

# **ODESSA COLLEGE**

## **QUARTERLY INVESTMENT REPORT DECEMBER 1, 2006 – FEBRUARY 28, 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 FEBRUARY 28, 2007**

	<b>Beginning Market Value <u>Dec 1, 2006</u></b>	<b>Investment Additions (Deductions)</b>	<b>Market Value Appreciation</b>	<b>Ending Market Value <u>Feb 28, 2007</u></b>
<b><u>INVESTMENT POOL A:</u></b>				
Current Unrestricted Funds	19,158,016	6,370,193	16,807	25,545,016
Current Restricted Funds	321,155	(119,175)	133	202,113
Endowment Fund	715,693	7,318	476	723,487
Agency Funds Held for Others	52,924	16,232	46	69,202
	<u>20,247,788</u>	<u>6,274,568</u>	<u>17,462</u>	<u>26,539,818</u>

**INVESTMENT POOL B (DEBT SERVICE):**

Bond Interest & Sinking Fund	247,221	690,160	-	937,381
Bond Debt Service Reserve	2,798,847	637,532	1,170	3,437,549
	<u>3,046,068</u>	<u>1,327,692</u>	<u>1,170</u>	<u>4,374,930</u>

<b>ALL FUNDS</b>	<u>\$23,293,856</u>	<u>\$7,602,260</u>	<u>\$18,632</u>	<u>\$30,914,748</u>
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Feb 28, 2006 \$29,869,989
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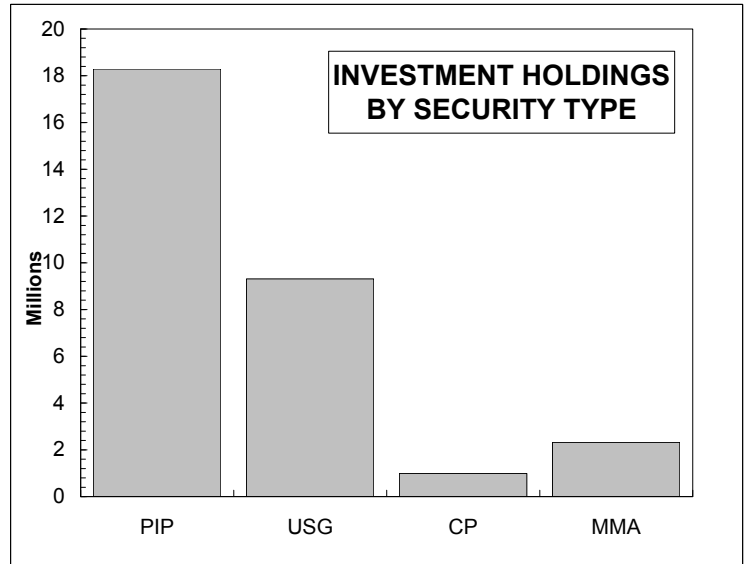
**BOOK VALUE AND MARKET VALUE OF INVESTMENTS BY TYPE OF ASSET  
QUARTER ENDING FEBRUARY 28, 2007**

	P.F.I.A. Authorization	November 30, 2006		February 28, 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 - Operating		130,833	130,833	132,544	132,544	Daily Liquidity
TexPool Prime - Operating		7,140,676	7,140,676	12,257,895	12,257,895	Daily Liquidity
TexPool - Interest & Sinking		1,824,872	1,824,872	2,076,645	2,076,645	Daily Liquidity
Texpool Prime - Interest & Sinking		924,945	924,945	2,000,863	2,000,863	Daily Liquidity
Lone Star Liquidity Plus Fund		38,933	38,933	39,429	39,429	Daily Liquidity
Lone Star Liquidity Corporate Fund		764,514	764,514	774,326	774,326	Daily Liquidity
Logic - Liquid Asset Fund		993,824	993,824	1,006,816	1,006,816	Daily Liquidity
		<u>11,818,597</u>	<u>11,818,597</u>	<u>18,288,518</u>	<u>18,288,518</u>	
<b><u>Money Market Funds</u></b>						
	Sec. 2256.014					
Goldman Sachs (American State Bank)		611,292	611,292	1,205,509	1,205,509	Daily Liquidity
ASB Business Savings		1,101,638	1,101,638	1,114,747	1,114,747	Daily Liquidity
		<u>1,712,930</u>	<u>1,712,930</u>	<u>2,320,256</u>	<u>2,320,256</u>	
<b><u>U.S. Govt Agencies</u></b>						
	Sec. 2256.009					
<u>Pooled Operating Funds:</u>	<u>Yield to Maturity:</u>					
FHLB 05/25/2007	4.95%	985,198	993,400	985,198	996,500	0.24 years
FHLB 08/13/2007	3.15%	3,000,000	2,960,700	3,000,000	2,971,800	0.45 years
FHLB 10/19/2007	5.03%	1,050,961	1,054,912	1,050,961	1,055,125	0.64 years
FHLB StepUp 02/20/2008	4.63%	2,500,000	2,487,000	2,500,000	2,491,250	0.97 years
FNMA 01/26/2009	5.40%	-	-	1,500,000	1,498,800	1.91 years
<u>Debt Service Reserve Fund:</u>						
FHLB 07/30/2007	3.15%	300,000	296,250	300,000	297,420	0.42 years
		<u>7,836,159</u>	<u>7,792,262</u>	<u>9,336,159</u>	<u>9,310,895</u>	
<b><u>Commercial Paper</u></b>						
	Sec. 2256.013					
New Center Asset 02/21/2007	5.29%	983,678	988,011	-	-	
CGD North Amer 04/03/2007	5.33%	977,713	982,055	977,713	995,079	34 days
		<u>1,961,391</u>	<u>1,970,066</u>	<u>977,713</u>	<u>995,079</u>	
		<u>23,329,077</u>	<u>23,293,855</u>	<u>30,922,646</u>	<u>30,914,748</u>	

