



June 6, 2025

Dr. Ken Schroeder
Ravenna Public Schools
PO Box 8040
Ravenna, NE 68869

Dear Dr. Schroeder,

Thank you for the opportunity to help the School District invest their bond proceeds until they are needed for construction disbursement payments. Because this is a unique occurrence and the funds are well above your normal deposit activity we are approaching it as an extra opportunity. This allows us to offer you rate options that are not normally available for funds which need to stay somewhat liquid.

We have reviewed your schedule of disbursements and have two options for you to consider for investing these funds until you will be needing them.

The first option is essentially a variable rate option – we would deposit the bond funds which will not be needed over the next month into a one month CD priced at 0.10% less than our shortest stated special on our rate sheet. When the CD matures, an amount needed for upcoming disbursements would be deposited into your building fund money market account and the remainder of the funds would then be reinvested into another one month CD priced as described above. Currently our short term CD has a 4.04% rate / 4.10% APY, which would give you a CD rate of 3.94% and an APY of 4.0% for the first month.

The second option is a fixed rate option – we would immediately deposit amounts needed for the entire project. The funds to be used for the first several months of the construction term would be placed into individual monthly certificates of deposit priced at 0.35% less than our shortest stated special on our rate sheet. Similarly, the funds to be used beyond that date would be placed into individual monthly certificates of deposit priced at 0.35% less than our longest stated special on our rate sheet. For example, we currently have a 7 month CD special priced at 4.04%/4.10% APY, and a 13 month special priced at 3.70%/3.75% APY. We would establish a CD with the funds expected to be disbursed for each of the first seven months at 3.69%/3.75% APY, and similarly we would establish a CD with the funds expected to be disbursed for each of months eight through thirteen at 3.35%/3.40% APY.

Note that the fed funds future market is currently indicating that the Fed may reduce interest rates four times over the course of the next 12 to 18 months, which would drive variable rate

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investment options down over that period of time. Whether that happens and how fast it happens is anyone's guess. With the two options above, you can either choose to accept the yields that the market allows us to pay over the period or you can choose to know how much you will earn by choosing a fixed rate option. Also note that keeping your funds under our roof gives you three assurances that your funds are safe – 1-the Bank's strong equity position and five star safety and soundness record, 2-the FDIC's implied guarantee which historically has greatly exceeded their \$250,000 stated guarantee, and 3-the securities that the Bank pledges to collateralize your deposits in excess of \$250,000.

I appreciate this opportunity to put your bond funds to work during your construction period. Please let me know what questions you might have.

Sincerely,



James Friesen
President

Ravenna Public Schools
School deposit proposal 6.5.2025

Assumed Fed Funds futures, 6/3/2025 forecast:
- roughly predicting:

What-if - based on
6/5/2025 rate sheet

Short term Bank offer Long Term Bank offer

	Fed funds rates?	Ravenna funds	Ravenna disbursements	Bank offer	Bank offer
6/1/2025	4.325				
7/1/2025	4.325	\$ 7,445,934		3.75	3.4
8/1/2025	4.325	7,411,927	34,007	3.75	3.4
9/1/2025	4.325	7,197,333	214,594	3.75	3.4
10/1/2025	4.075	7,067,168	130,165	3.75	3.4
11/1/2025	4.075	6,843,515	223,653	3.75	3.4
12/1/2025	4.075	6,210,793	632,722	3.75	3.4
1/1/2026	3.825	5,641,176	569,617	3.75	3.4
2/1/2026	3.825	4,970,095	671,081	3.75	3.4
3/1/2026	3.825	4,306,492	663,603	3.75	3.4
4/1/2026	3.575	3,435,710	870,782	3.75	3.4
5/1/2026	3.575	2,788,175	647,535	3.75	3.4
6/1/2026	3.575	2,158,362	629,813	3.75	3.4
7/1/2026	3.325	1,517,317	641,045	3.75	3.4
8/1/2026	3.325	1,013,171	504,146	3.75	3.4
9/1/2026	3.325	-	1,013,171	3.75	3.4
10/1/2026	3.325	-		3.75	3.4

Fixed option				Variable option	
Short term deposits offer 1	interest paid	Long term Deposits offer 2	interest paid	total interest paid	What-if - based on 6/5/2025 rate sheet Variable at 10 bps below CD special
2,475,839	7,737	4,970,095	14,082	\$ 21,819	3.94 \$ 24,447.48
2,441,832	7,631	4,970,095	14,082	21,713	3.94 24,336
2,227,238	6,960	4,970,095	14,082	21,042	3.94 23,631
2,097,073	6,553	4,970,095	14,082	20,635	3.7 21,790
1,873,420	5,854	4,970,095	14,082	19,936	3.7 21,101
1,240,698	3,877	4,970,095	14,082	17,959	3.7 19,150
671,081	2,097	4,970,095	14,082	16,179	3.45 16,218
-	-	4,970,095	14,082	14,082	3.45 14,289
		4,306,492	12,202	12,202	3.45 12,381
		3,435,710	9,735	9,735	3.2 9,162
		2,788,175	7,900	7,900	3.2 7,435
		2,158,362	6,115	6,115	3.2 5,756
		1,517,317	4,299	4,299	2.95 3,730
		1,013,171	2,871	2,871	2.95 2,491
		-	-	-	2.95 -
		-	-	-	2.95 -
				\$ 196,487	\$ 205,918