

ODESSA COLLEGE

QUARTERLY INVESTMENT REPORT For the Quarter Ended May 31, 2014

AS REQUIRED BY THE TEXAS PUBLIC FUNDS INVESTMENT ACT

- I. Investment Position by Pooled Fund Group**
- II. Quarter End Results by Investment Category**
- III. Diversity by Type and Maturity**
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- V. Statements of Compliance**

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I.

**INVESTMENT POSITION BY POOLED FUND GROUP
QUARTER ENDING MAY 31, 2014**

	<u>Beginning Market Value Feb 28, 2014</u>	<u>Investment Additions (Deductions)</u>	<u>Market Value Appreciation</u>	<u>Ending Market Value May 31, 2014</u>
<u>INVESTMENT POOL A:</u>				
Current Unrestricted Funds	29,234,484	(1,252,144)	(31,783)	27,950,557
Current Restricted Funds	412,337	(9,603)	(457)	402,277
Endowment Fund	845,133	5,020	(966)	849,187
Agency Funds Held for Others	185,178	(24,010)	(183)	160,985
	<u>30,677,132</u>	<u>(1,280,737)</u>	<u>(33,389)</u>	<u>29,363,006</u>
<u>INVESTMENT POOL B (DEBT SERVICE):</u>				
Rev. Bond Interest & Sinking Fund	675,396	383,847	-	1,059,243
Rev. Bond Debt Service Reserve	2,515,527	3	(1,010)	2,514,520
Rev. Bond Int & Sinking Fund 2012	256,215	102,226	-	358,441
Tax Bond Int & Sinking Fund	450,894	72	-	450,966
	<u>3,898,032</u>	<u>486,148</u>	<u>(1,010)</u>	<u>4,383,170</u>
<u>INVESTMENT POOL C (TAX BOND):</u>				
Unexpended Bond Funds	21,334,090	(5,491,818)	(51,815)	15,790,457
	<u>21,334,090</u>	<u>(5,491,818)</u>	<u>(51,815)</u>	<u>15,790,457</u>
ALL FUNDS	<u>\$ 55,909,254</u>	<u>\$ (6,286,407)</u>	<u>\$ (86,214)</u>	<u>\$ 49,536,633</u>

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II.

END OF QUARTER VALUES BY INVESTMENT CATEGORY

<u>Asset Type</u>	<u>February 28, 2014</u>		<u>May 31, 2014</u>		<u>Estimated</u>
	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Avg. Yield</u>
Public Funds Pools	11,576,372	11,576,372	11,455,778	11,455,778	0.11%
Money Market & Interest Checking	19,868,113	19,868,113	15,560,412	15,560,412	0.30%
Certificates of Deposit	8,217,000	8,305,963	1,005,900	7,591,848	0.78%
Government Agency Securities	3,512,900	3,539,612	4,512,900	4,527,779	1.59%
Municipal Bonds	6,352,136	6,108,250	5,101,768	4,942,652	0.74%
Corporate Bonds	6,879,075	6,510,944	5,774,375	5,458,164	0.40%
Totals	56,405,597	55,909,254	43,411,134	49,536,633	0.50%

Annualized Performance			
Weighted Average Maturity (W.A.M.)	220 days		
Total Portfolio Annualized Yield (Estimated)	0.50%		
Benchmark Yield - 1 year Treasury Note	0.11%		
	<u>This Quarter</u>	<u>Fiscal Year</u>	
<u>Interest Income</u>			
Operating Funds (Pool A)	\$ 81,645	\$	226,761
Debt Service Funds (Pool B)	7,056		18,935
Construction Funds (Pool C)	68,351		340,233
	<u>\$ 157,052</u>	<u>\$</u>	<u>585,929</u>
<u>Gains/(Losses) on Sales & Maturities</u>			
Operating Funds (Pool A)	\$ 422	\$	(7,266)
Debt Service Funds (Pool B)	380		380
Construction Funds (Pool C)	-		-
	<u>\$ 802</u>	<u>\$</u>	<u>(6,886)</u>
<u>Unrealized Changes in Market Value</u>			
Operating Funds (Pool A)	\$ (33,389)	\$	(113,473)
Debt Service Funds (Pool B)	(1,010)		22,699
Construction Funds (Pool C)	(51,815)		(255,286)
	<u>\$ (86,214)</u>	<u>\$</u>	<u>(346,060)</u>

