obligations equally and ratably.

(c) If provided for in the Pricing Certificate for the benefit of the Bonds of a series, there shall be created and ordered held at a Depository of the Issuer a fund designated the "Odessa College District Revenue Bonds, Series 2021 Reserve Fund" (the "Series 2021 Reserve Fund"). The Issuer may create subaccounts therein or may create separate debt service reserve funds if more than one series of Bonds are issued under this Resolution, and the Issuer may fund a debt service reserve fund for one series (but not all series) issued hereunder. If such subaccounts or separate funds are created, distinctive names shall be given to each account or fund to designated the series of Bonds that the subaccount or fund benefits and secures. The Issuer shall deposit a prorata amount of the Gross Revenues to such Fund, from time to time if required by the terms hereof. The amounts on deposit in the Series 2021 Reserve Fund shall secure all Bonds of the designated series and only the Bonds of such series.

(d) There is hereby ordered to be created and held at a Depository of the Issuer a project construction fund designated the "Odessa College District Revenue Bonds, Series 2021 Construction Fund" (the "Series 2021 Construction Fund"). Proceeds of the Bonds in an amount specified in the Pricing Certificate shall be deposited into the Series 2021 Construction Fund and used to pay costs of the Project costs of issuing the Bonds (if not otherwise provided for in the Pricing Certificate). The Series 2021 Construction Fund is hereby designated by the Issuer as a Pledged Fund for the benefit of the Bonds.

(e) The Issuer hereby covenants and agrees that Gross Revenues shall be deposited upon receipt to the credit of the Revenue Fund, and that the Gross Revenues on deposit in the Revenue Fund shall be applied to the extent required for the following uses in the order of priority shown:

FIRST: On a pro rata allocation determined on the basis of the Annual Debt Service Requirements for all Parity Obligations coming due in each Fiscal Year, to the Debt Service Fund in approximately equal monthly deposits for the payment of Parity Obligations as principal, premium, if any, and interest on Parity Obligations comes due, with such deposits to be made in accordance with the provisions of each resolution of the Issuer authorizing the issuance of Parity Obligations;

SECOND: On a pro rata allocation determined on the basis of the Annual Debt Service Requirements for all Parity Obligations coming due in each Fiscal Year, to fund each debt service reserve fund, created by resolutions authorizing the issuance of Parity Obligations, in approximately equal monthly deposits, which contains less than the amount to be accumulated and/or maintained therein, as provided in the resolutions of the Issuer authorizing the issuance of such Parity Obligations;

THIRD: To the funds and accounts established by resolutions of the Issuer providing for the payment and security of Subordinate Lien Obligations hereinafter issued, with such deposits to be made in approximately equal monthly deposits, in accordance with the provisions of each resolution of the Issuer authorizing the issuance of Subordinate Lien Obligations; and

FOURTH: To the payment of all necessary and reasonable maintenance and operating expenses of the Issuer and for such other uses as may be permitted by law.

Section 11. DEBT SERVICE FUND. (a) The Issuer hereby covenants that the Debt Service Fund shall be established and kept at such Depository of the Issuer as the Issuer shall designate, and funds deposited therein shall be used only for the purpose of paying the principal of and interest on the Parity Obligations.

(b) From the Gross Revenues pledged to the payment and security of the Bonds, there shall be paid into the Debt Service Fund such amounts, at the times provided in clauses (i) and (ii) below, as will be fully sufficient (taking into account all amounts from every source which are deposited into the Debt Service Fund) to (i) promptly pay, when due, all principal of, premium, if any, and interest on the Bonds.

(i) such amounts, deposited in approximately equal monthly installments, commencing during the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 15th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the interest scheduled to come due on the Bonds on the next succeeding interest payment date; and

(ii) such amounts, deposited in approximately equal monthly installments, commencing during the month that shall be the later to occur of, (i) the twelfth month before the first maturity date of the Bonds, or (ii) the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 15th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the principal scheduled to mature on the Bonds on the next succeeding principal payment date.

In addition, all sums received from the purchasers of the Bonds constituting accrued interest, if any, shall be placed in the Debt Service Fund.

(c) Notwithstanding the provisions of Sections 10(b) and 11(b)(i) and (ii), if at any time the Parity Obligations of the Issuer are payable solely on a semi-annual basis on the same dates for all Parity Obligations, deposits to the Debt Service Fund may be made on a semiannual basis on or before the fifteenth day preceding each scheduled semi-annual payment date beginning immediately following the date of delivery of any such Parity Obligations, which shall be sufficient, together with any other money then available in the Debt Service Fund for such purpose, to pay the principal of and interest on the Parity Obligations scheduled to come due on the next succeeding interest and principal payment date. To the extent there is money available in the Debt Service Fund to pay principal and interest on Bonds in whole or in part on any scheduled payment date therefor, such deposits may be reduced by the amount of the aforesaid money available to pay said principal and interest on the Bonds.

