

**WEBB COUNTY**  
**POLICY FOR THE INVESTMENT OF COUNTY FUNDS**  
**(2014)**

This policy for the investment of funds of Webb County is adopted by the Webb County Commissioners Court pursuant to Section 116.112 of the Texas Local Government Code, Chapter 2256 of the Texas Government Code, and Chapter 2257 of the Texas Government Code. This policy will be reviewed and adopted by order at least annually, in accordance with Section. 2256.005 (e) of the Texas Government Code.

**ARTICLE I. DEFINITIONS**

Unless the context requires otherwise, the following terms and phrases used shall mean the following:

- A. "Authorized Investment" -- the types of investments authorized for the investment of the County's funds listed in Article IV hereof.
- B. "Commissioners Court" -- the Webb County Commissioners Court. Composed of four (4) Commissioners and a County Judge.
- C. "County" -- Webb County.
- D. "FDIC" -- The Federal Deposit Insurance Corporation.
- E. "Funds" -- all funds and accounts containing money, investments, or other financial assets belonging to the County, the investment of which is governed by the Public Funds Investment Act.
- F. "Investment Officer" -- the County Treasurer and a County Treasurer's employee designated as the County's Investment Officer by the Commissioners Court; such person(s) is responsible for the investment of the County's funds.
- G. "Investment Policy" -- this policy for the funds of Webb County.
- H. "Public Funds Collateral Act" -- Chapter 2257 of the Texas Government Code.
- I. "Public Funds Investment Act" -- Chapter 2256 of the Texas Government Code.

**ARTICLE II. INVESTMENT POLICY**

Section 2.01 Applicability. This Investment Policy applies to all funds. See Sections 3.02 through 3.04.

Section 2.02 Purpose. The Commissioners Court desires to adopt this Investment Policy in order to comply with the Public Funds Investment Act and to set forth the general policies governing investment of the Funds, the specific investment strategies applicable to each particular Fund, the guidelines for the investment of the Funds, including the types of investments authorized for the Funds, and the investment management policies of the County.

Section 2.03 Investment Policy. The primary concern of the Investment officer in the investment of the Funds shall be the preservation and safety of the principal. To the extent that the principal is protected, the secondary concern of the Investment Officer in investing the Funds shall be the liquidity of the County's investments. Finally, to the extent that principal is protected and there is liquidity, the Investment Officer shall invest the Funds to yield the market rate of return in accordance with this Investment Policy. The investment of all the Funds shall be undertaken in accordance with the provisions of the Investment Policy.

Section 2.04 Standard of Care. The Investment Officer shall invest the Funds with the judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of the principal and probable income to be derived.

Section 2.05 Investment Diversification. Investments shall be diversified by security type and issuer. The investments shall also be diversified as to maturity as described in the investment strategies in Article III.

Section 2.06 Investment Yield. To the extent that the principal is protected and there is liquidity of the investments, the Funds shall be invested to yield the market rate of return of comparable maturity, taking into consideration the strength of any insured financial institution selling investments to the County, and complying with all applicable laws, rules, or regulations and any bond resolutions or orders adopted from time to time by the Commissioners Court requiring yield restrictions.

Section 2.07. Investment Maturities. The Funds shall be invested to mature to meet the County's cash requirements, but when cash requirements are met, the Funds shall be invested in accordance with the investment strategies developed for individual Funds, as described in Article III.

### **ARTICLE III. INVESTMENT STRATEGIES**

Section 3.01. Purpose. The purpose of this Article III is to describe the investment objectives for each separate Fund and to provide investment strategies to obtain such objectives in order to ensure that investments in a particular Fund are suitable for and meet the objectives of the Fund.

Section 3.02 General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, and Fiduciary Funds.

A. The same investment objectives apply to each of the following funds: General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds. They are: (1) preserving the safety of the principal; (2) ensuring that money is available as needed to meet the liabilities of each fund, as estimated on its annual operating budget or cash flow; and (3) ensuring that the investments can be readily liquidated in the event there are unexpected additional operating costs.

B. The Investment Officer shall invest money of the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds in any Authorized Investment; provided that, however, for money needed for the County's monthly operating expenses, as determined by the annual operating budget and cash flow, investments will mature no later than the date the money will be needed to pay such operating expenses. For any operating reserve, no investment will have a maturity greater than 12 months from date of purchase, unless the Commissioners Court authorizes an investment with a longer maturity. At no time will investments of 12 months or more constitute more than 15% of the portfolio's of the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds.

