

BRACKETT INDEPENDENT SCHOOL DISTRICT
FEBRUARY 11, 2008

Earned interest report at the close of business on December 31, 2007.

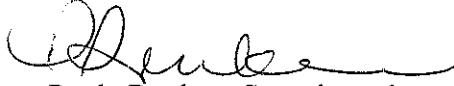
Total amount of cash on hand locally in the general fund \$ 180,139.38.

Total amount of investments \$ 5,368,446.23.

Interest earned during the 2nd quarter of the 2007/2008 school year.

| | | |
|--|-------------------|----------------------|
| Del Rio Bank & Trust | \$ 3,376.66 | Average Rate 4.25% |
| Lone Star Investment | | |
| Liquidity Plus | \$ 48,784.77 | Average Rate 4.66% |
| TexPool | \$ 10,200.63 | Average Rate 4.7329% |
| Total Interest Earned-2nd Quarter | \$ 62,362.06 | |
| Total Interest Earned – Year to Date | \$ 115,314.18 | |

Certified Correct:


Paula Renken, Superintendent


Marla Madrid, Business Manager

Fund Performance Update

December 31, 2007

Comments by Standish Mellon,
Investment Manager

After a sharp rally in the month of November, the Treasury bond market traded slightly lower in December. Yields rose five to seven basis points across the curve as the spread between the two-year note and 30-year bond was relatively unchanged at 140 basis points. The equity markets traded slightly lower in December as the Dow, NASDAQ and S&P 500 indexes fell by 0.8, 0.3 and 0.9 percent, respectively. The Federal Reserve lowered the target overnight rate by 25 basis points to 4.25 percent at the December 11 FOMC meeting. The decision was not unanimous as Boston Fed President Eric Rosengren voted for a 50 basis point cut. Treasury yields rose sharply on December 12 as many central banks, led by the Federal Reserve, agreed to a plan to increase liquidity in the markets to provide relief for the tightness in the credit markets. The housing market and turmoil in the subprime mortgage markets remained the primary concerns for the market. The core PCE, which is an inflation measure that is closely watched by the Fed, was revised higher from 1.8 percent to 2.0 percent. Estimates for the fourth quarter are significantly lower with many economists predicting a pace of growth below one percent. The next FOMC meeting is scheduled for January 30, 2008. The market is expecting another 25 basis point rate cut at the meeting.

Total Participants

| | |
|----------------------|------------|
| Schools and Colleges | 704 |
| Other Governmental | 151 |
| Total | 855 |

Lone Star Investment Pool is distributed by First Public.

Liquidity Plus Fund

Return Information

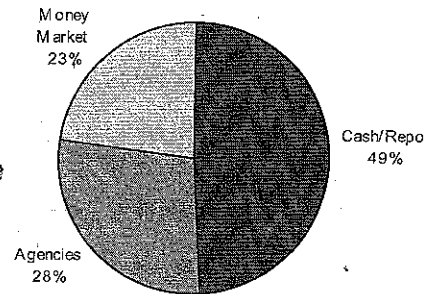
December 31, 2007

| | |
|------------------------------------|----------|
| Average Monthly Return (a) | 4.48% |
| SEC 7-Day Fund Yield (a) | 4.48% |
| Weighted Average Maturity One (b) | 27 Days |
| Weighted Average Maturity Two (b) | 31 Days |
| Portfolio Maturing beyond One Year | 0% |
| Net Asset Value | \$0.50 |
| Annualized Expense Ratio | 0.18% |
| Standard & Poor's Rating | AAA-/S1+ |

Inventory Position

| | Book Value | Market Value |
|---------------------|----------------------|----------------------|
| Cash/Repo | 1,593,371,607 | 1,593,371,607 |
| Treasuries | | |
| Agencies | 901,929,661 | 902,666,106 |
| Money Market Funds | 736,192,861 | 736,192,861 |
| Total Assets | 3,231,494,130 | 3,232,230,574 |

Investment Distribution



(b) The Weighted Average Maturity One calculation uses the industry standard definition of state maturity for floating rate instruments, the number of days until the next reset date. The Weighted Average Maturity Two calculation uses the final maturity of any floating rate instruments, as opined in Texas Attorney General Opinion No. JC0359.

