

**INVESTMENT REPORT  
AS OF OCTOBER 31, 2008**

|                                 | Beginning<br>Market Value | Previous Balance<br>As of 9/30/08 | Deposits        | Withdrawals     | Interest<br>Income | Net<br>Change  | Ending Balance<br>As of 10/31/08 | Market<br>Value         | Current<br>Yield |
|---------------------------------|---------------------------|-----------------------------------|-----------------|-----------------|--------------------|----------------|----------------------------------|-------------------------|------------------|
| <b>TEXPOOL</b>                  |                           |                                   |                 |                 |                    |                |                                  |                         |                  |
| General Fund                    |                           | 10,986,058.61                     |                 |                 | 18,439.38          | 18,439.38      | 11,004,497.99                    |                         |                  |
| Debt Service                    |                           | 2,936,288.08                      |                 |                 | 4,928.35           | 4,928.35       | 2,941,216.43                     |                         |                  |
| 1996 D Bonds                    |                           | 38,839.26                         |                 |                 | 65.17              | 65.17          | 38,904.43                        |                         |                  |
| 2001 A Bonds                    |                           | 191,362.83                        |                 |                 | 321.19             | 321.19         | 191,684.02                       |                         |                  |
| Worker's Compensation           |                           | 2,582,553.79                      |                 |                 | 4,334.62           | 4,334.62       | 2,586,888.41                     |                         |                  |
| Child Nutrition                 |                           | 874,684.05                        |                 |                 | 1,468.08           | 1,468.08       | 876,152.13                       |                         |                  |
| Health Care Trust               |                           | 6,209,468.51                      |                 |                 | 10,422.19          | 10,422.19      | 6,219,890.70                     |                         |                  |
| 2006 A Bonds                    |                           | 71,377.92                         |                 |                 | 119.83             | 119.83         | 71,497.75                        |                         |                  |
| 2006 B Bonds                    |                           | 31,513.77                         |                 |                 | 52.91              | 52.91          | 31,566.68                        |                         |                  |
| 2007 Bonds - Series 2008        |                           | 36,283,798.43                     |                 | (5,820,202.19)  | 56,874.12          | (5,763,328.07) | 30,520,470.36                    |                         |                  |
|                                 | 60,178,250.52             | 60,205,945.25                     | 0.00            | (5,820,202.19)  | 97,025.84          | (5,723,176.35) | 54,482,768.90                    | 54,520,906.84           | 1.9762%          |
| <b>First Public - Lone Star</b> |                           |                                   |                 |                 |                    |                |                                  |                         |                  |
| General Fund                    |                           | 58,399,879.30                     | 24,048,846.62   | (18,265,688.13) | 95,811.14          | 5,878,969.63   | 64,278,848.93                    |                         |                  |
| Debt Service Fund               |                           | 5,408,134.27                      | 92,705.46       | (106,458.63)    | 9,453.21           | (4,299.96)     | 5,403,834.31                     |                         |                  |
| 2007 Bonds - Series 2008        |                           | 52,242,380.27                     |                 |                 | 92,182.24          | 92,182.24      | 52,334,562.51                    |                         |                  |
|                                 | 116,061,929.65            | 116,050,393.84                    | 24,141,552.08   | (18,372,146.76) | 197,446.59         | 5,966,851.91   | 122,017,245.75                   | 122,104,864.14          | 1.9600%          |
| <b>TexSTAR</b>                  |                           |                                   |                 |                 |                    |                |                                  |                         |                  |
| General Fund                    |                           | 117,251.69                        |                 |                 | 177.50             | 177.50         | 117,429.19                       |                         |                  |
| 2002 A Bonds                    |                           | 8,294,184.86                      | 273,209.40      | (326,295.97)    | 12,498.79          | (40,587.78)    | 8,253,597.08                     |                         |                  |
| 2007 Bonds                      |                           | 28,608,545.01                     | 361,531.50      | (942,104.15)    | 42,808.21          | (537,764.44)   | 28,070,780.57                    |                         |                  |
| 2007 Bonds - Series 2008        |                           | 50,368,883.43                     |                 |                 | 76,252.04          | 76,252.04      | 50,445,135.47                    |                         |                  |
|                                 | 87,324,372.01             | 87,388,864.99                     | 634,740.90      | (1,268,400.12)  | 131,736.54         | (501,922.68)   | 86,886,942.31                    | 86,863,222.17           | 1.7825%          |
| <b>Compass Bank</b>             |                           |                                   |                 |                 |                    |                |                                  |                         |                  |
|                                 | <b>Collateral Value</b>   |                                   |                 |                 |                    |                |                                  | <b>Collateral Value</b> |                  |
| Payroll Account                 |                           | 2,130,681.30                      | 15,225,453.51   | (15,158,914.82) | 2,455.36           | 68,994.05      | 2,199,675.35                     |                         |                  |
| General Account                 |                           | 1,179,210.69                      | 32,513,221.88   | (29,098,672.22) | 3,467.73           | 3,418,017.39   | 4,597,228.08                     |                         |                  |
| Child Nutrition Account         |                           | 733,520.49                        | 992,534.51      | (693,531.92)    | 871.88             | 299,874.47     | 1,033,394.96                     |                         |                  |
| Healthcare Trust                |                           | 1,783,574.55                      | 1,890,609.57    | (2,601,155.59)  | 1,242.39           | (709,303.63)   | 1,074,270.92                     |                         |                  |
| Healthcare Trust-Section 125    |                           | 9,078.59                          | 84,096.78       | (42,106.72)     | 14.63              | 42,004.69      | 51,083.28                        |                         |                  |
|                                 | 12,100,000.00             | 5,836,065.62                      | 50,705,916.25   | (47,594,381.27) | 8,051.99           | 3,119,586.97   | 8,955,652.59                     | 12,100,000.00           | 1.4600%          |
| <b>Summary</b>                  |                           |                                   |                 |                 |                    |                |                                  |                         |                  |
| TEXPOOL                         |                           | 60,205,945.25                     | 0.00            | (5,820,202.19)  | 97,025.84          | (5,723,176.35) | 54,482,768.90                    |                         |                  |
| TASB - Liquidity Plus Fund      |                           | 116,050,393.84                    | 24,141,552.08   | (18,372,146.76) | 197,446.59         | 5,966,851.91   | 122,017,245.75                   |                         |                  |
| TexSTAR                         |                           | 87,388,864.99                     | 634,740.90      | (1,268,400.12)  | 131,736.54         | (501,922.68)   | 86,886,942.31                    |                         |                  |
| Compass Bank                    |                           | 5,836,065.62                      | 50,705,916.25   | (47,594,381.27) | 8,051.99           | 3,119,586.97   | 8,955,652.59                     |                         |                  |
|                                 | 269,481,269.70            | 75,482,209.23                     | (73,055,130.34) | 434,260.96      | 2,861,339.85       | 272,342,609.55 |                                  |                         |                  |