Section 12. DEBT SERVICE RESERVE FUNDS; SERIES 2021 RESERVE FUND. (a) The Issuer may create and establish a debt service reserve fund pursuant to the provisions of any resolution authorizing the issuance of Parity Obligations for the purpose of securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Gross Revenues and shall be held solely for the benefit of the owners of the particular Parity Obligations for which such debt service reserve fund was established. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other Parity Obligations.

(b) Separate Debt Service Reserve Funds shall be created for the $26,435,000 Consolidated Fund Revenue Bonds, Series 2021 and the $4,675,000 Consolidated Fund Revenue Refunding Bonds, Taxable Series 2021 (collectively, the “2021 Reserve Fund”). Each 2021 Reserve Fund shall be funded in an amount equal to the average Annual Debt Service Requirements for the respective Bonds (the “2021 Refunding Required Reserve Amount”), as determined on the date the Bonds are delivered and thereafter on any date that any part of the Bonds is redeemed prior to maturity and at the close of each Fiscal Year. The 2021 Reserve Fund shall be funded with proceeds from the Bonds. Amounts on deposit in the Series 2021 Reserve Fund may be applied only for purposes of (i) paying the principal of, premium, if any, and interest on the Bonds of the designated series when and if amounts on deposit in the Debt Service Fund and available to pay such amounts as the same shall become due are insufficient and (ii), in addition, may be used to the extent not required to maintain the Series 2021 Required Reserve, to pay, or provide for the payment of, the final principal amount of such Bonds so that they are no longer deemed to be “Outstanding” as such term is defined herein. The Issuer shall deposit or accumulate (in accordance with the Pricing Certificate) and maintain an amount equal to the Series 2021 Required Reserve at all times in or held for the benefit of the applicable Series 2021 Reserve Fund. The Series 2021 Required Reserve shall be maintained with Gross Revenues in accordance with Section 10 hereof. Subject to subsection (e) of this Section, the Issuer may at any time substitute a qualifying Credit Facility or Reserve Fund Obligation for all or part of the cash or other Credit Facility or Reserve Fund Obligation on deposit in, or held for the benefit of, the Series 2021 Reserve Fund.

(c) During such time as the applicable Series 2021 Reserve Fund contains the Series 2021 Required Reserve, the Issuer may, at its option, withdraw any amount in the Series 2021 Reserve Fund in excess of the Series 2021 Required Reserve and, to the extent it represents proceeds from the sale of the Bonds, deposit such surplus in the Debt Service Fund, and, to the extent any such excess is from a source other than proceeds of the Bonds, in the Debt Service Fund or the Revenue Fund. When and so long as the cash and investments in the Series 2021 Reserve Fund and/or coverage afforded by a Credit Facility or Reserve Fund Obligation held for the account of the Series 2021 Reserve Fund total not less than the Series 2021 Required Reserve, no deposits need be made to the credit of the Series 2021 Reserve Fund; but, if and when the Series 2021 Reserve Fund at any time contains money, securities, a Credit Facility or a Reserve Fund Obligation having a value that is less than the Series 2021 Required Reserve, the Issuer will cause monthly deposits to be made to such fund on or before the 1st day of each month (beginning the month following the month the deficiency occurred), from Gross Revenues in an amount equal to 1/36th of the required reserve until the total 2021 Required Reserve Amount has been fully restored.

(d) The Issuer further covenants and agrees that, subject only to the provisions of Section 10 hereof, the Gross Revenues shall be applied and appropriated and used to maintain the Series 2021 Required Reserve and to cure any deficiency in such amounts as required by the terms of this Resolution.

(e) Notwithstanding any other provision of this Resolution, if State law allows the Issuer to enter into a Credit Agreement or Credit Facility in connection with the Bonds after the issuance date of the Bonds, the Board must specifically approve any such Credit Agreement or Credit Facility and any such Credit Agreement or Credit Facility must be submitted to the Attorney General of Texas (if submission is then required by law) for approval.

Section 13. DEFICIENCIES. In the event there are insufficient funds available in any month to permit the required monthly deposits in any fund created in accordance with the provisions of Section 10 hereof for purposes of paying the debt service requirements or funding or restoring any debt service reserve fund on any Parity Obligations, amounts equivalent to such deficiencies shall be set apart and paid into the said fund from the first available and unallocated Gross Revenues pledged to the payment of the Parity Obligations in the next following month or months, and such payments shall be in addition to the monthly amounts otherwise required to be paid into said funds during such month or months.