**DIVERSITY REPORT  
 QUARTER ENDING FEBRUARY 28, 2007**

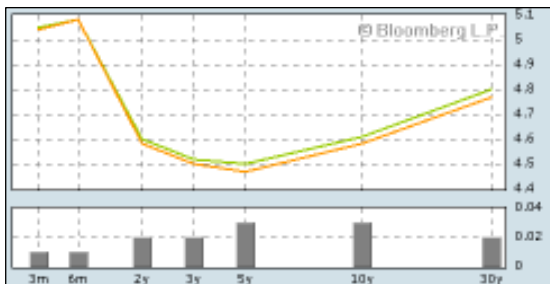
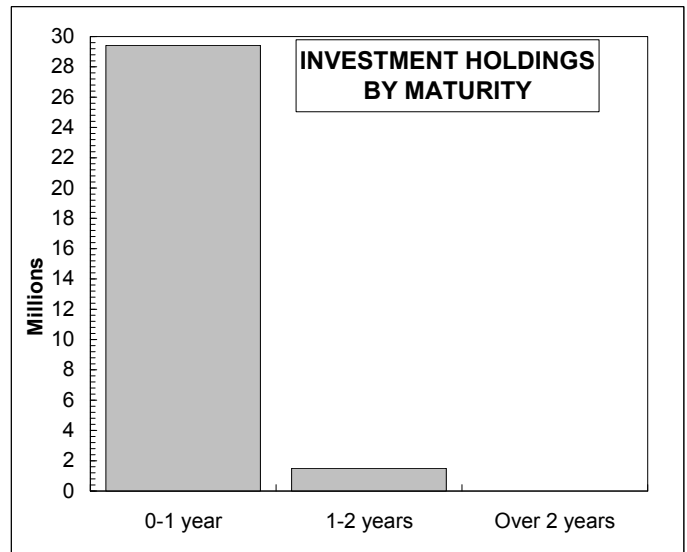
**DIVERSITY BY SECURITY TYPE:**

PIP	Public Investment Pools	18,288,518	59%
USG	U.S. Govt Agencies	9,310,895	30%
CP	Commercial Paper	995,079	3%
MMA	Money Market Funds	2,320,256	8%
		<u>\$30,914,748</u>	<u>100%</u>



**DIVERSITY BY MATURITY**

0-1 year	29,415,948	95%
1-2 years	1,498,800	5%
Over 2 years	0	0%
		<u>\$30,914,748</u>
		<u>100%</u>



**INVESTMENT EARNINGS BY TYPE OF ASSET  
QUARTER ENDING FEBRUARY 28, 2007**

	<b>Quarter Ending 02/28/07</b>	<b>Quarterly Yield</b>	<b>Year-to-Date 02/28/07</b>	<b>Annual Yield</b>
<b><u>INTEREST INCOME:</u></b>				
<b>Public Funds Investment Pools:</b>				
TexPool	99,916	5.28%	148,561	5.28%
TexPool - Prime	46,705	5.31%	158,941	5.30%
LoneStar Liquidity Plus	496	5.15%	991	5.15%
LoneStar Liquidity Corporate	9,812	5.18%	19,620	5.18%
Logic	<u>12,992</u>	5.28%	<u>25,976</u>	5.28%
	<u>169,921</u>		<u>354,089</u>	
<b>Money Market &amp; Savings</b>	25,158	4.66%	47,840	4.65%
<b>U.S. Government Agencies</b>	79,939	3.79%	167,561	3.80%
<b>Commercial Paper</b>	<u>25,014</u>	4.785%	<u>33,689</u>	4.89%
<b>Total Interest Earnings</b>	<b><u>\$300,032</u></b>	<b><u>4.70%</u></b>	<b><u>\$603,180</u></b>	<b><u>4.70%</u></b>

**Benchmark Yield:**

3-Month Treasury Bill	4.96%
Actual below Benchmark (BPS)	-26 BPS

Annual Budgeted Investment Earnings (All Funds)	\$685,950
Percent of Budget Earned To Date	<b>87.9%</b>

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

Unrealized Gains (Losses) - Changes in Market Value		
Since Beginning of Year	<u>\$18,632</u>	<u>\$57,563</u>
Realized Gains (Losses) On Investments Sold or		
Matured Since Beginning of Year	<u>\$0</u>	<u>\$2,470</u>

**STATEMENTS OF COMPLIANCE OF INVESTMENT PORTFOLIO  
QUARTER ENDING FEBRUARY 28, 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 February 28, 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 February 28, 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 February 28, 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