

BRACKETT INDEPENDENT SCHOOL DISTRICT
February 13, 2012

Earned interest report at the close of business on December 31, 2011.

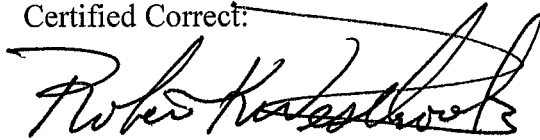
Total amount of cash on hand locally in the general fund - \$ 955,515.33.

Total amount of investments - \$ 4,962,866.92.

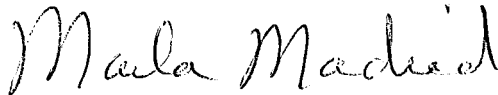
Interest earned during the 2nd quarter of the 2011/2012 school year.

Del Rio Bank & Trust	\$ 1,842.54	Average Rate	.80%
Lone Star Investment			
Liquidity Plus	\$ 1,069.87	Average Rate	.10%
TexPool	\$ 203.58	Average Rate	.09%
 Total Interest Earned-2nd Quarter	 \$ 3,115.99		
 Total Interest Earned – Year to Date	 \$ 5,681.56		

Certified Correct:



Robert Westbrook, Superintendent



Marla Madrid, Business Manager

PERFORMANCE As of December 31, 2011

	TexPool	TexPool Prime
Current Invested Balance	\$16,330,737,188.19	\$1,170,475,840.26
Weighted Average Maturity (1)*	34 Days	39 Days
Weighted Average Maturity (2)*	72 Days	46 Days
Net Asset Value	1.00008	1.00001
Total Number of Participants	2,263	137
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$1,021,558.00	\$91,063.70
Management Fee Collected	\$596,890.94	\$51,681.45
Standard & Poor's Current Rating	AAAm	AAAm

December Averages		
Average Invested Balance	\$14,968,252,547.31	\$966,800,454.61
Average Monthly Yield, on a simple basis (3)*	0.08%	0.11%
Average Weighted Average Maturity (1)*	40 Days	52 Days
Average Weighted Average Maturity (2)*	79 Days	53 Days

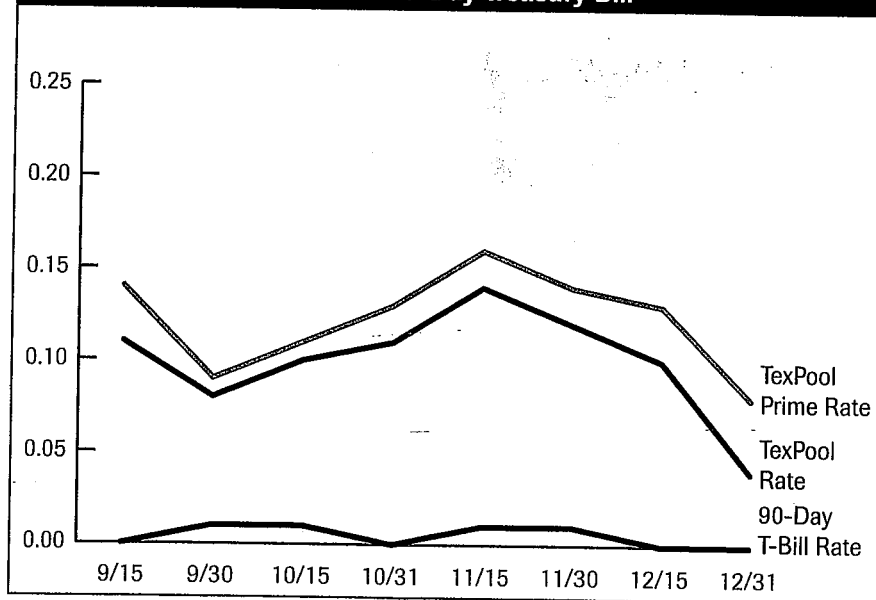
*Definitions for Average monthly yield and Average Weighted Maturity can be found on Page 2.

(continued from page 1)

policymakers were moving further away from the first rate hike.

As the new year unfolds, investors will be casting a watchful eye on Europe. During the first few months of 2012, Italy will need to rollover massive amounts of government debt, and while recent action by the European Central Bank to extend longer-term loans to the region's struggling banks will significantly reduce the possibility of a liquidity crisis, major sovereign solvency issues remain unresolved. We are carefully monitoring financial conditions in the eurozone and have positioned the pools in higher-quality, shorter-dated paper (the weighted average maturity of both TexPool and TexPool Prime each were reduced by several days during the month). As of this writing, we are comfortable with the credit exposures the pools might have to European financial institutions — and to the counterparties to those institutions — and have sufficient cash to invest if the yield curve continues to steepen in coming months.

TexPool & TexPool Prime vs. 90-Day Treasury Bill



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Fund Performance Update

December 31, 2011

Comments by Bank of New York Mellon Cash Investment Strategies, Investment Manager

The Treasury bond market traded higher during the month of December as yields fell one to 19 basis points across the curve. The yield curve became slightly flatter as the spread between the two-year note and 30-year bond declined by 14 basis points to 2.66%. The equity markets were little changed during the month as the Dow, NASDAQ and S&P 500 indexes returned +1.4%, -0.58% and +0.85%, respectively.

The labor market showed signs of improvement in the second half of 2011 as payrolls added an average of 132,000 jobs per month from July through November. The unemployment rate fell slightly to 8.6% in November. The markets continue to focus on the credit crisis in Europe and the effect it will have on the global economy.

There was no change in monetary policy at the December FOMC meeting. In the minutes for the meeting, the Fed said that it will begin to publish its own interest rate forecasts. The target Fed Funds rate has been unchanged since December of 2008. The next FOMC meeting is scheduled for January 25, 2012.

Total Participants

Schools and Colleges	735
Other Governmental	164
Total	899

Lone Star Investment Pool is distributed by First Public.

Government Overnight Fund

Return Information

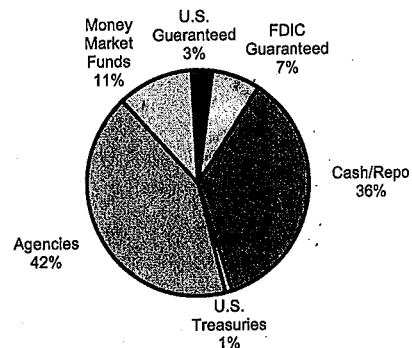
December 31, 2011

Average Monthly Return (a)	0.09%
SEC 7-Day Fund Yield (b)	0.07%
Weighted Average Maturity One (c)	32 Days
Weighted Average Maturity Two (c)	87 Days
Portfolio Maturing beyond One Year	7%
Net Asset Value	\$1.00
Annualized Expense Ratio	0.06%
Standard & Poor's Rating	AAAm

Inventory Position

	Book Value	Market Value
Cash/Repo	1,177,266,369	1,177,266,369
US Treasuries	39,999,400	39,999,760
Agencies	1,394,112,413	1,394,383,541
FDIC Guaranteed	236,299,166	236,590,755
U.S. Dept. of Ed. Guaranteed	110,171,234	110,186,784
Money Market Funds	360,500,000	360,500,000
Total Assets	3,318,348,587	3,318,927,210

Investment Distribution



(a) The return information represents the average annualized rate of return on investments for the time period referenced. Return rates reflect a partial waiver of the Lone Star Investment Pool operating expense. Past performance is no guarantee of future results.