

ODESSA COLLEGE

**QUARTERLY INVESTMENT REPORT
MARCH 1, 2006 – MAY 31, 2006**

**AS REQUIRED BY THE
TEXAS PUBLIC FUNDS INVESTMENT ACT**

- I. Investment Position by Pooled Fund Group**
- II. Book Value and Market Value by Type of Asset**
- III. Diversity by Type and Maturity**
- IV. Investment Earnings by Type of Asset**
- V. Statements of Compliance of Investment Portfolio**

ODESSA COLLEGE

I.

**INVESTMENT POSITION BY POOLED FUND GROUP
QUARTER ENDING MAY 31, 2006**

	Beginning Market Value <u>Feb 28, 2006</u>	Investment Additions (Deductions)	Market Value Appreciation	Ending Market Value <u>May 31, 2006</u>
<u>INVESTMENT POOL A:</u>				
Current Unrestricted Funds	25,210,638	(2,558,362)	10,141	22,662,417
Current Restricted Funds	368,224	57,195	190	425,609
Endowment Fund	676,665	30,500	317	707,482
Agency Funds Held for Others	40,314	12,588	24	52,926
	<u>26,295,841</u>	<u>(2,458,079)</u>	<u>10,672</u>	<u>23,848,434</u>
<u>INVESTMENT POOL B (DEBT SERVICE):</u>				
Bond Interest & Sinking Fund	868,343	4,397	-	872,740
Bond Debt Service Reserve	2,705,805	28,654	(5,505)	2,728,954
	<u>3,574,148</u>	<u>33,051</u>	<u>(5,505)</u>	<u>3,601,694</u>
ALL FUNDS	<u>29,869,989</u>	<u>(2,425,028)</u>	<u>5,167</u>	<u>27,450,128</u>

May 31, 2005 \$26,953,125

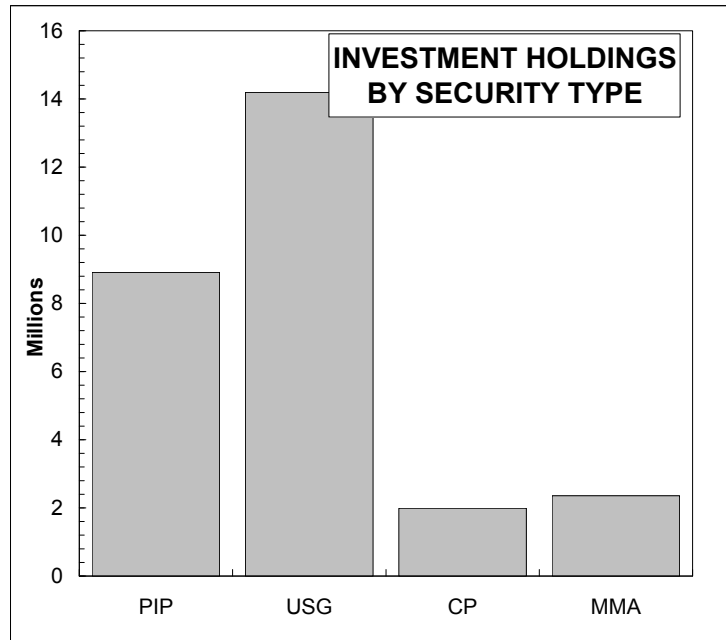
**BOOK VALUE AND MARKET VALUE OF INVESTMENTS BY TYPE OF ASSET
QUARTER ENDING MAY 31, 2006**