TEXPOOL

THE TEXAS INVESTMENT SERVICE FOR PUBLIC FUNDS

January 2008

PERFORMANCE

As of December 31, 2007

| | TexPool | TexPool Prime |
|------------------------------------|---------------------|--------------------|
| Current Invested Balance | \$18,397,035,467.96 | \$1,356,711,581.69 |
| Weighted Average Maturity (1)* | 34 Days | 20 Days |
| Weighted Average Maturity (2)* | 81 Days | 23 Days |
| Net Asset Value | 1.00019 | 0.99864 |
| Total Number of Participants | 2058 | 86 |
| Management Fee on Invested Balance | 0.0485% | 0.0650% |
| Interest Distributed | \$68,082,949.28 | \$5,513,405.33 |
| Management Fee Collected | \$720,501.64 | \$75,297.96 |
| Standard & Poor's Current Rating | AAAm | AAAm |

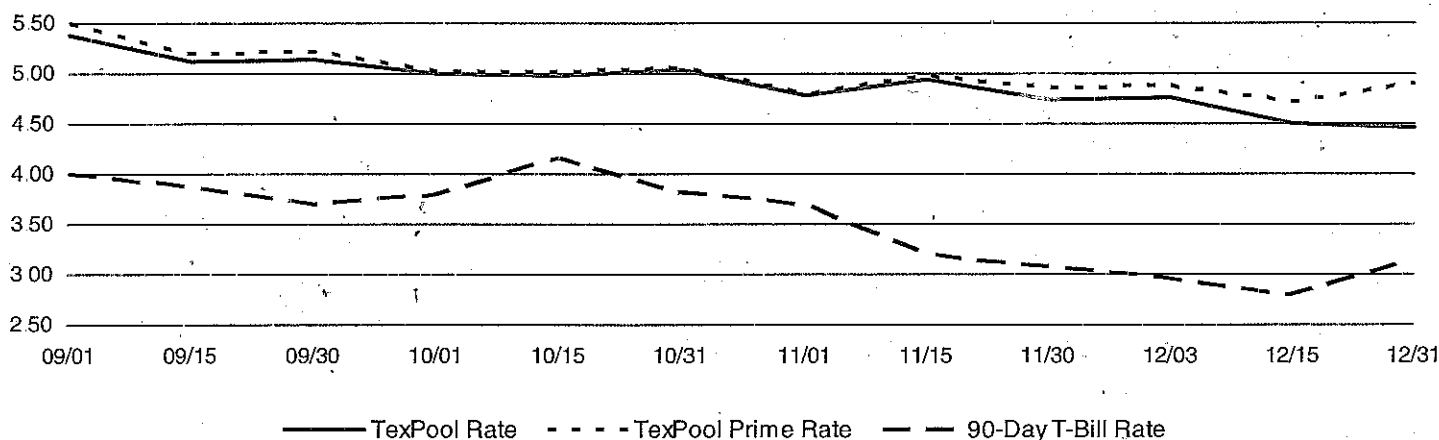
December Averages

| | | |
|---|---------------------|--------------------|
| Average Invested Balance | \$17,595,271,415.89 | \$1,364,006,293.34 |
| Average Monthly Yield, on a simple basis (3)* | 4.5565% | 4.7573% |
| Average Weighted Average Maturity (1)* | 33 Days | 24 Days |
| Average Weighted Average Maturity (2)* | 79 Days | 27 Days |

*Definitions for Average Weighted Maturity can be found on Page 2.

Economic and Market Commentary – December 31, 2007

TEXPOOL & TEXPOOL PRIME VS. 90-DAY TREASURY BILL



TexPool Advisory Board Members

R.C. Allen
Pati Buchenau

Jose Elizondo, Jr.
Ron Leverett

LaVonne Mason
John McGrane

Clay McPhail
Vivian Wood

Additional information regarding TexPool is available upon request:

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