

F/Y 06
03/01/06 - 05/31/06

SUMMARY

| FUND | MATURITY | BEGINNING | BEGINNING | CHANGES | | ENDING | ENDING | ENDING | MATURITY | YIELD |
|---|----------|----------------------|----------------------|---------------------|-----------------------|---------------------|----------------------------|---------------------|---------------------|--------------|
| | DATE | BOOK VALUE | MARKET VALUE | ADDITIONS | DEDUCTIONS | MARKET VALUE | INCOME-ACCRUED OR RECEIVED | BOOK VALUE | | |
| CURRENT OPERATING | | | | | | | | | | |
| TEXPOOL | N/A | 5,486,019.23 | 5,486,019.23 | 2,497,965.92 | (4,000,000.00) | 3,983,985.15 | 57,352.37 | 3,983,985.15 | N/A | 4.74% |
| PROSPERITY BANK - INV ACCT | N/A | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A | |
| | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| COMMERCIAL STATE BANK - CD | 07/12/07 | 1,020,418.78 | 1,020,418.78 | 10,139.89 | 0.00 | 1,030,558.67 | 10,651.93 | 1,030,558.67 | 0.00 | 4.03% |
| TOTAL CD | | 1,020,418.78 | 1,020,418.78 | 10,139.89 | 0.00 | 1,030,558.67 | 10,651.93 | 1,030,558.67 | 0.00 | 4.03% |
| GOVT SECUR-FHLB 02/23/07 | 02/23/07 | 987,100.00 | 987,100.00 | 300.00 | 0.00 | 987,400.00 | 9,073.97 | 987,400.00 | 1,000,000.00 | 3.60% |
| GOVT SECUR-FHLB 03/03/08 | 03/03/08 | 982,100.00 | 982,100.00 | 15,400.00 | 0.00 | 997,500.00 | 10,082.19 | 997,500.00 | 1,000,000.00 | 4.00% |
| GOVT SECUR-FHLB 06/09/06 | 06/09/06 | 996,000.00 | 996,000.00 | 3,600.00 | 0.00 | 999,600.00 | 8,443.84 | 999,600.00 | 1,000,000.00 | 3.35% |
| GOVT SECUR-FHLB 04/27/09 | 04/27/09 | 985,500.00 | 985,500.00 | 0.00 | (2,200.00) | 983,300.00 | 12,287.67 | 983,300.00 | 1,000,000.00 | 4.88% |
| GOVT SECUR-FHLB 01/12/11 | 01/12/11 | 993,800.00 | 993,800.00 | 0.00 | (7,900.00) | 985,900.00 | 13,863.01 | 985,900.00 | 1,000,000.00 | 5.50% |
| TOTAL GOVT SECUR | | 4,944,500.00 | 4,944,500.00 | 19,300.00 | (10,100.00) | 4,953,700.00 | 53,750.68 | 4,953,700.00 | 5,000,000.00 | 4.27% |
| TOTAL INVESTMENT IN FUND | | 11,450,938.01 | 11,450,938.01 | 2,527,405.81 | (4,010,100.00) | 9,968,243.82 | 121,754.98 | 9,968,243.82 | 5,000,000.00 | 4.34% |
| ENDOWMENT | | | | | | | | | | |
| TEXPOOL | N/A | 10,703.91 | 10,703.91 | 726,520.03 | 0.00 | 737,223.94 | 7,939.57 | 737,223.94 | N/A | 4.74% |
| STOCK-Progress Energy | N/A | 5,103.70 | 5,103.70 | 0.00 | (269.10) | 4,834.60 | 69.58 | 4,834.60 | N/A | N/A |
| STOCK-NCR (New) | N/A | 721.62 | 721.62 | 0.00 | (18.18) | 703.44 | 0.00 | 703.44 | N/A | N/A |
| STOCK-Bankamerica Corp(Nations) (Barnett) | N/A | 10,820.60 | 10,820.60 | 601.80 | 0.00 | 11,422.40 | 178.29 | 11,422.40 | N/A | N/A |
| STOCK-XANSER | N/A | 3,461.04 | 3,461.04 | 150.48 | 0.00 | 3,611.52 | 0.00 | 3,611.52 | N/A | N/A |