Section 14. INVESTMENT EARNINGS. Income and profits received from investments of the funds on deposit in any fund created in accordance with Section 10 hereof shall be retained therein and the Issuer shall take into account the amount of such investment earnings which are on deposit in any such fund in determining the periodic amounts required to be deposited thereto from the Revenue Fund; provided that any amount on deposit in a debt service reserve fund created for any Parity Obligations which is in excess of the amounts required therein may be removed and used for any lawful purpose of the Issuer, subject to the provisions of Section 25 hereof.

Section 15. TRANSFER OF FUNDS TO THE PAYING AGENT/REGISTRAR. On or before an interest or principal payment date of the Bonds, the Issuer shall cause a transfer of funds on deposit in the Debt Service Fund to be made to the Paying Agent/Registrar in the amounts calculated as fully sufficient to pay and discharge promptly, as due, each installment of principal of, premium, if any, and interest pertaining to the Bonds. In the event Bonds may be called for redemption prior to maturity, and are called for redemption by the Issuer, the Board shall cause amounts calculated as sufficient to pay and discharge such Bonds (including accrued interest and premium, if any) so called for redemption to be transferred to the Paying Agent/Registrar on or before the date fixed for the redemption of such Bonds.

Section 16. SECURITY OF FUNDS. All money on deposit in the special funds for which this Resolution makes provision (except any portions thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State for the security of public funds.

Section 17. ISSUANCE OF ADDITIONAL PARITY OBLIGATIONS. (a) Subject to the provisions hereinafter appearing as conditions precedent which must be satisfied, the Issuer reserves the right to issue, from time to time as needed, additional Parity Obligations for any lawful purpose. Such Parity Obligations may be issued in such form and manner as now or hereafter authorized by the laws of the State for the issuance of evidences of indebtedness or other instruments, and should new methods or financing techniques be developed that differ from those now available and in normal use, the Issuer reserves the right to employ the same in its financing arrangements provided only that the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(1) The Designated Financial Officer shall have executed a certificate stating (a) that, to the best of his or her knowledge and belief, the Issuer is not then in default as to any covenants, obligation or agreement contained in any resolution or other proceeding relating to any obligations of the Issuer payable in whole or in part from, and secured by a lien on and pledge of, the Gross Revenues that would materially affect the security or payment of the Parity Obligations and (b) either (i) payments into all special funds or accounts created and established for the payment and security of all Outstanding Parity Obligations have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (ii) the application of the proceeds of sale of such Parity Obligations then being issued will cure any such deficiency.

(2) The Designated Financial Officer shall have executed a certificate to the effect that, according to the books and records of the Issuer, the Gross Revenues, for the preceding Fiscal Year or for a 12 consecutive month period out of the 18 consecutive months immediately preceding the month the resolution authorizing the issuance of the Parity Obligations is adopted are equal to at least (i) 1.5 times the maximum Annual Debt Service Requirements for all Parity Obligations then Outstanding and the proposed Parity Obligations, and in making the determination of the Gross Revenues, the Designated Financial Officer may take into consideration a change in the rates and charges for services and facilities afforded by the Issuer that became effective at least sixty (60) days prior to the last day of the period for which the Gross Revenues are determined and, for purposes of satisfying the above Gross Revenues test, make a pro forma determination of the Gross Revenues of the Issuer for the period of time covered by this certification or opinion based on such change in rates and charges being in effect for the entire period covered by the certificate of the Designated Financial Officer.

(b) Subject to the provisions of Section 17(a) hereof, Parity Obligations may be issued from time to time (pursuant to any law then available) for the purpose of refunding Outstanding Parity Obligations or Subordinate Lien Obligations upon such terms and conditions as the governing body of the Issuer may deem to be in the best interest of the Issuer and, if less than all Outstanding Parity Obligations are refunded or if any Subordinate Lien Obligations are refunded, the proposed refunding Parity Obligations shall be considered as additional Parity Obligations under the provisions of this Section 17, but the certificates required in Section 17(a) shall give effect to the issuance of the proposed refunding Parity Obligations (and shall not give effect to any Parity Obligations being refunded following their cancellation or provision being made for their payment).

(c) Payments to be made under a Credit Agreement may be treated as Parity Obligations if the Board makes a finding in the resolution authorizing the treatment of the obligations of the Issuer incurred under a Credit Agreement as a Parity Obligation that, based upon the findings contained in a certificate executed and delivered by a Designated Financial Officer, the Issuer will have sufficient funds to meet the financial obligations of the Issuer, including sufficient Gross Revenues to satisfy the rate covenant set forth in Section 9(a) of this Resolution, after giving effect to the treatment of the Credit Agreement as a Parity Obligation.

