

ODESSA COLLEGE

**QUARTERLY INVESTMENT REPORT
JUNE 1, 2006 – AUGUST 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 AUGUST 31, 2006**

	Beginning Market Value <u>June 1, 2006</u>	Investment Additions (Deductions)	Market Value Appreciation	Ending Market Value <u>Aug 31, 2006</u>
<u>INVESTMENT POOL A:</u>				
Current Unrestricted Funds	22,662,417	(1,089,053)	26,100	21,599,464
Current Restricted Funds	425,609	(246,868)	216	178,957
Endowment Fund	707,482	11,028	869	719,379
Agency Funds Held for Others	52,926	(3,351)	60	49,635
	<u>23,848,434</u>	<u>(1,328,244)</u>	<u>27,245</u>	<u>22,547,435</u>
 <u>INVESTMENT POOL B (DEBT SERVICE):</u>				
Bond Interest & Sinking Fund	872,740	702,677	0	1,575,417
Bond Debt Service Reserve	2,728,954	26,403	1,904	2,757,261
	<u>3,601,694</u>	<u>729,080</u>	<u>1,904</u>	<u>4,332,678</u>
 ALL FUNDS	 <u>27,450,128</u>	 <u>(599,164)</u>	 <u>29,149</u>	 <u>26,880,113</u>

Aug. 31, 2005 \$25,050,026

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

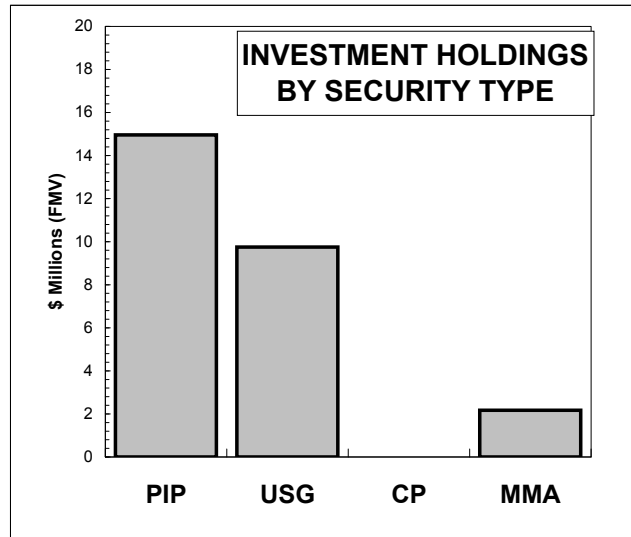
	P.F.I.A. Authorization	May 31, 2006		August 31, 2006		Maturity
		Book Value	Market Value	Book Value	Market Value	
<u>Public Funds Investment</u>						
<u>Pools</u>						
	Sec. 2256.016					
TexPool General - Operating		127,464	127,464	129,128	129,128	Daily Liquidity
TexPool Prime - Operating		3,722,900	3,722,900	9,020,467	9,020,467	Daily Liquidity
TexPool General - Interest & Sinking		2,408,083	2,408,083	3,125,335	3,125,335	Daily Liquidity
Texpool Prime - Interest & Sinking		900,990	900,990	912,819	912,819	Daily Liquidity
Lone Star Liquidity Plus Fund		37,950	37,950	38,438	38,438	Daily Liquidity
Lone Star Liquidity Corporate Fund		745,122	745,122	754,705	754,705	Daily Liquidity
Logic - Liquid Asset Fund		968,129	968,129	980,840	980,840	Daily Liquidity
		<u>8,910,638</u>	<u>8,910,638</u>	<u>14,961,732</u>	<u>14,961,732</u>	
<u>Money Market Funds</u>						
	Sec. 2256.014					
Goldman Sachs MMA		1,279,673	1,279,673	1,078,463	1,078,463	Daily Liquidity
ASB Business Savings		1,077,698	1,077,698	1,089,057	1,089,057	Daily Liquidity
		<u>2,357,371</u>	<u>2,357,371</u>	<u>2,167,520</u>	<u>2,167,520</u>	
<u>U.S. Govt Agencies</u>						
	Sec. 2256.009					
<u>Pooled Operating Funds:</u>	<u>Yield to Maturity:</u>					
FHLB StepUp 02/20/2008	4.000%	2,500,000	2,458,750	2,500,000	2,474,963	530 days
FHLB 10/19/2007	5.03%	1,050,961	1,047,492	1,050,961	1,051,432	409 days
FHLB 08/13/2007	3.15%	3,000,000	2,923,800	3,000,000	2,943,327	343 days
FHLB 05/25/2007	4.95%	985,198	984,700	985,198	989,085	265 days
FHLB StepUp 10/30/2006	4.00%	2,000,000	1,994,000	2,000,000	1,997,530	60 days
FHLB StepUp 08/25/2006	4.55%	1,000,000	998,500	-	-	0 days
FHLB 08/04/2006	3.00%	2,000,000	1,992,200	-	-	0 days
FHLMC 06/02/2006	3.00%	1,500,000	1,499,850	-	-	0 days
<u>Debt Service Reserve Fund:</u>						
FHLB 07/30/2007	3.150%	300,000	292,620	300,000	294,524	330 days
		<u>14,336,159</u>	<u>14,191,912</u>	<u>9,836,159</u>	<u>9,750,861</u>	
<u>Commercial Paper</u>						
	Sec. 2256.013					
Dealers Cap 06/22/06	4.76%	983,230	997,010	-	-	0 days
Dealers Cap 07/21/06	4.81%	979,328	993,197	-	-	0 days
		<u>1,962,558</u>	<u>1,990,207</u>	<u>-</u>	<u>-</u>	
		<u>27,566,726</u>	<u>27,450,128</u>	<u>26,965,411</u>	<u>26,880,113</u>	

