

ODESSA COLLEGE

**QUARTERLY INVESTMENT REPORT
JUNE 1, 2007 – AUGUST 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 AUGUST 31, 2007**

| | Beginning Market Value <u>June 1, 2007</u> | Investment Additions (Deductions) | Market Value Appreciation | Ending Market Value <u>Aug 31, 2007</u> |
|---|---|--|--|--|
| <u>INVESTMENT POOL A:</u> | | | | |
| Current Unrestricted Funds | 23,581,146 | (59,650) | (18,503) | 23,502,993 |
| Current Restricted Funds | 223,476 | (177,240) | (36) | 46,200 |
| Endowment Fund | 856,633 | (17,973) | (660) | 838,000 |
| Agency Funds Held for Others | 111,889 | (2,869) | (86) | 108,934 |
| | <u>24,773,144</u> | <u>(257,732)</u> | <u>(19,285)</u> | <u>24,496,127</u> |
| <u>INVESTMENT POOL B (DEBT SERVICE):</u> | | | | |
| Bond Interest & Sinking Fund | 986,355 | 616,928 | 0 | 1,603,283 |
| Bond Debt Service Reserve | 2,876,085 | (176,648) | (4,456) | 2,694,981 |
| | <u>3,862,440</u> | <u>440,280</u> | <u>(4,456)</u> | <u>4,298,264</u> |
| ALL FUNDS | <u>28,635,584</u> | <u>182,548</u> | <u>(23,741)</u> | <u>28,794,391</u> |

| |
|-------------------------------|
| Aug. 31, 2006 \$26,880,113 |
|-------------------------------|

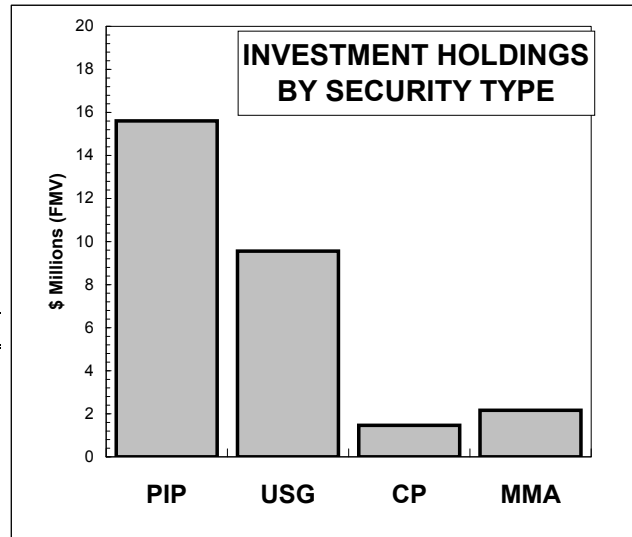
**BOOK VALUE AND MARKET VALUE OF INVESTMENTS BY TYPE OF ASSET
QUARTER ENDING AUGUST 31, 2007**

| | P.F.I.A. Authorization | May 31, 2007 | | August 31, 2007 | | Maturity |
|--------------------------------------|---------------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| | | Book Value | Market Value | Book Value | Market Value | |
| Public Funds Investment | | | | | | |
| <u>Pools</u> | | | | | | |
| | Sec. 2256.016 | | | | | |
| TexPool General - Operating | | 134,314 | 134,314 | 136,106 | 136,106 | Daily Liquidity |
| TexPool Prime - Operating | | 9,770,771 | 9,770,771 | 9,304,042 | 9,304,042 | Daily Liquidity |
| TexPool General - Interest & Sinking | | 1,454,808 | 1,454,808 | 1,702,227 | 1,702,227 | Daily Liquidity |
| Texpool Prime - Interest & Sinking | | 2,108,651 | 2,108,651 | 2,596,038 | 2,596,038 | Daily Liquidity |
| Lone Star Liquidity Plus Fund | | 39,944 | 39,944 | 40,464 | 40,464 | Daily Liquidity |
| Lone Star Liquidity Corporate Fund | | 784,482 | 784,482 | 794,790 | 794,790 | Daily Liquidity |
| Logic - Liquid Asset Fund | | 1,020,237 | 1,020,237 | 1,033,907 | 1,033,907 | Daily Liquidity |
| | | <u>15,313,207</u> | <u>15,313,207</u> | <u>15,607,574</u> | <u>15,607,574</u> | |
| Money Market Funds | | | | | | |
| | Sec. 2256.014 | | | | | |
| Goldman Sachs MMA | | 875,062 | 875,062 | 1,020,798 | 1,020,798 | Daily Liquidity |
| ASB Business Savings | | 1,127,583 | 1,127,583 | 1,140,711 | 1,140,711 | Daily Liquidity |
| | | <u>2,002,645</u> | <u>2,002,645</u> | <u>2,161,509</u> | <u>2,161,509</u> | |
| U.S. Govt Agencies | | | | | | |
| | Sec. 2256.009 | | | | | |
| <u>Pooled Operating Funds:</u> | <u>Yield to Maturity:</u> | | | | | |
| FHLMC 06/12/2012 | 5.70% | - | - | 1,500,000 | 1,504,800 | 1722 days |
| FHLB 09/28/2010 | 5.25% | 1,500,000 | 1,489,050 | 1,500,000 | 1,497,300 | 1108 days |
| FNMA 01/26/2009 | 5.40% | 1,500,000 | 1,497,000 | 1,500,000 | 1,499,400 | 506 days |
| FHLB 03/26/2008 | 5.20% | 1,500,000 | 1,497,600 | 1,500,000 | 1,498,950 | 206 days |
| FHLB StepUp 02/20/2008 | 5.25% | 2,500,000 | 2,493,500 | 2,500,000 | 2,498,750 | 170 days |
| FHLB 10/19/2007 | 5.03% | 1,050,961 | 1,056,502 | 1,050,961 | 1,058,940 | 49 days |
| FHLB 08/13/2007 | 3.15% | 3,000,000 | 2,987,100 | - | - | 0 days |
| <u>Debt Service Reserve Fund:</u> | | | | | | |
| FHLB 07/30/2007 | 3.150% | 300,000 | 298,980 | - | - | 0 days |
| | | <u>11,350,961</u> | <u>11,319,732</u> | <u>9,550,961</u> | <u>9,558,140</u> | |
| Commercial Paper | | | | | | |
| | Sec. 2256.013 | | | | | |
| Merrill Lynch 01/31/08 | 5.28% | - | - | 1,467,169 | 1,467,169 | 150 days |
| | | <u>-</u> | <u>-</u> | <u>1,467,169</u> | <u>1,467,169</u> | |
| | | <u>28,666,813</u> | <u>28,635,584</u> | <u>28,787,213</u> | <u>28,794,392</u> | |

