

ODESSA COLLEGE

**QUARTERLY INVESTMENT REPORT
JUNE 1 – AUGUST 31, 2011**

**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, 2011

	Beginning Market Value June 1, 2011	Investment Additions (Deductions)	Market Value Appreciation	Ending Market Value Aug 31, 2011
<u>INVESTMENT POOL A:</u>				
Current Unrestricted Funds	20,757,293	(27,742)	25,881	20,755,432
Current Restricted Funds	376,540	(142,031)	293	234,802
Endowment Fund	818,565	(4,180)	1,017	815,402
Agency Funds Held for Others	100,502	14,154	143	114,799
	<u>22,052,900</u>	<u>(159,799)</u>	<u>27,334</u>	<u>21,920,435</u>
<u>INVESTMENT POOL B (REVENUE BOND):</u>				
Revenue Bond Interest & Sinking	967,278	628,345	0	1,595,623
Revenue Bond Reserve	2,005,479	500,000	10,845	2,516,324
	<u>2,972,757</u>	<u>1,128,345</u>	<u>10,845</u>	<u>4,111,947</u>
<u>INVESTMENT POOL C (TAX BOND):</u>				
Tax Bond Int & Sinking Fund	784,969	(768)	979	785,180
Unexpended Bond Funds	68,450,899	(437,869)	84,916	68,097,946
	<u>69,235,868</u>	<u>(438,637)</u>	<u>84,916</u>	<u>68,883,126</u>
ALL FUNDS	<u>94,261,525</u>	<u>529,909</u>	<u>123,095</u>	<u>94,915,508</u>