| STOCK-WASHINGTON MUTUAL | N/A | 55,296.50 | 55,296.50 | 4,156.95 | 0.00 | 59,453.45 | 660.45 | 59,453.45 | N/A | N/A |
| STOCK-VALERO | N/A | 10,758.00 | 10,758.00 | 1,512.00 | 0.00 | 12,270.00 | 24.00 | 12,270.00 | N/A | N/A |
| STOCK-TENNECO | N/A | 475.66 | 475.66 | 24.98 | 0.00 | 500.64 | 0.00 | 500.64 | N/A | N/A |
| STOCK-OCCIDENTAL | N/A | 23,434.24 | 23,434.24 | 1,932.80 | 0.00 | 25,367.04 | 92.16 | 25,367.04 | N/A | N/A |
| STOCK-PG&E | N/A | 2,092.76 | 2,092.76 | 89.64 | 0.00 | 2,182.40 | 18.15 | 2,182.40 | N/A | N/A |
| STOCK-EXXON/MOBIL | N/A | 11,874.00 | 11,874.00 | 308.00 | 0.00 | 12,182.00 | 64.00 | 12,182.00 | N/A | N/A |
| STOCK-TENET HEALTHCARE | N/A | 1,096.72 | 1,096.72 | 4.16 | 0.00 | 1,100.88 | 0.00 | 1,100.88 | N/A | N/A |
| STOCK-WALMART | N/A | 18,144.00 | 18,144.00 | 1,236.00 | 0.00 | 19,380.00 | 0.00 | 19,380.00 | N/A | N/A |
| STOCK-DUKE ENERGY | N/A | 8,747.20 | 8,747.20 | 0.00 | (55.44) | 8,691.76 | 95.48 | 8,691.76 | N/A | N/A |
| STOCK-IBM | N/A | 4,814.40 | 4,814.40 | 0.00 | (20.40) | 4,794.00 | 12.00 | 4,794.00 | N/A | N/A |
| STOCK-APPLE COMPUTER | N/A | 0.00 | 0.00 | 5,172.80 | (391.20) | 4,781.60 | 0.00 | 4,781.60 | N/A | N/A |
| STOCK-ARKEMA | N/A | 0.00 | 0.00 | 215.80 | 0.00 | 215.80 | 0.00 | 215.80 | N/A | N/A |
| STOCK-TOTAL S.A. | N/A | 16,775.28 | 16,775.28 | 570.54 | 0.00 | 17,345.82 | 0.00 | 17,345.82 | N/A | N/A |
| TOTAL STOCK | | 173,615.72 | 173,615.72 | 15,975.95 | (754.32) | 188,837.35 | 1,214.11 | 188,837.35 | N/A | 0.00% |
| COMMERICAL STATE BANK - CD | 03/05/06 | 648,899.77 | 648,899.77 | 0.00 | (648,899.77) | 0.00 | 748.84 | 0.00 | 600,000.00 | 3.15% |
| TOTAL CD | | 648,899.77 | 648,899.77 | 0.00 | (648,899.77) | 0.00 | 748.84 | 0.00 | 600,000.00 | 3.15% |
| | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| GOVT SECUR-FHLB 03/16/07 | 03/16/07 | 977,800.00 | 977,800.00 | 2,000.00 | 0.00 | 979,800.00 | 6,931.51 | 979,800.00 | 1,000,000.00 | 2.75% |
| GOVT SECUR-FHLB 03/09/10 | 03/09/10 | 975,600.00 | 975,600.00 | 0.00 | (8,700.00) | 966,900.00 | 11,342.47 | 966,900.00 | 1,000,000.00 | 4.50% |
| GOVT SECUR-FHLB 10/14/05 | 10/14/05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 500,000.00 | 2.04% |
| GOVT SECUR-FNMA 10/27/06 | 10/27/06 | 493,050.00 | 493,050.00 | 6,800.00 | 0.00 | 499,850.00 | 3,465.75 | 499,850.00 | 500,000.00 | 2.75% |
| GOVT SECUR-FHLB 03/12/08 | 03/12/08 | 488,900.00 | 488,900.00 | 0.00 | (2,750.00) | 486,150.00 | 4,663.01 | 486,150.00 | 500,000.00 | 3.70% |
| GOVT SECUR-FNMA 02/14/11 | 02/14/11 | 993,700.00 | 993,700.00 | 0.00 | (8,300.00) | 985,400.00 | 13,863.01 | 985,400.00 | 1,000,000.00 | 5.50% |