Section 3.03 Capital Projects Funds.

A. The investment objectives of the Capital Projects Funds are: (1) preserving the safety of the principal; (2) ensuring that money is available as needed to meet the construction needs of the County; and (3) to the extent principal is protected and there is adequate liquidity, obtaining the maximum yield on investments as permitted by market conditions.

B. When applicable, the engineer/architect for a project shall submit to the Commissioners Court and the Investment Officer semi-annual written reports stating the anticipated construction needs of the County for the succeeding 12 months. Unless otherwise directed by the Commissioners Court, the written reports shall be submitted two months prior to the end of the County's fiscal year and six months thereafter.

C. The Investment Officer shall invest money of the Capital Projects Funds in any Authorized Investment; provided, however, that for money needed to meet the construction needs of the County, investments will mature no later than the date the money is expected to be needed to pay for the project. For other monies, investments will mature no later than 12 months after the date of purchase, unless the Commissioners Court authorized an investment with a longer maturity. At no time will investments with maturities of 12 months or more constitute more than 25% of the Capital Projects Funds portfolio.

Section 3.04. Debt Service Funds. A. The Investment objectives of the Debt Service Funds are: (1) preserving the safety of the principal; (2) ensuring that money is available as necessary to meet the debt service needs of the County; and (3) to the extent that principal is protected and there is adequate liquidity, obtaining the maximum yield as permitted by market conditions.

B. The Investment Officer shall invest money in the Debt Service Funds in any Authorized Investment for such Funds, and in accordance with any covenants made regarding the investment of these Funds as provided in any applicable bond order or resolution; provided, however, that for money needed for the County's next debt service payments, the investments will mature no later than the date the debt service payment is due. Once the immediate succeeding debt service payment is funded, investments will be purchased for the next debt service payment. If the next two debt service payments are fully funded, excess funds can be used for investments with maturity dates not to exceed two years from date of purchase unless otherwise authorized by the Commissioners Court. At no time will investments with maturities of two years or more constitute more than 20% of the Debt Service Fund portfolio.

#### **ARTICLE IV. INVESTMENT GUIDELINES**

Section 4.01. Purpose. The purpose of this Article IV is to set forth the types of Authorized Investments in which the Funds may be invested and the manner in which certain investments may be made.

Section 4.02. Authorized Investments. A. The Investment Officer is authorized to invest the Funds in the following types of investments:

1. Obligations of, or Guaranteed by, the United States Government. The Funds may be invested in obligations of, or guaranteed by, the United States or one of its agencies or instrumentalities. Authorized Investments in obligations of, or guaranteed by, the United States shall not constitute more than 75% of the portfolio. This includes "pass-through" mortgage-backed securities issued by such agencies or instrumentalities, with the exception of mortgage-backed securities listed in Section 4.03.

2. Certificates of Deposit. The Funds may be invested in certificates of deposit issued by a federally insured state or national bank domiciled in Texas or by a savings bank domiciled in Texas. Principal and accrued interest on certificates issued by a savings bank shall not exceed FDIC limits. Principal and accrued interest on certificates issued by a state or national bank domiciled in Texas shall not exceed FDIC limits and /or the collateral pledged as security for the County's investments as set forth in Section 4.04. Authorized Investments in certificates of deposit shall not constitute more than 20% of the portfolio.

3. Investment Pools. The Funds may be invested in investment pools authorized by the Public Funds Investment Act, Section 2256.016 ("eligible investment pools"), if the Commissioners Court by resolution or order authorizes investment in the particular eligible investment pool. An eligible investment pool shall invest the funds it receives from the County in authorized investments permitted by the Public Funds Investment Act. The County by contract may delegate to an eligible investment pool the authority to hold legal title as custodian of investments purchased with its local funds. Authorized Investments in eligible investments pool may constitute up to 100% of the portfolio.

