

BRACKETT INDEPENDENT SCHOOL DISTRICT
FEBRUARY 9, 2015

Earned interest report at the close of business on December 31, 2014.

Total amount of cash on hand locally in the general fund - \$ 1,769,958.56.

Total amount of investments - \$ 5,507,482.67.

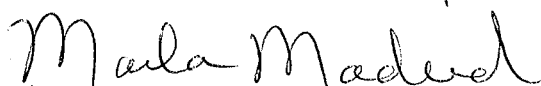
Interest earned during the 2nd quarter of the 2014/2015 school year.

Del Rio Bank & Trust	\$ 2,065.69	Average Rate	.45%
Lone Star Investment			
Liquidity Plus	\$ 617.84	Average Rate	.05%
TexPool	\$ 72.85	Average Rate	.03%
Total Interest Earned-2nd Quarter	\$ 2,756.38		
Total Interest Earned – Year to Date	\$ 5,083.35		

Certified Correct:



Kevin Newsom, Superintendent



Marla Madrid, Business Manager

PERFORMANCE AS OF DECEMBER 31, 2014

	TexPool	TexPool Prime
Current Invested Balance	\$13,845,826,587.92	\$1,679,954,937.37
Weighted Average Maturity (1)*	46 Days	38 Days
Weighted Average Maturity (2)*	72 Days	40 Days
Net Asset Value	1.00006	1.00001
Total Number of Participants	2,321	183
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$450,873.77	\$83,536.27
Management Fee Collected	\$502,624.89	\$64,939.51
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$12,702,665,862.38	\$1,318,990,236.13
Average Monthly Yield, on a simple basis (3)*	0.04%	0.08%
Average Weighted Average Maturity (1)*	49 Days	52 Days
Average Weighted Average Maturity (2)*	75 Days	55 Days

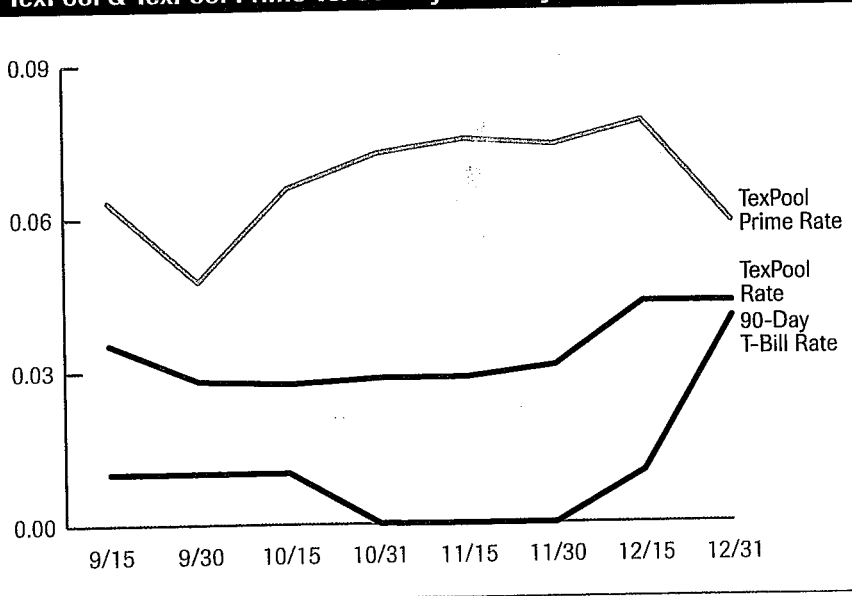
*Definitions for Average Monthly Yield and Weighted Average Maturity can be found on page 2.

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around supply. We think people looked at that as being a pretty significant amount of float that is still short term, maturing in early January. The overall repo market in the U.S. is about \$1.6 trillion, so an additional \$300 billion results in about 20% added capacity. That is definitely substantial.

So we have attempted to reduce our dependency on overnights. Obviously, overnights are important from a liquidity perspective to meet client demands for redemptions when needed. Nonetheless, we felt there was better value out the curve and started to inch into the longer end. The London interbank offered rate (Libor) has ticked up a couple of fractions every week in December, and will probably start moving faster in 2015.

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, 2014

Comments by Standish, Investment Manager

The Treasury yield curve became flatter in December as yields on the front-end rose as much as 22 basis points and yields on bonds with longer maturities fell as much as 14 basis points. The equity markets traded modestly lower in December, but had strong gains for the year. In 2014, the Dow, NASDAQ and S&P 500 gained 7.5%, 13.4% and 11.4%, respectively. It was the sixth consecutive year that the Dow posted gains for the year.

At the FOMC meeting in December, the Federal Reserve was a bit more hawkish than at the previous meetings. In the press conference following the meetings, Fed Chair Janet Yellen referred to the decline in headline deflation as "transitory" and driven by the decline in energy prices. She also indicated that the FOMC expected to be increasing the Fed funds rate with core inflation near the current levels as long as the labor market continues to improve. Third quarter GDP was revised higher to an annual rate of 5.0%, the fastest quarterly pace in over 11 years. The majority of the increase was due to stronger consumer spending and business investment.

The next FOMC meeting is scheduled for January 28. The market will be paying close attention for any information on the timing of the first rate hike. Consensus in the market is for the first rate hike to occur sometime in mid-2015.

Active Participants

Schools and Colleges	558
Other Governmental	83
Total	641

Lone Star Investment Pool is distributed by First Public.

Government Overnight Fund

Return Information

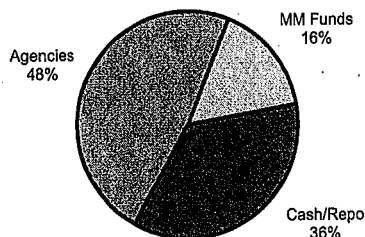
December 31, 2014

Average Monthly Return (a)	0.06%
SEC 7-Day Fund Yield (b)	0.05%
Weighted Average Maturity One (c)	38 Days
Weighted Average Maturity Two (c)	81 Days
Portfolio Maturity beyond One Year	1%
Net Asset Value	\$1.00
Annualized Expense Ratio	0.06%
Standard & Poor's Rating	AAAm

Inventory Position

	Book Value	Market Value
Cash/Repo	1,230,008,347	1,230,008,347
US Treasuries	-	-
Agencies	1,710,726,209	1,710,978,698
FDIC Guaranteed	-	-
US Dept of Ed Guaranteed	-	-
Money Market Funds	577,970,691	577,970,691
Total Assets	3,568,705,747	3,568,958,146

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.