| GOVT SECUR-FHLB 03/10/08 | 03/10/08 | 488,400.00 | 488,400.00 | 0.00 | (2,200.00) | 486,200.00 | 4,663.01 | 486,200.00 | 500,000.00 | 3.70% |
| | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| TOTAL GOVT SECUR | | 4,417,450.00 | 4,417,450.00 | 8,800.00 | (21,950.00) | 4,404,300.00 | 44,928.76 | 4,404,300.00 | 5,000,000.00 | 3.56% |

F/Y 06
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| FUND | MATURITY | BEGINNING | BEGINNING | CHANGES | | ENDING | | ENDING | | |
|-----------------------------------|----------|---------------------|---------------------|-------------------|---------------------|---------------------|------------------|---------------------|---------------------|--------------|
| | DATE | BOOK | MARKET | ADDITIONS | DEDUCTIONS | MARKET | INCOME-ACCRUED | BOOK | MATURITY | YIELD |
| | | VALUE | VALUE | | | VALUE | OR RECEIVED | VALUE | VALUE | |
| REAL ESTATE | | 612,156.00 | 612,156.00 | 58,024.00 | (215,180.00) | 455,000.00 | 0.00 | 455,000.00 | N/A | N/A |
| TOTAL INVESTMENT IN FUND | | 5,862,825.40 | 5,862,825.40 | 809,319.98 | (886,784.09) | 5,785,361.29 | 54,831.28 | 5,785,361.29 | 5,000,000.00 | 3.82% |
| PLANT | | | | | | | | | | |
| TEXPOOL (except Tech Center acct) | N/A | 886,655.74 | 886,655.74 | 50,270.95 | (70,225.00) | 866,701.69 | 10,511.27 | 866,701.69 | N/A | 4.74% |
| TEXPOOL - Tech Center | N/A | 566,531.84 | 566,531.84 | 6,791.57 | 0.00 | 573,323.41 | 6,791.57 | 573,323.41 | N/A | 4.74% |
| GOVT SECUR-FHLB 03/23/07 | 03/23/07 | 977,900.00 | 977,900.00 | 1,900.00 | 0.00 | 979,800.00 | 7,625.61 | 979,800.00 | 1,000,000.00 | 2.80% |
| GOVT SECUR-FHLB 11/21/05 | 11/21/05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,000,000.00 | 2.00% |
| GOVT SECUR-FHLB 03/08/10 | 03/08/10 | 487,750.00 | 487,750.00 | 0.00 | (4,350.00) | 483,400.00 | 6,239.31 | 483,400.00 | 500,000.00 | 4.50% |
| GOVT SECUR-FNMA 08/25/10 | 08/25/10 | 984,400.00 | 984,400.00 | 0.00 | (8,300.00) | 976,100.00 | 13,170.82 | 976,100.00 | 1,000,000.00 | 5.00% |
| GOVT SECUR-FNMA 12/15/08 | 12/15/08 | 995,500.00 | 995,500.00 | 0.00 | (4,000.00) | 991,500.00 | 13,800.96 | 991,500.00 | 1,000,000.00 | 5.25% |
| GOVT SECUR-FNMA 02/09/11 | 02/09/11 | 991,800.00 | 991,800.00 | 0.00 | (6,600.00) | 985,200.00 | 14,431.10 | 985,200.00 | 1,000,000.00 | 5.50% |
| GOVT SECUR-FHLB 10/14/05 | 10/14/05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 500,000.00 | 2.04% |
| TOTAL GOVT SECURITIES | | 4,437,350.00 | 4,437,350.00 | 1,900.00 | (23,250.00) | 4,416,000.00 | 55,267.80 | 4,416,000.00 | 6,000,000.00 | 3.87% |
| STOCK- HEWLETT PACKARD | N/A | 2,591.99 | 2,591.99 | 0.00 | (33.97) | 2,558.02 | 6.32 | 2,558.02 | N/A | N/A |
