

**ODESSA COLLEGE**

**QUARTERLY INVESTMENT REPORT  
MARCH 1, 2007 – MAY 31, 2007**

**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, 2007**

|                                                 | <b>Beginning<br/>Market Value<br/><u>Feb 28, 2007</u></b> | <b>Investment<br/>Additions<br/>(Deductions)</b> | <b>Market<br/>Value<br/>Appreciation</b> | <b>Ending<br/>Market Value<br/><u>May 31, 2007</u></b> |
|-------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------|------------------------------------------|--------------------------------------------------------|
| <b><u>INVESTMENT POOL A:</u></b>                |                                                           |                                                  |                                          |                                                        |
| Current Unrestricted Funds                      | 25,545,016                                                | (1,960,408)                                      | (3,462)                                  | 23,581,146                                             |
| Current Restricted Funds                        | 202,113                                                   | 21,396                                           | (33)                                     | 223,476                                                |
| Endowment Fund                                  | 723,487                                                   | 133,272                                          | (126)                                    | 856,633                                                |
| Agency Funds Held for Others                    | 69,202                                                    | 42,703                                           | (16)                                     | 111,889                                                |
|                                                 | <u>26,539,818</u>                                         | <u>(1,763,037)</u>                               | <u>(3,637)</u>                           | <u>24,773,144</u>                                      |
| <b><u>INVESTMENT POOL B (DEBT SERVICE):</u></b> |                                                           |                                                  |                                          |                                                        |
| Bond Interest & Sinking Fund                    | 937,381                                                   | 48,974                                           | -                                        | 986,355                                                |
| Bond Debt Service Reserve                       | 3,437,549                                                 | (563,024)                                        | 1,560                                    | 2,876,085                                              |
|                                                 | <u>4,374,930</u>                                          | <u>(514,050)</u>                                 | <u>1,560</u>                             | <u>3,862,440</u>                                       |
| <b>ALL FUNDS</b>                                | <u>30,914,748</u>                                         | <u>(2,277,087)</u>                               | <u>(2,077)</u>                           | <u>28,635,584</u>                                      |

|                              |
|------------------------------|
| May 31, 2006<br>\$27,450,128 |
|------------------------------|

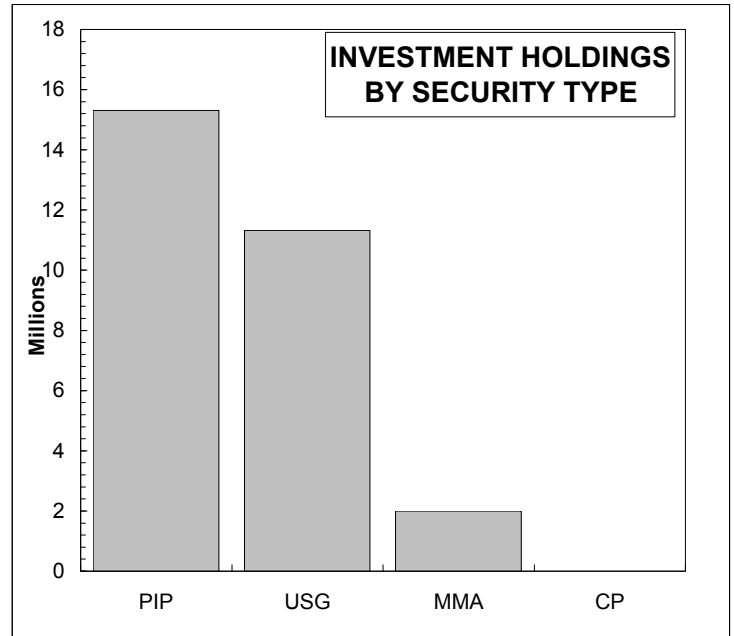
**BOOK VALUE AND MARKET VALUE OF INVESTMENTS BY TYPE OF ASSET  
QUARTER ENDING MAY 31, 2006**