Section 18. NO OBLIGATION OF LIEN SUPERIOR TO THAT OF THE PARITY OBLIGATIONS; NON-RECOURSE DEBT AND SUBORDINATE LIEN OBLIGATIONS. The Issuer will not hereafter issue any additional bonds, notes, or other obligations or create or issue evidences of indebtedness for any purpose possessing a lien on the Gross Revenues superior to that to be possessed by the Parity Obligations. The Issuer, however, retains the right to create and issue or incur Parity Obligations in accordance with Section 17 hereof. Non-Recourse Debt and Subordinate Lien Obligations may be incurred by the Board without limitation.

Section 19. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Resolution subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Resolution in order to (i) cure any ambiguity, defect or omission in this Resolution that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Resolution and which shall not materially adversely affect the interests of the Registered Owners, (iv) qualify this Resolution under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Resolution as shall not be inconsistent with the provisions of this Resolution and which shall not in the opinion of Bond Counsel materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, the Registered Owners of Bonds aggregating in principal amount 51% of the aggregate principal amount of then Outstanding Bonds which are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto which may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the Registered Owners in aggregate principal amount of the then Outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Resolution or in any of the Bonds so as to:

(1) Make any change in the maturity of any of the Outstanding Bonds;

(2) Reduce the rate of interest borne by any of the Outstanding Bonds;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any Outstanding Bonds;

(4) Modify the terms of payment of principal or of interest or redemption premium on Outstanding Bonds or any of them or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Resolution under this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The City of New York, New York or in the State. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all Registered Owners of such Bonds.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owners of at least 51% in aggregate principal amount of all of the Bonds then Outstanding which are required for the amendment, which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be modified and amended in accordance with such amendatory resolution, and the respective rights, duties, and obligations of the Issuer and all Registered Owners of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future Registered Owners of the same bond during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the Registered Owners of 51% in aggregate principal amount of the affected Bonds then Outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Bonds, the Issuer shall rely solely upon the registration of the ownership of such bonds on the registration books kept by the Paying Agent/Registrar.

Section 20. GENERAL COVENANTS. The Board further represents, covenants, and agrees that while any Parity Obligations or interest thereon is Outstanding:

(a) Payment of Parity Obligations. On or before each payment date the Issuer shall make available to the Paying Agent for such Parity Obligations or to such other party as required by a resolution authorizing the issuance of Parity Obligations, money sufficient to pay the interest on, principal of, and premium, if any, on the Parity Obligations as will accrue or otherwise come due or mature, or be subject to mandatory redemption prior to maturity, on such date and the fees and expenses related to the Parity Obligations, including the fees and expenses of the Paying Agent and any Registrar, trustee, remarketing agent, tender agent, or Credit Provider.

(b) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in each resolution authorizing the issuance of Parity Obligations, and in each and every Parity Obligation or evidence thereof.

(c) Redemption. It will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, all Parity Obligations which by their terms are mandatorily required to be redeemed prior to maturity, when and as so required.

(d) Lawful Title. The Issuer lawfully owns, has title to, or is lawfully possessed of the lands, buildings, and facilities now constituting the Issuer, and the Board will defend said title and title to any lands, buildings, and facilities which may hereafter become part of the College or otherwise the property of the Issuer, for the benefit of the owners of Parity Obligations against the claims and demands of all persons whomsoever.

(e) Lawful Authority. It is lawfully qualified to operate the College and all services afforded by the Issuer, and further to pledge the Gross Revenues and Pledged Funds herein pledged in the manner prescribed herein and has lawfully exercised such right. It will operate and continuously maintain the College and all services afforded by the Issuer while any Parity Obligations are Outstanding and unpaid.

(f) Preservation of Lien. It will not do or suffer any act or thing whereby the pledge of the Gross Revenues and Pledged Funds might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Issuer and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep the facilities, buildings, structures, and equipment pertaining thereto in good condition, repair, and working order. The Board hereby covenants and agrees to levy and collect within the Issuer an ad valorem maintenance tax, within the limits heretofore voted, or within such higher limits as may be hereafter established by a vote of the qualified voters of the Issuer in accordance with applicable law (with full allowance being made for delinquencies and costs of collection), at such rate or rates as will permit the maintenance and operation of the College and all services provided by the Issuer to the level and standards required by this Section.