	P.F.I.A. Authorization	February 28, 2006		May 31, 2006		Maturity
		Book Value	Market Value	Book Value	Market Value	
Public Funds Investment						
 <u>Pools</u>						
	Sec. 2256.016					
TexPool General - Operating		125,954	125,954	127,464	127,464	Daily Liquidity
TexPool Prime - Operating		6,738,967	6,738,967	3,722,900	3,722,900	Daily Liquidity
TexPool General - Interest & Sinking		2,386,012	2,386,012	2,408,083	2,408,083	Daily Liquidity
Texpool Prime - Interest & Sinking		-	-	900,990	900,990	Daily Liquidity
Lone Star Liquidity Plus Fund		37,508	37,508	37,950	37,950	Daily Liquidity
Lone Star Liquidity Corporate Fund		736,432	736,432	745,122	745,122	Daily Liquidity
Logic - Liquid Asset Fund		956,641	956,641	968,129	968,129	Daily Liquidity
		<u>10,981,514</u>	<u>10,981,514</u>	<u>8,910,638</u>	<u>8,910,638</u>	
Money Market Funds						
	Sec. 2256.014					
Goldman Sachs MMA		778,092	778,092	1,279,673	1,279,673	Daily Liquidity
ASB Business Savings		1,067,156	1,067,156	1,077,698	1,077,698	Daily Liquidity
		<u>1,845,248</u>	<u>1,845,248</u>	<u>2,357,371</u>	<u>2,357,371</u>	
U.S. Govt Agencies						
	Sec. 2256.009					
<u>Pooled Operating Funds:</u>		<u>Yield to Maturity:</u>				
FHLB StepUp 02/20/2007	4.000%	2,500,000	2,461,485	2,500,000	2,458,750	620 days
FHLB 10/19/2007	5.03%	1,050,961	1,050,729	1,050,961	1,047,492	499 days
FHLB 08/13/2007	3.15%	3,000,000	2,925,768	3,000,000	2,923,800	433 days
FHLB 05/25/2007	4.95%	985,198	985,489	985,198	984,700	355 days
FHLB StepUp 10/30/2007	4.00%	2,000,000	1,990,274	2,000,000	1,994,000	150 days
FHLB StepUp 08/25/2007	4.55%	1,000,000	997,545	1,000,000	998,500	85 days
FHLB 08/04/2006	3.00%	2,000,000	1,984,032	2,000,000	1,992,200	64 days
FHLMC 06/02/2006	3.00%	1,500,000	1,493,298	1,500,000	1,499,850	2 days
<u>Debt Service Reserve Fund:</u>						
FHLB 07/30/2007	3.150%	300,000	292,761	300,000	292,620	420 days
FHLB 05/19/2006	2.375%	900,000	895,375	-	-	- days
		<u>15,236,159</u>	<u>15,076,756</u>	<u>14,336,159</u>	<u>14,191,912</u>	
Commercial Paper						
	Sec. 2256.013					
Dealers Cap 06/22/06	4.76%	983,230	985,180	983,230	997,010	22 days
Dealers Cap 07/21/06	4.81%	979,328	981,291	979,328	993,197	51 days
		<u>1,962,558</u>	<u>1,966,471</u>	<u>1,962,558</u>	<u>1,990,207</u>	
		<u>30,025,479</u>	<u>29,869,989</u>	<u>27,566,726</u>	<u>27,450,128</u>	

**DIVERSITY REPORT
 QUARTER ENDING MAY 31, 2006**

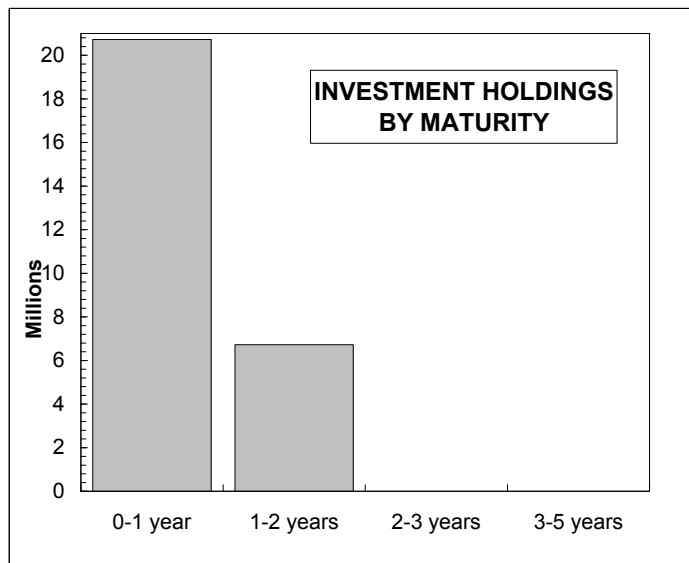
DIVERSITY BY SECURITY TYPE:

PIP	Public Investment Pools	8,910,638	32%
USG	U.S. Govt Agencies	14,191,912	52%
CP	Commercial Paper	1,990,207	7%
MMA	Money Market Funds	2,357,371	9%
		<u>\$27,450,128</u>	<u>100%</u>



DIVERSITY BY MATURITY

0-1 year	20,727,466	76%	
1-2 years	6,722,662	24%	
2-3 years	0	0%	
3-5 years	0	0%	
		<u>\$27,450,128</u>	<u>100%</u>



ODESSA COLLEGE

IV.