| <b>Portfolio Analysis</b>    | <b>10/31/2008</b>     | <b>%<br/>of Portfolio</b> |
|------------------------------|-----------------------|---------------------------|
| TEXPOOL                      | 54,482,768.90         | 20.01%                    |
| TASB - Liquidity Plus Fund   | 122,017,245.75        | 44.80%                    |
| TexSTAR                      | 86,886,942.31         | 31.90%                    |
| Compass Bank                 | 8,955,652.59          | 3.29%                     |
| <b>Total Invested Amount</b> | <u>272,342,609.55</u> | <u>100.00%</u>            |
| General Fund                 | 75,400,776.11         | 27.69%                    |
| Debt Service                 | 8,345,050.74          | 3.06%                     |
| 1996 D Bonds                 | 38,904.43             | 0.01%                     |
| 2001 A Bonds                 | 191,684.02            | 0.07%                     |
| 2002 A Bonds                 | 8,253,597.08          | 3.03%                     |
| Worker's Compensation        | 2,586,888.41          | 0.95%                     |
| Child Nutrition              | 876,152.13            | 0.32%                     |
| Health Care Trust            | 6,219,890.70          | 2.28%                     |
| 2006 A Bonds                 | 71,497.75             | 0.03%                     |
| 2006 B Bonds                 | 31,566.68             | 0.01%                     |
| 2007 Bonds                   | 28,070,780.57         | 10.31%                    |
| 2007 Bonds - Series 2008     | 133,300,168.34        | 48.95%                    |
| Compass Bank                 | 8,955,652.59          | 3.29%                     |
|                              | <u>272,342,609.55</u> | <u>100.00%</u>            |

The investment portfolio of Denton ISD is in accordance with H.B. 2256-Public Funds Investment Act and with Denton ISD's investment policy.

Prepared by:

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