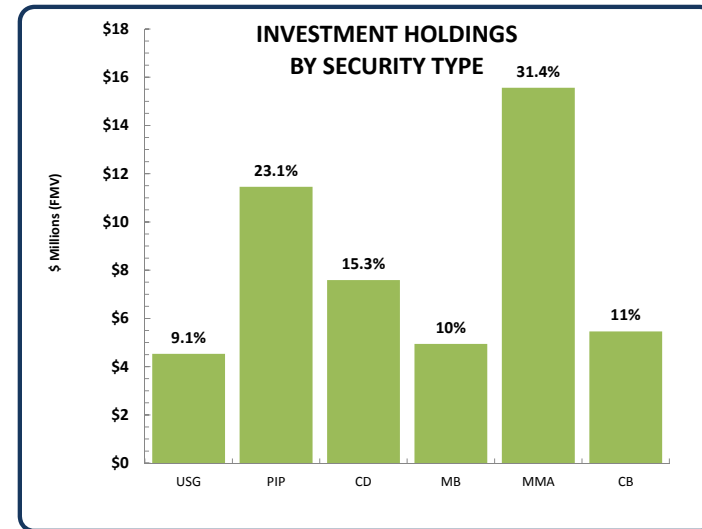
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III.

DIVERSITY REPORT QUARTER ENDING MAY 31, 2014

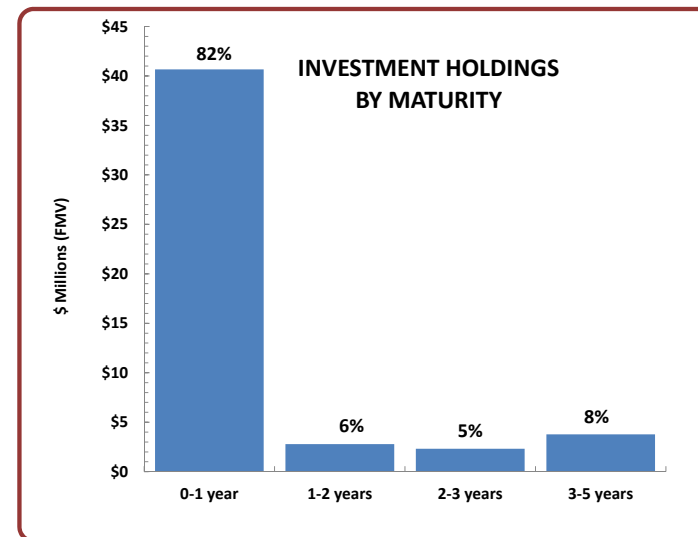
DIVERSITY BY SECURITY TYPE:

USG	U.S. Govt Agencies	4,527,779	9.1%
PIP	Public Investment Pools	11,455,778	23.1%
CD	Certificates of Deposit	7,591,848	15.3%
MB	Municipal Bonds	4,942,652	10.0%
MMA	Money Market Funds	15,560,412	31.4%
CB	Corporate Bonds	5,458,164	11.0%
		<u>\$49,536,633</u>	<u>100%</u>



DIVERSITY BY MATURITY

0-1 year	40,667,101	82%
1-2 years	2,782,496	6%
2-3 years	2,322,987	5%
3-5 years	3,764,049	8%
	<u>\$49,536,633</u>	<u>100%</u>



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IV.

