

BRACKETT INDEPENDENT SCHOOL DISTRICT  
INVESTMENTS  
October 6, 2005

The Lone Star Investment Pool is a public funds investment pool endorsed by TASB and TASBO. TASB Financial Services is now First Public. The object of the Pool is to maintain the safety of principal, while providing participating government entities with the highest possible rate of return for invested funds. The Pool will only invest in these investments authorized under the Investment Act. The majority of the District's invested funds is in the Liquidity Plus Fund at the present time and can be withdrawn on a daily basis.

TexPool is a public funds investment pool administered by Texas Treasury Safekeeping Trust Company. The purpose is to offer a safe, efficient and liquid investment alternative to local governments in the State of Texas so that they may benefit from and realize a higher investment return using investment expertise provided by Chase Bank of Texas. The District's funds require a thirty days notice for withdrawal and, therefore, are earning a slightly higher rate of return than in the Lone Star Investment Pool.

The District's funds are also deposited in the Del Rio Bank and Trust for current expenditures and payroll obligations. The Bank pays a set rate of interest in accordance with the District's depository contract. The current rate is 3.00%.

Last year Lone Star interest rates ranged from 1.11% to 2.89% and are currently at 3.58%. Funds can be accessed on a daily basis. Texpool's rates ranged from 1.26% to 3.06% and the current rate is 3.75% but funds are not as liquid as they are in the Lone Star Investment Pool.

With interest rates on the rise, the district is keeping the largest part of the investments in Lone Star where funds are accessible.