| STOCK- COCA COLA | N/A | 713.49 | 713.49 | 35.02 | 0.00 | 748.51 | 0.00 | 748.51 | N/A | N/A |
| STOCK- DEVON ENERGY | N/A | 34,005.40 | 34,005.40 | 0.00 | (736.60) | 33,268.80 | 65.25 | 33,268.80 | N/A | N/A |
| TOTAL INVESTMENT IN FUND | | 5,927,848.46 | 5,927,848.46 | 58,997.54 | (94,245.57) | 5,892,600.43 | 72,642.21 | 5,892,600.43 | 6,000,000.00 | 4.45% |
| 1992 BOND | | | | | | | | | | |
| TEXPOOL | N/A | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A | 4.74% |
| | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| COMMERCIAL STATE BANK - CD | 08/29/07 | 840,465.05 | 840,465.05 | 0.00 | 0.00 | 840,465.05 | 9,744.79 | 840,465.05 | 750,000.00 | 4.60% |
| | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| TOTAL INVESTMENT IN FUND | | 840,465.05 | 840,465.05 | 0.00 | 0.00 | 840,465.05 | 9,744.79 | 840,465.05 | 750,000.00 | 4.60% |
| 1995 BOND | | | | | | | | | | |
| TEXPOOL | N/A | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A | 4.74% |
| | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| TOTAL INVESTMENT IN FUND | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.74% |

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SUMMARY

| FUND | MATURITY | BEGINNING | BEGINNING | CHANGES | | ENDING | INCOME-ACCRUED OR RECEIVED | ENDING | MATURITY VALUE | YIELD |
|--|----------|---------------------|---------------------|---------------------|-----------------------|-------------------|-------------------------------|-------------------|-------------------|--------------|
| | DATE | BOOK VALUE | MARKET VALUE | ADDITIONS | DEDUCTIONS | MARKET VALUE | | BOOK VALUE | | |
| 1996 BOND | | | | | | | | | | |
| TEXPOOL | N/A | 74,856.88 | 74,856.88 | 242,199.94 | (314,708.01) | 2,348.81 | 1,068.57 | 2,348.81 | N/A | 4.74% |
| TOTAL INVESTMENT IN FUND | | 74,856.88 | 74,856.88 | 242,199.94 | (314,708.01) | 2,348.81 | 1,068.57 | 2,348.81 | | 4.74% |
| 1998 BOND | | | | | | | | | | |
| TEXPOOL | N/A | 137,543.19 | 137,543.19 | 393,874.57 | (527,548.74) | 3,869.02 | 1,860.95 | 3,869.02 | N/A | 4.74% |
| TOTAL INVESTMENT IN FUND | | 137,543.19 | 137,543.19 | 393,874.57 | (527,548.74) | 3,869.02 | 1,860.95 | 3,869.02 | | 4.74% |
| 2001 BOND | | | | | | | | | | |
| TEXPOOL | N/A | 87,089.65 | 87,089.65 | 398,314.17 | (480,901.30) | 4,502.52 | 1,530.89 | 4,502.52 | N/A | 4.74% |
| TOTAL INVESTMENT IN FUND | | 87,089.65 | 87,089.65 | 398,314.17 | (480,901.30) | 4,502.52 | 1,530.89 | 4,502.52 | | 4.74% |
| TOTAL ALL BOND FUND TEXPOOL | N/A | 299,489.72 | 299,489.72 | 1,034,388.68 | (1,323,158.05) | 10,720.35 | 4,460.41 | 10,720.35 | N/A | 4.74% |
| TOTAL ALL BOND FUND CD'S | VAR | 840,465.05 | 840,465.05 | 0.00 | 0.00 | 840,465.05 | 9,744.79 | 840,465.05 | 750,000.00 | 4.60% |