(g) No Additional Encumbrance. It shall not incur additional Debt secured by the Gross Revenues in any manner, except as permitted by this Resolution in connection with Parity Obligations, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution and any resolution authorizing the issuance of Parity Obligations. Notwithstanding anything to the contrary contained herein, Gross Revenues not needed to pay the debt service on Parity Obligations and to maintain the funds and accounts established herein and to be established in each resolution authorizing the issuance of Parity Obligations, and to pay debt service on Debt that is junior and subordinate thereto may be used by the Issuer for any lawful purpose.

(h) Investments and Security. It will invest and secure money in all accounts and funds established pursuant to this Resolution and any on Parity Obligations in the manner prescribed by law for such funds, including, but not by way of limitation, the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, and in accordance with written policies adopted by the Board.

(i) Records. It will keep proper books of record and account in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the Issuer. Each year while Parity Obligations are Outstanding, the Board will cause to be prepared from such books of record and account an annual financial report of the Issuer.

(j) Inspection of Books. It will permit any owner or owners of twenty-five percent (25%) or more of the then Outstanding principal amount of any series of Parity Obligations at all reasonable times to inspect all records, accounts, and data of the Board relating to the Gross Revenues.

(k) Determination of Outstanding Parity Obligations. For all purposes of this Resolution, the judgment of the Chief Financial Officer of the College shall be deemed final in the determination of which obligations of the Board constitute Parity Obligations.

(l) Sale or Encumbrance of Property. Except as provided in this Section 20(l) and in Sections 25 and 26 hereof, the Issuer will not sell or encumber its facilities or any substantial part thereof, provided that the Board may convey, sell, or otherwise dispose of any properties of the College, including properties that generate Gross Revenues, as follows:

(a) Such conveyance, sale, or disposition shall be in the ordinary course of business of the Issuer.

(b) The Board shall determine that after the conveyance, sale, or other disposition of such properties, the Board shall have sufficient funds during each Fiscal Year during which Parity Obligations are to be outstanding to meet the financial obligations of the Issuer, including sufficient Gross Revenues to satisfy the Annual Debt Service Requirements of the Issuer and to meet all financial obligations of the Board relating to the Parity Obligations, including, without limitation, the payment of Parity Obligations.

(c) Any conveyance, sale, or other disposition of property financed with the proceeds of Parity Obligations shall conform to the federal income tax covenants set forth in the resolution pursuant to which the Parity Obligations were issued.

Section 21. REMEDIES IN THE EVENT OF DEFAULT. (a) In addition to all of the rights and remedies provided by the laws of the State, it is specifically covenanted and agreed particularly that in the event the Issuer (i) defaults in the payments to be made to the Debt Service Fund or the Series 2021 Reserve Fund as required by this Resolution (and the Pricing Certificate, with respect to the Series 2021 Reserve Fund) or (ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer under this Resolution, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Resolution, and the continuation thereof for a period of 30 days after notice of such default is given by any Registered Owner to the Issuer (the occurrence of any such events is hereinafter referred to as an "Event of Default"):

(b) The Registered Owner or Registered Owners of any Parity Obligations shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the Issuer, its officers, the Board, and/or all of them, to observe and perform any covenants, conditions, or obligations prescribed in this Resolution.

(c) No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

(d) The specific remedies herein provided shall be cumulative of all other existing remedies and the specifications of such remedies shall not be deemed to be exclusive.

Section 22. BONDS ARE LIMITED OBLIGATIONS. The Bonds authorized by this Resolution are special obligations of the Issuer payable from the Gross Revenues and amounts on deposit in the Pledged Funds, and the Registered Owners thereof shall never have the right to demand payment out of funds raised or to be raised by taxation.

* * * * *

Section 37. THE BOND INSURANCE POLICY FOR TAX-EXEMPT BONDS. (a) The following defined terms are incorporated into and made a part of the Resolution for all purposes:

"Tax-Exempt Series 2021 Insured Bonds" means the Odessa College District Consolidated Fund Revenue Bonds, Series 2021 maturing on July 1 of the years 2022 through 2035, inclusive.

"Tax-Exempt Series 2021 Insurance Policy" means the insurance policy issued by the Series 2021 Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Tax-Exempt Series 2021 Insured Bonds when due.

"Series 2021 Bond Insurer" means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

(b) The prior written consent of the Series 2021 Bond Insurer shall be a condition precedent to the deposit of any other Reserve Surety in lieu of a cash deposit into the 2021 Reserve Fund, if any. Notwithstanding anything to the contrary set forth in the Resolution, amounts on deposit in the 2021 Reserve Fund shall be applied solely to the payment of debt service due on Tax-Exempt Series 2021 Insured Bonds secured thereby.