4. Mutual Funds and Money Market Mutual Funds. The Funds may be invested in mutual funds and AAA-rated money market mutual funds permitted by and in conformance with the Public Funds Investment Act, Section 2256.014, Texas Government Code. Authorized Investments in mutual funds are restricted to 15% of the monthly average fund balance in accordance with the Public Funds Investment Act, Section 2256.014 © (1). No more than 80% of the County's monthly average fund balance may be invested in the aggregate separately or collectively in money market funds and mutual funds. In accordance with the Public Funds Investment Act, Section 2256.014 © (3), no bond proceeds, reserves or debt service funds may be placed in mutual funds.

5. Repurchased Agreements. The Funds may be invested in fully collateralized repurchase agreements if the repurchase agreement 1) has a defined termination date; 2) is secured by obligations described by Section 2256.009 (a) (1) of the Public Funds Investment Act; 3) requires the securities being purchased by the County to be pledged to the County, held in the County's name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County; and 4) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state. In this section, "repurchase agreement" means a simultaneous agreement to buy, hold for a specified period of time, and sell back at a future date, obligations described by Section 2256.009 (a) (1) of the Public Funds Investment Act, at a market value at the time funds are disbursed of not less than the principal amount of the funds disbursed. Authorized investments in repurchase agreements shall not constitute more than 50% of the portfolio.

Section 4.03.Prohibited Investments. The Funds are strictly prohibited from being invested in any of the following investment instruments:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.

2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.

4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Section 4.04.Security of Funds/Collateral Policy. A. All Funds held by an insured state or national bank domiciled in Texas in demand deposits or in certificates of deposit shall be secured by the FDIC and /or by 102% in pledged collateral. All Funds held in certificates of deposit by a savings bank domiciled in Texas must be fully secured by the FDIC. The County recognizes that the FDIC insurance is only available up to a maximum per account of \$250,000 up to December 2014 and then lowered to \$100,000 (including accrued interest) per financial institution and that the amount of funds at any one Texas financial institution (including branch offices) will be cumulated to determine whether the \$250,000 up to December 2014 and lowered to \$100,000 from then on limit has been exceeded.

B. To the extent the Funds held by banks domiciled in Texas are not insured by the FDIC, they shall be secured in the manner provided by law for the security of funds by the Public Funds Collateral Act. There shall be pledged as collateral for such funds, at a rate of 102% collateral, any of the following book entry securities: (1) government securities or obligations issued by the State of Texas, its agencies or political subdivisions, and approved by the Attorney General of Texas, payable from taxes; or (2) obligations of the United States or its agencies and instrumentalities, excluding mortgage backed securities; or (3) any other obligations or securities authorized to be collateral securing the funds of counties under the laws of the State of Texas that are approved by the Commissioners Court. All collateral shall be placed with an independent third party financial institution for safekeeping, with original safekeeping receipts issued to the County.



Section 4.05.Competitive Bidding. At least three bids/offers shall be solicited for each investment. Bids/offers may be solicited orally, in writing, electronically, or in any combination thereof.

Section 4.06.Authorized Financial Dealers and Institutions. A list will be maintained by the Investment Officer of creditworthy financial institutions and dealers authorized to sell investments to the County. All financial institutions and dealers who would like to become qualified to bid/offer on investments other than certificates of deposit and repurchase agreements must submit the following to the investment officer: (1) audited financial statements; (2) proof of National Association of Securities Dealers (NASD) certification, or for financial institutions, a statement from a senior bank official that the institution is registered as a government securities dealer; (3) proof of state registration; and (4) certification required by the Public Funds Investment Act. Compliance with these requirements must be verified by the Investment Officer before any transaction can be completed. An annual review of the financial condition and registration of qualified dealers and institutions will be conducted by the Investment Officer.

Section 4.07.Electronic Wire Transfers. Electronic means may be used to transfer or invest all Funds.

Section 4.08.Delivery vs. Payment. All investments, except certificates of deposit, investment pool funds and mutual funds, will be executed by delivery vs. payment (DVP) to ensure that investments purchased are deposited in the County's financial institution prior to the release of money in payment therefore.

Section 4.09.Loss of Required Rating. An investment under Section 4.02 that requires a minimum rating does not qualify as an Authorized Investment during the period that the investment does not have the minimum rating. The Investment Officer shall take all prudent measures that are consistent with this Investment Policy to liquidate any investment that does not comply with a minimum rating requirement.