ODESSA COLLEGE

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

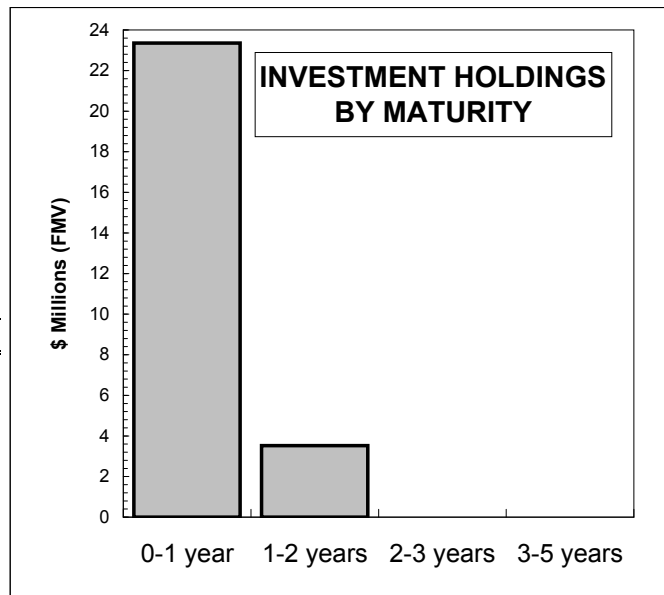
DIVERSITY BY SECURITY TYPE:

PIP	Public Investment Pools	14,961,732	56%
USG	U.S. Govt Agencies	9,750,861	36%
CP	Commercial Paper	0	0%
MMA	Money Market Funds	2,167,520	8%
		<u>\$26,880,113</u>	<u>100%</u>



DIVERSITY BY MATURITY

0-1 year	23,353,718	87%
1-2 years	3,526,395	13%
2-3 years	0	0%
3-5 years	0	0%
		<u>\$26,880,113</u>
		<u>100%</u>



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

	<u>Quarter Ending 08/31/06</u>	<u>Quarterly Yield</u>	<u>Year-to-Date Sep 2005 - Aug 2006</u>	<u>Annual Yield</u>
<u>INTEREST INCOME:</u>				
Public Funds Investment Pools				
TexPool	39,015	5.15%	110,905	4.63%
TexPool - Prime	89,297	5.20%	221,156	4.70%
LoneStar Liquidity Plus	487	5.08%	1,648	4.40%
LoneStar Liquidity Corporate	9,584	5.08%	32,480	4.41%
Logic	12,711	5.18%	43,988	4.46%
	<u>151,094</u>		<u>410,177</u>	
Money Market Funds/Savings	23,866	4.51%	76,264	3.86%
U.S. Government Agencies	114,022	3.48%	478,579	3.32%
Commercial Paper	<u>9,793</u>	<u>4.83%</u>	<u>49,638</u>	<u>4.46%</u>
Total Interest Earnings	<u>\$298,775</u>	<u>4.31%</u>	<u>\$1,014,658</u>	<u>3.85%</u>

Benchmark Yield:

3-Month Treasury Bill Avg (Secondary Market)	4.20%
Actual below Benchmark (BPS)	-35

Annual Budgeted Interest Earnings (All Funds)	\$730,000
Percent of Budget Earned To Date	139.0%

GAINS (LOSSES) ON SALE OF INVESTMENTS:

Unrealized Gains (Changes in Market Value Since Beginning of Year)	<u>\$ 29,149</u>	<u>\$7,322</u>
Realized Gains (On Investments Sold or Matured Since Beginning of Year)	<u>\$29,800</u>	<u>\$50,140</u>

**STATEMENTS OF COMPLIANCE OF INVESTMENT PORTFOLIO
QUARTER ENDING AUGUST 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 August 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 August 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 August 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 August 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