|                                       | P.F.I.A.<br>Authorization | February 28, 2007 |                   | May 31, 2007      |                   | Maturity        |
|---------------------------------------|---------------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
|                                       |                           | Book Value        | Market Value      | Book Value        | Market Value      |                 |
| <b><u>Public Funds Investment</u></b> |                           |                   |                   |                   |                   |                 |
| <b><u>Pools</u></b>                   |                           |                   |                   |                   |                   |                 |
|                                       | Sec. 2256.016             |                   |                   |                   |                   |                 |
| TexPool General - Operating           |                           | 132,544           | 132,544           | 134,314           | 134,314           | Daily Liquidity |
| TexPool Prime - Operating             |                           | 12,257,895        | 12,257,895        | 9,770,771         | 9,770,771         | Daily Liquidity |
| TexPool General - Interest & Sinking  |                           | 2,076,645         | 2,076,645         | 1,454,808         | 1,454,808         | Daily Liquidity |
| Texpool Prime - Interest & Sinking    |                           | 2,000,863         | 2,000,863         | 2,108,651         | 2,108,651         | Daily Liquidity |
| Lone Star Liquidity Plus Fund         |                           | 39,429            | 39,429            | 39,944            | 39,944            | Daily Liquidity |
| Lone Star Liquidity Corporate Fund    |                           | 774,326           | 774,326           | 784,482           | 784,482           | Daily Liquidity |
| Logic - Liquid Asset Fund             |                           | 1,006,816         | 1,006,816         | 1,020,237         | 1,020,237         | Daily Liquidity |
|                                       |                           | <u>18,288,518</u> | <u>18,288,518</u> | <u>15,313,207</u> | <u>15,313,207</u> |                 |
| <b><u>Money Market Funds</u></b>      |                           |                   |                   |                   |                   |                 |
|                                       | Sec. 2256.014             |                   |                   |                   |                   |                 |
| Goldman Sachs MMA                     |                           | 1,205,509         | 1,205,509         | 875,062           | 875,062           | Daily Liquidity |
| ASB Business Savings                  |                           | 1,114,747         | 1,114,747         | 1,127,583         | 1,127,583         | Daily Liquidity |
|                                       |                           | <u>2,320,256</u>  | <u>2,320,256</u>  | <u>2,002,645</u>  | <u>2,002,645</u>  |                 |
| <b><u>U.S. Govt Agencies</u></b>      |                           |                   |                   |                   |                   |                 |
|                                       | Sec. 2256.009             |                   |                   |                   |                   |                 |
| <u>Pooled Operating Funds:</u>        | <u>Yield to Maturity:</u> |                   |                   |                   |                   |                 |
| FHLB 09/28/2010                       | 5.40%                     |                   |                   | 1,500,000         | 1,489,050         | 1,198 days      |
| FNMA 01/26/2009                       | 5.40%                     | 1,500,000         | 1,498,800         | 1,500,000         | 1,497,000         | 596 days        |
| FHLB 03/26/2008                       | 5.20%                     |                   |                   | 1,500,000         | 1,497,600         | 296 days        |
| FHLB StepUp 02/20/2008                | 4.00%                     | 2,500,000         | 2,491,250         | 2,500,000         | 2,493,500         | 260 days        |
| FHLB 10/19/2007                       | 5.03%                     | 1,050,961         | 1,055,125         | 1,050,961         | 1,056,502         | 139 days        |
| FHLB 08/13/2007                       | 3.15%                     | 3,000,000         | 2,971,800         | 3,000,000         | 2,987,100         | 73 days         |
| FHLB 05/25/2007                       | 4.95%                     | 985,198           | 996,500           | -                 | -                 |                 |
| <u>Debt Service Reserve Fund:</u>     |                           |                   |                   |                   |                   |                 |
| FHLB 07/30/2007                       | 3.150%                    | 300,000           | 297,420           | 300,000           | 298,980           | 60 days         |
|                                       |                           | <u>9,336,159</u>  | <u>9,310,895</u>  | <u>11,350,961</u> | <u>11,319,732</u> |                 |
| <b><u>Commercial Paper</u></b>        |                           |                   |                   |                   |                   |                 |
|                                       | Sec. 2256.013             |                   |                   |                   |                   |                 |
| New Center Asset 02/21/2007           | 5.29%                     | -                 | -                 | -                 | -                 | days            |
| CGD North Amer 04/03/2007             | 5.33%                     | 977,713           | 995,079           |                   |                   | days            |
|                                       |                           | <u>977,713</u>    | <u>995,079</u>    | <u>-</u>          | <u>-</u>          |                 |
|                                       |                           | <u>30,922,646</u> | <u>30,914,748</u> | <u>28,666,813</u> | <u>28,635,584</u> |                 |