Aug. 31, 2010 \$25,097,418

**BOOK VALUE AND MARKET VALUE OF INVESTMENTS BY TYPE OF ASSET
QUARTER ENDING AUGUST 31, 2011**

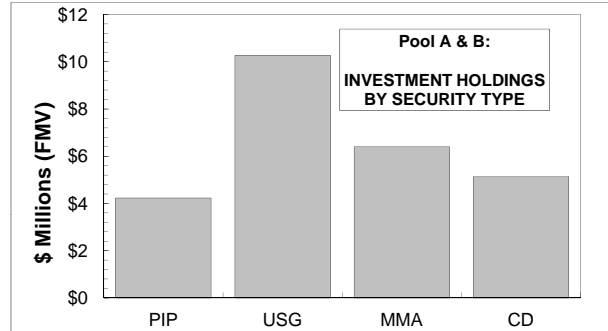
	P.F.I.A. Authorization	May 31, 2011		August 31, 2011		Maturity
		Book Value	Market Value	Book Value	Market Value	
Public Funds Investment						
 Pools						
	Sec. 2256.016					
TexPool General - Operating		327,126	327,126	117,824	117,824	Daily Liquidity
TexPool Prime - Operating		6,965,729	6,965,729	1,348,343	1,348,343	Daily Liquidity
TexPool General - Interest & Sinking		967,278	967,278	1,595,623	1,595,623	Daily Liquidity
Lone Star Government Overnight Fund		42,389	42,389	42,400	42,400	Daily Liquidity
Lone Star Corporate Overnight Fund		34,881	34,881	34,897	34,897	Daily Liquidity
Logic - Liquid Asset Fund		1,091,280	1,091,280	1,091,697	1,091,697	Daily Liquidity
Texpool Prime - Bond Construction		68,450,899	68,450,899	5,848,617	5,848,617	Daily Liquidity
Texpool Prime - Tax Bond I & S		784,969	784,969	785,180	785,180	Daily Liquidity
Lone Star Corporate Overnight Fund-Bond Constr				30,000,296	30,000,296	Daily Liquidity
Logic - Bond Construction Fund				25,000,183	25,000,183	Daily Liquidity
		<u>78,664,551</u>	<u>78,664,551</u>	<u>65,865,060</u>	<u>65,865,060</u>	
Money Market Funds						
	Sec. 2256.014					
Compass MMA				4,150,294	4,150,294	Daily Liquidity
ASB Business Savings		2,244,681	2,244,681	2,248,878	2,248,878	Daily Liquidity
		<u>2,244,681</u>	<u>2,244,681</u>	<u>6,399,172</u>	<u>6,399,172</u>	
U.S. Govt Agencies						
	Sec. 2256.009					
<u>Pooled Operating Funds:</u>	<u>Yield to Maturity:</u>					
FHLB 03/13/15	2.75%	1,000,000	1,053,660	1,000,000	1,068,648	1273 days
FNMA 11/20/14	2.63%	1,000,000	1,050,714	1,000,000	1,065,678	1160 days
FNMA 12/11/13	2.88%	1,000,000	1,052,516	1,000,000	1,055,916	821 days
FFCB 07/25/13	0.55%	-	-	1,500,000	1,500,662	685 days
FHLB 12/14/2012	1.75%	2,000,000	2,040,352	2,000,000	2,036,332	464 days
FFCB 12/07/12	1.88%	1,000,000	1,022,652	1,000,000	1,019,991	457 days
<u>Debt Service Reserve Fund:</u>						
FFCB 05/16/16	2.25%	500,000	499,759	500,000	507,255	1696 days
FNMA 05/18/15	1.75%	500,000	502,668	500,000	505,199	1338 days
FHLMC 05/23/14	1.25%	1,000,000	1,003,052	1,000,000	1,001,960	983 days
FHLMC 09/06/13	0.85%			500,000	501,910	726 days
<u>Bond Construction Fund:</u>						
FHLMC 01/21/15	1.38%			3,000,000	3,004,029	1221 days
FFCB 08/22/13	0.43%			4,000,000	3,994,820	712 days
		<u>8,000,000</u>	<u>8,225,373</u>	<u>17,000,000</u>	<u>17,262,400</u>	
Certificates of Deposit						
American State Bank		2,078,127	2,078,127	2,082,471	2,082,471	44 days
American State Bank		1,037,498	1,037,498	1,039,406	1,039,406	226 days
Western National Bank		2,011,295	2,011,295	2,016,999	2,016,999	226 days
Beal Bank-Bond Construction				250,000	250,000	226 days
		<u>5,126,920</u>	<u>5,126,920</u>	<u>5,388,876</u>	<u>5,388,876</u>	
Commercial Paper						
	Sec. 2256.013					
		-	-	-	-	days
		-	-	-	-	days
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
		<u>94,036,152</u>	<u>94,261,525</u>	<u>94,653,108</u>	<u>94,915,508</u>	

**DIVERSITY REPORT
AS OF AUGUST 31, 2011**

DIVERSITY BY SECURITY TYPE

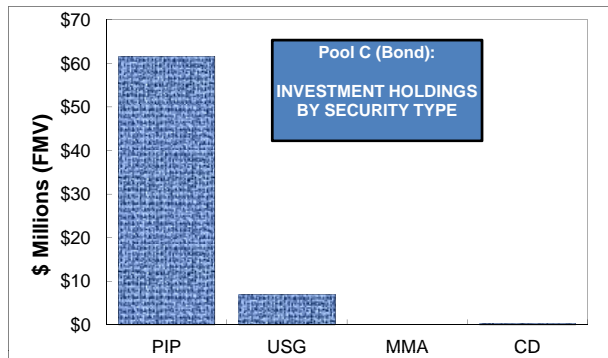
Pools A & B (Operating & Revenue Bonds):

PIP	Public Investment Pools	4,230,784	16%
USG	U.S. Govt Agencies	10,263,551	39%
MMA	Money Market Funds	6,399,172	25%
CD	Certificates of Deposit	5,138,876	20%
		<u>\$26,032,383</u>	<u>100%</u>



Pool C (Tax Bond Funds):

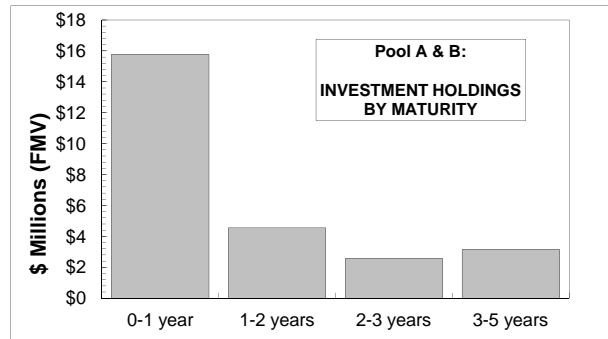
PIP	Public Investment Pools	61,634,276	89.5%
USG	U.S. Govt Agencies	6,998,849	10.2%
MMA	Money Market Funds	0	0.0%
CD	Certificates of Deposit	250,000	0.4%
		<u>\$68,883,125</u>	<u>100.0%</u>