(c) The Series 2021 Bond Insurer shall be a third party beneficiary to the Resolution. Any amendment, supplement, modification to, or waiver of, the Resolution that requires the consent of Holders or adversely affects the rights and interests of the Series 2021 Bond Insurer shall be subject to the prior written consent of the Series 2021 Bond Insurer.

(d) Provided that the Series 2021 Bond Insurer is not in default on the Tax-Exempt Series 2021 Bond Insurance Policy, then the Series 2021 Bond Insurer shall be deemed to be the sole Holder of the Tax-Exempt Series 2021 Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of the Tax-Exempt Series 2021 Insured Bonds insured by it are entitled to take pursuant to the Resolution pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. In furtherance thereof and as a term of the Resolution and each Bond, the Paying Agent and each Bondholder appoint the Series 2021 Bond Insurer as their agent and attorney-in-fact and agree that the Series 2021 Bond Insurer may at any time during the continuation of any proceeding by or against the Agency under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law relating to the Series 2021 Bonds ("Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Paying Agent and each Bondholder delegate and assign to the Series 2021 Bond Insurer, to the fullest extent permitted by law, the rights of the Paying Agent and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

(e) Amounts paid by the Series 2021 Bond Insurer under the Tax-Exempt Series 2021 Insurance Policy shall not be deemed paid for purposes of the Resolution and the Tax-Exempt Series 2021 Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Agency in accordance with the Resolution. The Resolution shall not be discharged unless all amounts due or to become due to the Series 2021 Bond Insurer have been paid in full or duly provided for.

(f) Claims Upon the Tax-Exempt Series 2021 Insurance Policy and Payments by and to the Series 2021 Bond Insurer:

(i) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Tax-Exempt Series 2021 Insured Bonds due on such Payment Date, the Paying Agent shall give notice to the Series 2021 Bond Insurer and to its designated agent (if any) (the "Series 2021 Bond Insurer's Fiscal Agent") by telephone or electronic transmission of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Tax-Exempt Series 2021 Insured Bonds due on such Payment Date, the Paying Agent shall make a claim under the Tax-Exempt Series 2021 Insurance Policy and give notice to the Series 2021 Bond Insurer and the Series 2021 Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Tax-Exempt Series 2021 Insured Bonds and the amount required to pay principal of the Tax-Exempt Series 2021 Insured Bonds, confirmed in writing to the Series 2021 Bond Insurer and the Series 2021 Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Tax-Exempt Series 2021 Insurance Policy.

(ii) The Paying Agent shall designate any portion of payment of principal on Tax-Exempt Series 2021 Insured Bonds paid by the Series 2021 Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Tax-Exempt Series 2021 Insured Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Series 2021 Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Agency on any Bond or the subrogation rights of the Series 2021 Bond Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Series 2021 Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Series 2021 Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

(iii) Upon payment of a claim under the Tax-Exempt Series 2021 Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the “Policy Payments Account” and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Tax-Exempt Series 2021 Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Bondholders in the same manner as principal and interest payments are to be made with respect to the Tax-Exempt Series 2021 Insured Bonds under the sections hereof regarding payment of Tax-Exempt Series 2021 Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Agency agrees to pay to the Series 2021 Bond Insurer (i) a sum equal to the total of all amounts paid by the Series 2021 Bond Insurer under the Tax-Exempt Series 2021 Insurance Policy (the “Series 2021 Bond Insurer Advances”); and (ii) interest on such Series 2021 Bond Insurer Advances from the date paid by the Series 2021 Bond Insurer until payment thereof in full, payable to the Series 2021 Bond Insurer at the Late Payment Rate per annum (collectively, the “Series 2021 Bond Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Tax-Exempt Series 2021 Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Agency hereby covenants and agrees that the Series 2021 Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Transmission Net Revenues and payable from such Transmission Net Revenues on a parity with debt service due on the Series 2021 Bonds.

(iv) Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Series 2021 Bond Insurer.

(g) The Series 2021 Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Tax-Exempt Series 2021 Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Tax-Exempt Series 2021 Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Agency to the Series 2021 Bond Insurer under the Resolution shall survive discharge or termination thereof.

(h) Subject to applicable law, and solely from Transmission Net Revenues, the Agency shall pay or reimburse the Series 2021 Bond Insurer, from the trust estate, any and all charges, fees, costs and expenses that the Series 2021 Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Resolution or other bond document (collectively, the “Related Documents”), or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Resolution or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Resolution or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Series 2021 Bond Insurer to honor its obligations under the Tax-Exempt Series 2021 Insurance Policy. The Series 2021 Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution or any other Related Document.