**DIVERSITY REPORT  
QUARTER ENDING MAY 31, 2007**

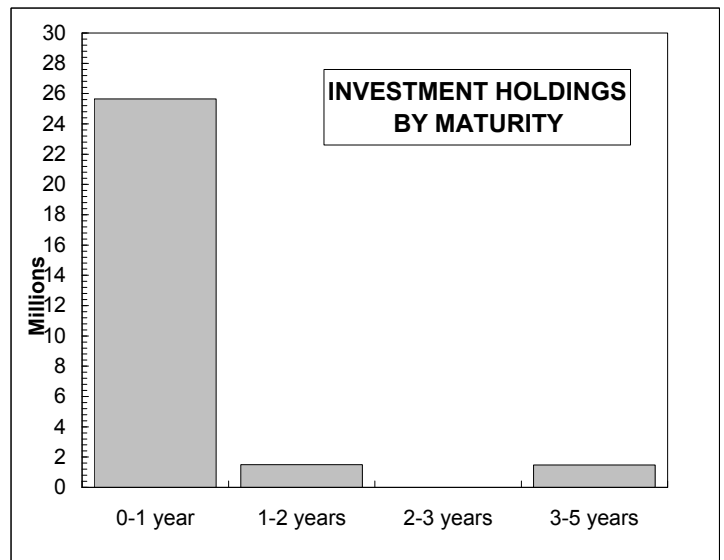
**DIVERSITY BY SECURITY TYPE:**

|     |                         |                     |             |
|-----|-------------------------|---------------------|-------------|
| PIP | Public Investment Pools | 15,313,207          | 53%         |
| USG | U.S. Govt Agencies      | 11,319,732          | 40%         |
| MMA | Money Market Funds      | 2,002,645           | 7%          |
| CP  | Commercial Paper        | 0                   | 0%          |
|     |                         | <u>\$28,635,584</u> | <u>100%</u> |



**DIVERSITY BY MATURITY**

|           |            |                     |
|-----------|------------|---------------------|
| 0-1 year  | 25,649,534 | 90%                 |
| 1-2 years | 1,497,000  | 5%                  |
| 2-3 years | 0          | 0%                  |
| 3-5 years | 1,489,050  | 5%                  |
|           |            | <u>\$28,635,584</u> |
|           |            | <u>100%</u>         |



**ODESSA COLLEGE**

IV.

**INVESTMENT EARNINGS BY TYPE OF ASSET  
QUARTER ENDING MAY 31, 2007**

|                                      | <u>Quarter<br/>Ending<br/>05/31/07</u> | <u>Quarterly<br/>Yield</u> | <u>Year-to-Date<br/>Sep 2006 -<br/>May 2007</u> | <u>Annual<br/>Yield</u> |
|--------------------------------------|----------------------------------------|----------------------------|-------------------------------------------------|-------------------------|
| <b><u>INTEREST INCOME:</u></b>       |                                        |                            |                                                 |                         |
| <b>Public Funds Investment Pools</b> |                                        |                            |                                                 |                         |
| TexPool                              | 29,407                                 | 5.27%                      | 177,968                                         | 5.28%                   |
| TexPool - Prime                      | 170,664                                | 5.31%                      | 329,605                                         | 5.31%                   |
| LoneStar Liquidity Plus              | 515                                    | 5.15%                      | 1,506                                           | 5.15%                   |
| LoneStar Liquidity Corporate         | 10,155                                 | 5.18%                      | 29,775                                          | 5.18%                   |
| Logic                                | 13,421                                 | 5.27%                      | 39,397                                          | 5.28%                   |
|                                      | <u>224,162</u>                         |                            | <u>578,251</u>                                  |                         |
| <b>Money Market Funds</b>            | 24,261                                 | 4.71%                      | 72,102                                          | 4.67%                   |
| <b>U.S. Government Agencies</b>      | 123,385                                | 4.33%                      | 290,946                                         | 4.03%                   |
| <b>Commercial Paper</b>              | <u>4,921</u>                           | <u>5.33%</u>               | <u>38,610</u>                                   | <u>4.95%</u>            |
| <b>Total Interest Earnings</b>       | <b><u>\$376,729</u></b>                | <b><u>4.90%</u></b>        | <b><u>\$979,908</u></b>                         | <b><u>4.78%</u></b>     |

**Benchmark Yield:**

|                              |       |
|------------------------------|-------|
| 3-Month Treasury Bill        | 4.84% |
| Actual below Benchmark (BPS) | -6    |

|                                               |                      |
|-----------------------------------------------|----------------------|
| Annual Budgeted Interest Earnings (All Funds) | \$685,950            |
| Percent of Budget Earned To Date              | <b><u>142.9%</u></b> |

**GAINS (LOSSES) ON SALE OF INVESTMENTS:**

|                                                                            |                 |                 |
|----------------------------------------------------------------------------|-----------------|-----------------|
| Unrealized Gains (Changes in Market Value<br>Since Beginning of Year)      | <u>-\$2,077</u> | <u>\$55,486</u> |
| Realized Gains (On Investments Sold or<br>Matured Since Beginning of Year) | <u>\$10,915</u> | <u>\$13,385</u> |

**STATEMENTS OF COMPLIANCE OF INVESTMENT PORTFOLIO  
QUARTER ENDING MAY 31, 2007****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, 2007 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 the end of this quarter, there were no unspent bond 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, 2007, 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, 2007, and the investment transactions entered into during the quarter then ended are in compliance with the Texas Public Funds Investment Act.

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

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Kristi Gibbs  
Director of Accounting