DIVERSITY BY MATURITY

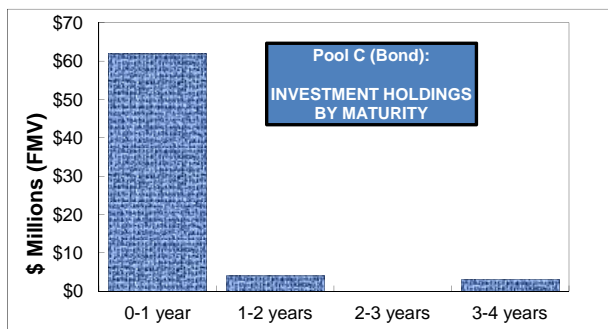
Pools A & B (Operating & Revenue Bonds):

0-1 year	15,768,832	61%	
1-2 years	4,556,985	18%	
2-3 years	2,559,786	10%	
3-5 years	3,146,780	12%	
		<u>\$26,032,383</u>	<u>100%</u>



Pool C (Tax Bond Funds):

0-1 year	61,884,276	90%	
1-2 years	3,994,820	6%	
2-3 years	0	0%	
3-4 years	3,004,029	4%	
		<u>\$68,883,125</u>	<u>100%</u>



**INVESTMENT EARNINGS BY TYPE OF ASSET
 QUARTER ENDING AUGUST 31, 2011**

	<u>Quarter Ending 08/31/11</u>	<u>Quarterly Yield</u>	<u>Year-to-Date Sep 2010 Aug 2011</u>	<u>Annual Yield</u>
<u>INTEREST INCOME:</u>				
Public Funds Investment Pools				
TexPool	23	0.08%	344	0.11%
TexPool - Prime	19,566	0.11%	42,995	0.09%
LoneStar Government Overnight Fund	10	0.11%	62	0.13%
LoneStar Corporate Overnight Plus Fund	312	0.18%	376	0.18%
Logic	599	0.16%	2,375	0.16%
	<u>20,510</u>		<u>46,152</u>	
Money Market Funds/Savings	3,935	0.57%	13,003	0.73%
U.S. Government Agencies	49,031	1.81%	172,838	2.26%
Certificates of Deposit	17,051	0.88%	65,167	1.27%
Commercial Paper	<u>0</u>	0.00%	<u>0</u>	0.00%
Total Interest Earnings	<u>\$90,527</u>	<u>0.38%</u>	<u>\$297,161</u>	<u>0.46%</u>

Benchmark Yield:

1 Year Tresuray Rate	0.16%		0.22%
Actual above Benchmark (BPS)	+ 22		+ 24
	Basis Points		Basis Points

Annual Budgeted Interest Earnings (All Funds)	\$700,315
Percent of Budget Earned To Date	42.4%

GAINS (LOSSES) ON SALE OF INVESTMENTS:

Unrealized Gains (Losses) - Changes in Market Value Since Beginning of Year	<u>\$37,027</u>	<u>\$30,980</u>
Realized Gains (Losses) On Investments Sold or Matured Since Beginning of Year	<u>\$0</u>	<u>-\$19,320</u>

**STATEMENTS OF COMPLIANCE OF INVESTMENT PORTFOLIO
QUARTER ENDING AUGUST 31, 2011****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, 2011 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, all of the newly issued General Obligation Bond proceeds were invested in Texpool, certificates of deposit, and short-to medium-term government agencies. During the next quarter, the construction spending schedule will be determined and the funds invested to match projected liquidity and spending needs. No funds will be invested in instruments with maturities exceeding the expected construction schedule.

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 2009 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 a portion 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, 2011, 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, 2011 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
Controller