| TOTAL ALL BOND FUND GOVT SECUR | VAR | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| TOTAL INVESTMENT ALL BOND FUNDS | | 1,139,954.77 | 1,139,954.77 | 1,034,388.68 | (1,323,158.05) | 851,185.40 | 14,205.20 | 851,185.40 | 750,000.00 | 4.67% |
| AUXILIARY | | | | | | | | | | |
| TEXPOOL | N/A | 111,986.98 | 111,986.98 | 1,173.84 | (15,000.00) | 98,160.82 | 1,173.84 | 98,160.82 | N/A | 4.74% |
| SCHOLARSHIP | | | | | | | | | | |
| TEXPOOL | N/A | 215,372.76 | 215,372.76 | 305,464.73 | (460,000.00) | 60,837.49 | 5,464.73 | 60,837.49 | N/A | 4.74% |
| AGENCY | | | | | | | | | | |
| TEXPOOL | N/A | 90,596.81 | 90,596.81 | 1,086.10 | 0.00 | 91,682.91 | 1,086.10 | 91,682.91 | N/A | 4.74% |
| RESTRICTED | | | | | | | | | | |
| TEXPOOL | N/A | 6,229.46 | 6,229.46 | 74.67 | 0.00 | 6,304.13 | 74.67 | 6,304.13 | N/A | 4.74% |

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| FUND | MATURITY | BEGINNING | BEGINNING | CHANGES | | ENDING | | ENDING | | |
|-------------------------------------|----------|----------------------|----------------------|---------------------|-----------------------|----------------------|-------------------------------|----------------------|-------------------|--------------|
| | DATE | BOOK VALUE | MARKET VALUE | ADDITIONS | DEDUCTIONS | MARKET VALUE | INCOME-ACCRUED OR RECEIVED | BOOK VALUE | MATURITY VALUE | YIELD |
| TOTAL STOCKS | | 210,926.60 | 210,926.60 | 16,010.97 | (1,524.89) | 225,412.68 | 1,285.68 | 225,412.68 | N/A | 0.00% |
| TOTAL GOVT SECURITIES | | 13,799,300.00 | 13,799,300.00 | 30,000.00 | (55,300.00) | 13,774,000.00 | 153,947.24 | 13,774,000.00 | 16,000,000.00 | 3.90% |
| TOTAL CD'S | | 2,509,783.60 | 2,509,783.60 | 10,139.89 | (648,899.77) | 1,871,023.72 | 21,145.56 | 1,871,023.72 | 1,350,000.00 | 3.93% |
| TOTAL TEXPOOL | | 7,673,586.45 | 7,673,586.45 | 4,623,736.49 | (5,868,383.05) | 6,428,939.89 | 94,854.53 | 6,428,939.89 | N/A | 4.74% |
| TOTAL PROSPERITY ACCOUNT | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A | 0.00% |
| TOTAL REAL ESTATE | | 612,156.00 | 612,156.00 | 58,024.00 | (215,180.00) | 455,000.00 | 0.00 | 455,000.00 | | N/A |
| TOTAL ALL INVESTMENTS | | 24,805,752.65 | 24,805,752.65 | 4,737,911.35 | (6,789,287.71) | 22,754,376.29 | 271,233.01 | 22,754,376.29 | N/A | 4.19% |
| TOTAL STOCKS -- book value | | 210,926.60 | | 0.00 | 0.00 | 225,412.68 | 1,220.43 | 188,837.35 | | 0.65% |
| TOTAL GOVT SECURITIES -- book value | | 13,799,300.00 | | 0.00 | 0.00 | 13,774,000.00 | 104,918.75 | 9,841,400.00 | | 0.89% |
| TOTAL CD'S -- book value | | 2,509,783.60 | | | 0.00 | 1,871,023.72 | 9,744.79 | 1,871,023.72 | | 0.44% |