**INVESTMENT EARNINGS BY TYPE OF ASSET
QUARTER ENDING MAY 31, 2006**

	<u>Quarter Ending 05/31/06</u>	<u>Quarterly Yield</u>	<u>Year-to-Date Sep 2005 - May 2006</u>	<u>Annual Yield</u>
<u>INTEREST INCOME:</u>				
Public Funds Investment Pools				
TexPool	35,983	4.74%	71,890	4.02%
TexPool - Prime	64,824	4.75%	131,859	4.45%
LoneStar Liquidity Plus	442	4.66%	1,161	4.17%
LoneStar Liquidity Corporate	8,691	4.66%	22,896	4.20%
Logic	11,488	4.75%	31,277	4.22%
	<u>121,428</u>		<u>259,083</u>	
Money Market Funds	18,002	4.23%	52,398	3.74%
U.S. Government Agencies	130,104	3.44%	364,557	3.36%
Commercial Paper	<u>23,736</u>	<u>2.91%</u>	<u>39,844</u>	<u>2.24%</u>
Total Interest Earnings	<u>\$293,270</u>	<u>3.87%</u>	<u>\$715,883</u>	<u>3.56%</u>

Benchmark Yield:

3-Month Treasury Bill	3.90%
Actual below Benchmark (BPS)	-34

Annual Budgeted Interest Earnings (All Funds)	\$730,000
Percent of Budget Earned To Date	<u>98.1%</u>

GAINS (LOSSES) ON SALE OF INVESTMENTS:

Unrealized Gains (Changes in Market Value Since Beginning of Year)	<u>\$5,167</u>	<u>(\$21,827)</u>
Realized Gains (On Investments Sold or Matured Since Beginning of Year)	<u>\$9,990</u>	<u>\$20,340</u>

**STATEMENTS OF COMPLIANCE OF INVESTMENT PORTFOLIO
QUARTER ENDING MAY 31, 2006****Statement 1: Compliance with investment strategies of the District.**

As evidenced by the market valuations and maturities described in this report, the investments of the District for the quarter ending May 31, 2006 comply with the investment objectives and strategies as expressed in the Odessa Junior College District Investment Policy. The investment objectives, in order of priority, are:

- a. Preservation and Safety of Principal
- b. Liquidity
- c. Maturity
- d. Portfolio Diversification
- e. Yield
- f. Investment Suitability

Statement 2: Investment Strategies for the next quarter:

Current, Loan, Endowment, and Agency Funds: These funds are pooled together and invested to assure adequate liquidity for cash flows. To accomplish this, the District will continue to invest in public funds investment pools, daily liquidity money market funds, short- to medium-term government agencies, high-quality dual-rated commercial paper, and/or certificates of deposit.

Unexpended Bond Proceeds: At May 31st, there were no remaining unspent funds.

Bond Debt Service Interest & Sinking Funds: Interest and sinking funds are set aside on a monthly basis and invested in a separate TexPool account until the semi-annual debt service payments are made in June and December.

Bond Debt Service Reserves: The 1998 Bond debt service reserve is invested in a 3-3/4 year government agency bonds issued by the Federal Home Loan Bank (FHLB) with stated yield of 3.375%, payable semi-annually and in a separate TexPool debt service account.

Renewal/Replacement Funds: These funds are invested in a variety of instruments including public funds investment pools, daily liquidity money market funds, short- to medium-term government agencies, high-quality dual-rated commercial paper, and/or certificates of deposit. The average maturity of these funds is longer than the Operating Funds as only one-tenth of the fund balance is budgeted for expenditure in the current year.

Statement 3: Compliance with requirements relating to business organizations seeking to sell investments.

All business organizations that have sold investments to Odessa College during the quarter ended May 31, 2006, have executed a written instrument stating that the qualified representative of the organization has:

- 1) received and thoroughly reviewed the Investment Policy of the Odessa Junior College District, and
- 2) implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the District and the organization.

Statement 4: Compliance with requirements of the Public Funds Investment Act.

To the best of my knowledge, the investment portfolio of the District at May 31, 2006, and the investment transactions entered into during the quarter then ended are in compliance with the Texas Public Funds Investment Act.

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

Kristi Gibbs
Director of Accounting