INVESTMENT HOLDINGS REPORT
QUARTER ENDING MAY 31, 2014

Fund/ Purpose	Description	Maturity Date	Yield/ YTM	Par Value	Price	Ending Book (Cost)	Ending Market Value
Public Funds Investment Pools							
Pooled Operating	TexPool General	6/1/2014	0.040%	66,838	100.00	66,838	66,838
Pooled Operating	TexPool Prime	6/1/2014	0.070%	270,316	100.00	270,316	270,316
Pooled Operating	Lone Star Government Overnight	6/1/2014	0.050%	42,508	100.00	42,508	42,508
Pooled Operating	Lone Star Corporate Overnight Plus	6/1/2014	0.140%	35,122	100.00	35,122	35,122
Pooled Operating	LOGIC - Liquid Asset Fund	6/1/2014	0.100%	2,799,237	100.00	2,799,237	2,799,237
Debt Service	TexPool Prime 2009 I & S	6/1/2014	0.070%	1,059,243	100.00	1,059,243	1,059,243
Debt Service	TexPool Prime 2009	6/1/2014	0.080%	20,181	100.00	20,181	20,181
Debt Service	TexPool Prime 2012	6/1/2014	0.070%	358,441	100.00	358,441	358,441
Debt Service	TexPool Prime Tax Bond	6/1/2014	0.060%	450,966	100.00	450,966	450,966
Bond Construction	TexPool Prime	6/1/2014	0.070%	49,684	100.00	49,684	49,684
Bond Construction	Lone Star Corporate Overnight Plus	6/1/2014	0.140%	5,294,209	100.00	5,294,209	5,294,209
Bond Construction	LOGIC - Liquid Asset Fund	6/1/2014	0.100%	1,009,033	100.00	1,009,033	1,009,033
TOTAL - PUBLIC FUNDS INVESTMENT POOLS				11,455,778		11,455,778	11,455,778
Money Market Funds							
Pooled Operating	Compass Interest Bearing Depository	6/1/2014	0.311%	11,815,200	100.00	11,815,200	11,815,200
Pooled Operating	Compass MMA	6/1/2014	0.188%	55,167	100.00	55,167	55,167
Pooled Operating	ASB Business Elite Savings	6/1/2014	0.250%	2,268,804	100.00	2,268,804	2,268,804
Bond Construction	Compass Interest Bearing Depository	6/1/2014	0.250%	1,421,241	100.00	1,421,241	1,421,241
TOTAL - MONEY MARKET FUNDS				15,560,412		15,560,412	15,560,412
Certificates of Deposit							
Pooled Operating	Prosperity Bank	10/15/2015	0.500%	500,000	100.00	500,000	501,454
Pooled Operating	Prosperity Bank	4/15/2015	0.400%	249,000	100.00	249,000	249,579
Pooled Operating	Prosperity Bank	10/10/2014	0.600%	2,000,000	100.00	2,000,000	2,019,048
Pooled Operating	Compass Bank	2/1/2015	0.300%	5,000	100.00	5,000	5,000
Pooled Operating	Ally Bank	10/19/2018	0.750%	249,000	100.00	249,000	249,000
Pooled Operating	Cathay Bank	6/30/2016	0.700%	249,000	100.00	249,000	249,000
Pooled Operating	University of Texas	8/15/2017	1.155%	560,000	100.00	560,000	599,900
Debt Service	Doral Bank	12/8/2014	0.850%	240,000	100.00	240,000	240,000
Debt Service	Discover Bank	10/9/2018	2.050%	245,000	100.00	245,000	245,000
Debt Service	BMW BK North	10/11/2018	2.050%	245,000	100.00	245,000	245,000
Debt Service	Goldman Sachs Bk New York	3/12/2019	1.039%	245,000	100.00	245,000	245,000
Bond Construction	Compass Bank	9/1/2015	1.090%	250,000	100.00	250,000	250,000
Bond Construction	Independence Bank of KY	6/27/2014	0.600%	249,000	100.00	249,000	249,023
Bond Construction	Georgia B&T	6/27/2014	0.700%	249,000	100.00	249,000	249,067
Bond Construction	Barclays Bank DE	12/8/2014	1.150%	249,000	100.00	249,000	250,220
Bond Construction	Legacy Bank	12/16/2014	0.650%	249,000	100.00	249,000	249,199
Bond Construction	Cardinal Bank	1/13/2015	0.750%	249,000	100.00	249,000	249,363
Bond Construction	Orrstown Band	9/22/2014	0.500%	249,000	100.00	249,000	249,037
Bond Construction	Valley National Bank	7/28/2014	0.600%	249,000	100.00	249,000	249,193
Bond Construction	Apple Bk	1/9/2015	0.450%	249,000	100.00	249,000	249,404

Fund/ Purpose	Description	Maturity Date	Yield/ YTM	Par Value	Price	Ending Book (Cost)	Ending Market Value
Bond Construction	Safra Natl Bank	1/15/2015	0.500%	249,000	100.00	249,000	249,394
Bond Construction	Town North Bank	2/26/2015	0.500%	249,000	100.00	249,000	249,967
TOTAL - CERTIFICATES OF DEPOSIT				7,527,000		7,527,000	7,591,848