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

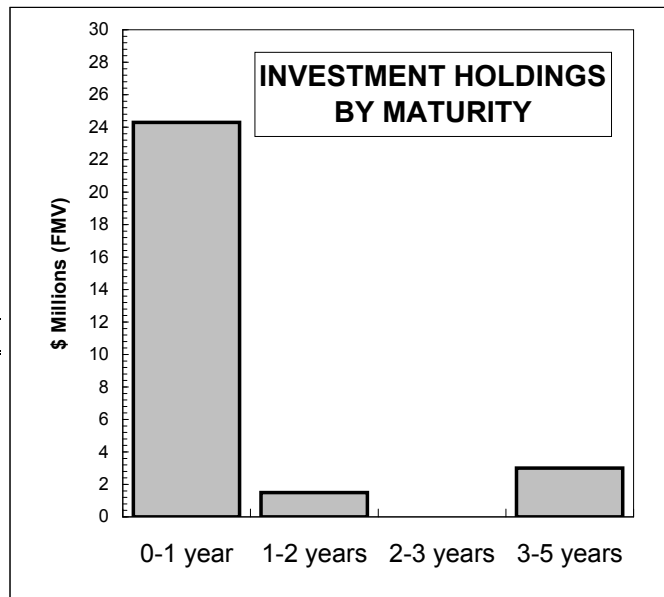
DIVERSITY BY SECURITY TYPE:

| | | | |
|-----|-------------------------|---------------------|-------------|
| PIP | Public Investment Pools | 15,607,574 | 54% |
| USG | U.S. Govt Agencies | 9,558,140 | 33% |
| CP | Commercial Paper | 1,467,169 | 5% |
| MMA | Money Market Funds | 2,161,509 | 8% |
| | | <u>\$28,794,392</u> | <u>100%</u> |



DIVERSITY BY MATURITY

| | | | |
|-----------|------------|---------------------|-------------|
| 0-1 year | 24,292,892 | 84% | |
| 1-2 years | 1,499,400 | 5% | |
| 2-3 years | 0 | 0% | |
| 3-5 years | 3,002,100 | 10% | |
| | | <u>\$28,794,392</u> | <u>100%</u> |



ODESSA COLLEGE

IV.

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

| | <u>Quarter Ending 08/31/07</u> | <u>Quarterly Yield</u> | <u>Year-to-Date Sep 2006 - Aug 2007</u> | <u>Annual Yield</u> |
|--------------------------------------|--|----------------------------|---|-------------------------|
| <u>INTEREST INCOME:</u> | | | | |
| Public Funds Investment Pools | | | | |
| TexPool | 22,216 | 5.27% | 200,184 | 5.27% |
| TexPool - Prime | 147,653 | 5.31% | 477,258 | 5.31% |
| LoneStar Liquidity Plus | 519 | 5.14% | 2,025 | 5.15% |
| LoneStar Liquidity Corporate | 10,309 | 5.19% | 40,084 | 5.19% |
| Logic | 13,669 | 5.29% | 53,066 | 5.28% |
| | <u>194,366</u> | | <u>772,617</u> | |
| Money Market Funds/Savings | 24,534 | 4.70% | 96,636 | 4.68% |
| U.S. Government Agencies | 125,732 | 4.57% | 417,113 | 4.19% |
| Commercial Paper | <u>3,648</u> | <u>5.45%</u> | <u>42,257</u> | <u>5.35%</u> |
| Total Interest Earnings | <u>\$348,279</u> | <u>4.97%</u> | <u>\$1,328,623</u> | <u>4.85%</u> |

Benchmark Yield:

3-Month Treasury Bill Avg (Secondary Market)
Actual above Benchmark (BPS)

4.54%
+ 30

Annual Budgeted Interest Earnings (All Funds)
Percent of Budget Earned To Date

\$685,950

193.7%

GAINS (LOSSES) ON SALE OF INVESTMENTS:

| | | |
|--|------------------|-----------------|
| Unrealized Gains (Changes in Market Value Since Beginning of Year) | <u>-\$23,741</u> | <u>\$31,745</u> |
| Realized Gains (On Investments Sold or Matured Since Beginning of Year) | <u>\$62,149</u> | <u>\$75,534</u> |

**STATEMENTS OF COMPLIANCE OF INVESTMENT PORTFOLIO
QUARTER ENDING AUGUST 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 August 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 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, 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 August 31, 2007, 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