(i) The Series 2021 Bond Insurer shall be entitled to pay principal or interest on the Tax-Exempt Series 2021 Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Agency (as such terms are defined in the Tax-Exempt Series 2021 Insurance Policy) and any amounts due on the Tax-Exempt Series 2021 Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Resolution, whether or not the Series 2021 Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Tax-Exempt Series 2021 Insurance Policy) or a claim upon the Tax-Exempt Series 2021 Insurance Policy.

(j) The notice address of the Series 2021 Bond Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director - Surveillance, Re: Policy No. _______________, Telephone: (212) 974-0100. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(k) The Series 2021 Bond Insurer shall be provided with the following information by the Agency or Paying Agent, as the case may be:

(i) Notice of any draw upon the Series 2021 Reserve Fund within two Business Days after knowledge thereof other than

(i) withdrawals of amounts in excess of the Series 2021 Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of Tax-Exempt Series 2021 Insured Bonds;

(ii) Notice of any default known to the Paying Agent or the Agency within five Business Days after knowledge thereof;

(iii) Prior notice of the advance refunding or redemption of any of the Tax-Exempt Series 2021 Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(iv) Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(v) Notice of the commencement of any Insolvency Proceeding;

(vi) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Tax-Exempt Series 2021 Insured Bonds;

(vii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(viii) All reports, notices and correspondence to be delivered to Holders under the terms of the Related Documents.

(l) The Series 2021 Bond Insurer shall have the right to receive such additional information as it may reasonably request. The Agency will permit the Series 2021 Bond Insurer to discuss the affairs, finances and accounts of the Agency or any information the Series 2021 Bond Insurer may reasonably request regarding the security for the Tax-Exempt Series 2021 Insured Bonds with appropriate officers of the Agency and will use commercially reasonable efforts to enable the Series 2021 Bond Insurer to have access to the facilities, books and records of the Agency on any business day upon reasonable prior written notice.

(m) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution would adversely affect the security for the Tax-Exempt Series 2021 Insured Bonds or the rights of the Bondholders, the Paying Agent shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Tax-Exempt Series 2021 Insurance Policy.

Section 38. THE BOND INSURANCE POLICY FOR TAXABLE BONDS. (a) The following defined terms are incorporated into and made a part of the Resolution for all purposes:

"Taxable Series 2021 Insured Bonds" means the Odessa College District Consolidated Fund Revenue Refunding Bonds, Taxable Series 2021 maturing on July 1 of the years 2022 through 2030, inclusive, and on July 1 in the years 2032 and 2034

"Taxable Series 2021 Insurance Policy" means the insurance policy issued by the Series 2021 Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Taxable Series 2021 Insured Bonds when due.

"Series 2021 Bond Insurer" means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

(b) The prior written consent of the Series 2021 Bond Insurer shall be a condition precedent to the deposit of any other Reserve Surety in lieu of a cash deposit into the 2021 Reserve Fund, if any. Notwithstanding anything to the contrary set forth in the Resolution, amounts on deposit in the 2021 Reserve Fund shall be applied solely to the payment of debt service due on Taxable Series 2021 Insured Bonds secured thereby.

(c) The Series 2021 Bond Insurer shall be a third party beneficiary to the Resolution. Any amendment, supplement, modification to, or waiver of, the Resolution that requires the consent of Holders or adversely affects the rights and interests of the Series 2021 Bond Insurer shall be subject to the prior written consent of the Series 2021 Bond Insurer.

(d) Provided that the Series 2021 Bond Insurer is not in default on the Taxable Series 2021 Bond Insurance Policy, then the Series 2021 Bond Insurer shall be deemed to be the sole Holder of the Taxable Series 2021 Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of the Taxable Series 2021 Insured Bonds insured by it are entitled to take pursuant to the Resolution pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. In furtherance thereof and as a term of the Resolution and each Bond, the Paying Agent and each Bondholder appoint the Series 2021 Bond Insurer as their agent and attorney-in-fact and agree that the Series 2021 Bond Insurer may at any time during the continuation of any proceeding by or against the Agency under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law relating to the Series 2021 Bonds ("Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Paying Agent and each Bondholder delegate and assign to the Series 2021 Bond Insurer, to the fullest extent permitted by law, the rights of the Paying Agent and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

(e) Amounts paid by the Series 2021 Bond Insurer under the Taxable Series 2021 Insurance Policy shall not be deemed paid for purposes of the Resolution and the Taxable Series 2021 Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Agency in accordance with the Resolution. The Resolution shall not be discharged unless all amounts due or to become due to the Series 2021 Bond Insurer have been paid in full or duly provided for.