U.S. Govt Agencies

Pooled Operating	Federal Home Ln Mtg Corp 2.75%	3/13/2015	2.622%	1,000,000	100.59	1,005,900	1,020,332
Pooled Operating	Federal Natl Mtg Assn 2.625%	11/20/2014	2.465%	1,000,000	100.70	1,007,000	1,011,733
Pooled Operating	Federal Home Ln Bank	4/17/2017	0.996%	1,000,000	100.00	1,000,000	1,001,372
Debt Service	Federal Natl Mtg Assn Step Up .70	12/13/2017	0.700%	1,500,000	100.00	1,500,000	1,494,342
TOTAL - GOVERNMENT AGENCIES				4,500,000		4,512,900	4,527,779

Municipal Bonds

Pooled Operating	Dahlonaga Development	7/1/2016	1.212%	200,000	112.80	225,600	217,110
Pooled Operating	Municipal Power Agency	9/1/2016	0.951%	525,000	96.91	508,778	519,157
Pooled Operating	Ector County Texas	9/18/2015	0.654%	250,000	106.42	266,041	257,505
Pooled Operating	Midland Hospital	5/15/2017	0.820%	300,000	114.51	343,515	336,348
Pooled Operating	Houston Texas	3/1/2018	1.320%	675,000	101.88	687,704	685,807
Bond Construction	Clark Cnty NV Sch Dist Ref-Ser B Prim/Secndry Ed	6/15/2014	0.560%	665,000	109.74	729,771	666,164
Bond Construction	FOREST PK ILLINOIS LTD REF CTFS REV SER 2011 GEN PURP IMPT	11/1/2014	0.497%	285,000	103.18	294,063	286,658
Bond Construction	TAMPA FLA SOLID WASTE SYS REV SERIES 2010 SANITATION	10/1/2014	0.503%	320,000	107.11	342,752	323,789
Bond Construction	LAREDO TEX INTL TOLL BRDG REV BNDS SERIES 2005 B FSA INS	10/1/2015	0.400%	165,000	112.17	185,081	175,065
Bond Construction	Kentucky St TPK Auth EconomicDev Rd Rev Series 2010A	7/1/2014	0.460%	500,000	105.40	527,010	501,555
Bond Construction	Minneapolis-Saint Paul MN Metarpts Commission ARPT Re Airports	1/1/2015	0.606%	610,000	101.07	616,535	611,647
Bond Construction	Fort Worth Tex Ind School Dist	2/15/2015	0.500%	350,000	107.12	374,920	361,847
TOTAL - MUNICIPAL BONDS				4,845,000		5,101,768	4,942,652

Corporate Bonds

Pooled Operating	General Elec Capital Corp	11/14/2014	0.035%	2,000,000	106.90	2,138,010	2,030,996
Pooled Operating	General Elec Capital Corp	9/15/2015	0.059%	1,000,000	117.00	1,170,003	1,081,473
Bond Construction	Westpac Banking SRNT	2/27/2015	1.500%	200,000	107.68	215,364	205,698
Bond Construction	General Elec Capital Corp SRNT	11/14/2014	1.011%	1,000,000	106.90	1,069,000	1,015,498
Bond Construction	De Kalb Cnty GA Wtr	10/1/2014	0.650%	600,000	107.58	645,480	607,500
Bond Construction	Genzyme Corp Srnt	6/15/2015	0.600%	500,000	107.30	536,519	516,999
TOTAL - CORPORATE BONDS				5,300,000		5,774,375	5,458,164

Grand Total

49,188,190	49,932,234	49,536,633
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**STATEMENTS OF COMPLIANCE OF INVESTMENT PORTFOLIO
QUARTER ENDING May 31, 2014****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, 2014 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, the unexpended 2011 General Obligation Bond proceeds were invested in Texas public funds investment pools, certificates of deposit, commercial paper, short-to medium-term government agencies, municipal bonds, and corporate bonds. The funds are 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 separately in medium-term government agencies, certificates of deposit, and 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 May 31, 2014, 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, 2014 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