(f) Claims Upon the Taxable Series 2021 Insurance Policy and Payments by and to the Series 2021 Bond Insurer:

(i) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Taxable Series 2021 Insured Bonds due on such Payment Date, the Paying Agent shall give notice to the Series 2021 Bond Insurer and to its designated agent (if any) (the "Series 2021 Bond Insurer's Fiscal Agent") by telephone or electronic transmission of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Taxable Series 2021 Insured Bonds due on such Payment Date, the Paying Agent shall make a claim under the Taxable Series 2021 Insurance Policy and give notice to the Series 2021 Bond Insurer and the Series 2021 Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Taxable Series 2021 Insured Bonds and the amount required to pay principal of the Taxable Series 2021 Insured Bonds, confirmed in writing to the Series 2021 Bond Insurer and the Series 2021 Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Taxable Series 2021 Insurance Policy.

(ii) The Paying Agent shall designate any portion of payment of principal on Taxable Series 2021 Insured Bonds paid by the Series 2021 Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Taxable Series 2021 Insured Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Series 2021 Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Agency on any Bond or the subrogation rights of the Series 2021 Bond Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Series 2021 Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Series 2021 Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

(iii) Upon payment of a claim under the Taxable Series 2021 Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Taxable Series 2021 Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Bondholders in the same manner as principal and interest payments are to be made with respect to the Taxable Series 2021 Insured Bonds under the sections hereof regarding payment of Taxable Series 2021 Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Agency agrees to pay to the Series 2021 Bond Insurer (i) a sum equal to the total of all amounts paid by the Series 2021 Bond Insurer under the Taxable Series 2021 Insurance Policy (the "Series 2021 Bond Insurer Advances"); and (ii) interest on such Series 2021 Bond Insurer Advances from the date paid by the Series 2021 Bond Insurer until payment thereof in full, payable to the Series 2021 Bond Insurer at the Late Payment Rate per annum (collectively, the "Series 2021 Bond Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Taxable Series 2021 Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Agency hereby covenants and agrees that the Series 2021 Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Transmission Net Revenues and payable from such Transmission Net Revenues on a parity with debt service due on the Series 2021 Bonds.

(iv) Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Series 2021 Bond Insurer.

(g) The Series 2021 Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Taxable Series 2021 Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Taxable Series 2021 Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Agency to the Series 2021 Bond Insurer under the Resolution shall survive discharge or termination thereof.

(h) Subject to applicable law, and solely from Transmission Net Revenues, the Agency shall pay or reimburse the Series 2021 Bond Insurer, from the trust estate, any and all charges, fees, costs and expenses that the Series 2021 Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Resolution or other bond document (collectively, the "Related Documents"), or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Resolution or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Resolution or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Series 2021 Bond Insurer to honor its obligations under the Taxable Series 2021 Insurance Policy. The Series 2021 Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution or any other Related Document.

(i) The Series 2021 Bond Insurer shall be entitled to pay principal or interest on the Taxable Series 2021 Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Agency (as such terms are defined in the Taxable Series 2021 Insurance Policy) and any amounts due on the Taxable Series 2021 Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Resolution, whether or not the Series 2021 Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Taxable Series 2021 Insurance Policy) or a claim upon the Taxable Series 2021 Insurance Policy.

(j) The notice address of the Series 2021 Bond Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director - Surveillance, Re: Policy No. _______________, Telephone: (212) 974-0100. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(k) The Series 2021 Bond Insurer shall be provided with the following information by the Agency or Paying Agent, as the case may be:

(i) Notice of any draw upon the Series 2021 Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Series 2021 Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of Taxable Series 2021 Insured Bonds;

(ii) Notice of any default known to the Paying Agent or the Agency within five Business Days after knowledge thereof;

(iii) Prior notice of the advance refunding or redemption of any of the Taxable Series 2021 Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(iv) Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(v) Notice of the commencement of any Insolvency Proceeding;

(vi) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Taxable Series 2021 Insured Bonds;

(vii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(viii) All reports, notices and correspondence to be delivered to Holders under the terms of the Related Documents.

(l) The Series 2021 Bond Insurer shall have the right to receive such additional information as it may reasonably request. The Agency will permit the Series 2021 Bond Insurer to discuss the affairs, finances and accounts of the Agency or any information the Series 2021 Bond Insurer may reasonably request regarding the security for the Taxable Series 2021 Insured Bonds with appropriate officers of the Agency and will use commercially reasonable efforts to enable the Series 2021 Bond Insurer to have access to the facilities, books and records of the Agency on any business day upon reasonable prior written notice.

(m) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution would adversely affect the security for the Taxable Series 2021 Insured Bonds or the rights of the Bondholders, the Paying Agent shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Taxable Series 2021 Insurance Policy.

APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ________________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)