## **ARTICLE V. INVESTMENT MANAGEMENT**

Section 5.01.Designation of Investment Officer. The Commissioners Court may designate the County Treasurer, and/or one or more County Treasurer's employees to serve as the Investment Officer for the County. The Investment Officer has the authority to invest the Funds in accordance with this Investment Policy and applicable law.

Section 5.02 Investment Training. The Investment Officer (s) shall attend at least one training session relating to such person's responsibilities under the Public Funds Investment Act within 12 months after taking office or assuming duties and attend an investment training session not less than once in a two year period and receive not less than 10 hours of instruction relating to investment responsibilities from an independent source approved by the Webb County Commissioners Court.

Section 5.03.Compliance Audit. The County, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to this Investment Policy.

Section 5.04.Internal Management. Reports Not less than quarterly, the Investment Officer shall prepare and submit to the Commissioners Court a written report of investment transactions for all Funds as required by the Public Funds Investment Act, Section 2256.023 (b), Texas Government Code.

Section 5.05.Conflicts of Interest. In the event that the Investment Officer has a personal business relationship with an entity seeking to sell an investment to the County, the Investment Officer shall file a statement with the Commissioners Court and the Texas Ethics Commission disclosing that personal business relationship prior to purchasing such investment. An Investment Officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to sell an investment to the County shall file a statement with the Commissioners Court and the Texas Ethics Commission disclosing that relationship.

Section 5.06. Disclosure of Investment Policies. A. The Investment Officer shall provide a copy of this Investment Policy to any person offering to engage in an investment transaction with the County. The qualified representative of the business organization or senior bank official offering to engage in an investment transaction with the County shall execute a written acknowledgment in the form set forth in Appendix "A" hereto, to the effect that the qualified representative or senior bank official has received and reviewed the Investment Policy of the County and acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude the investment transactions conducted between the County and the organization that are not authorized by the County's investment policy. The Investment Officer shall not acquire or otherwise obtain any authorized investment described in the investment policy of the County from a person who has not delivered to the County a written acknowledgement substantially to the effect as set forth in Appendix "A".

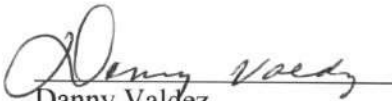
B. The County shall present the Investment Officer with a copy of this Investment Policy and the Investment Officer shall execute a written statement in the form set forth in Appendix "B" to the effect that the Investment Officer has reviewed the Investment Policy and has implemented procedures and controls to comply with this Investment Policy.

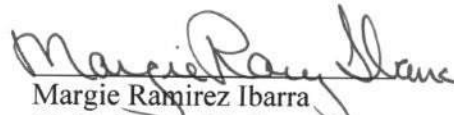
#### ARTICLE VI. MISCELLANEOUS

Section 6.01. Open Meeting. The Commissioners Court officially finds, determines, and declares that this Investment Policy was reviewed, carefully considered, and adopted at a regular meeting of the Commissioners Court beginning at 9:00 a.m. on **August 11, 2014** and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted at a place readily accessible and convenient to the public within the County and on a bulletin board located at a place convenient to the public in the Webb County Courthouse for the time required by law preceding this meeting, as required by the Open Meetings Act, Texas Government Code, Section 551, etsecy. as amended, and that this meeting had been open to the public as required by law at all times during which this Investment Policy was discussed, considered, and acted upon. The Commissioners Court further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 6.02. Effective Date. This Investment Policy shall be effective as of **August 11, 2014.**

(SEAL)

  
Danny Valdez  
Webb County Judge

  
Margie Ramirez Ibarra  
Webb County Clerk



**WEBB COUNTY COMMISSIONERS COURT  
ORDER**

**WHEREAS**, the Commissioners Court of Webb County, Texas, desires to adopt an Investment Policy in order to comply with the Public Funds Investment Act as outlined under chapter 2256 of the Texas Government Code; and


**WHEREAS**, the Commissioners Court of Webb County, Texas, is desirous in its Investment Policy to set forth the general policies governing investment of Public Funds, the specific investment strategies applicable to each particular Fund, the guidelines for the investment of the Funds, and the investment management policies of Webb County; and

**WHEREAS**, the Commissioners Court of Webb County, pursuant to Texas Government Code section 2256.005, must review its Investment Policy on annual basis; and

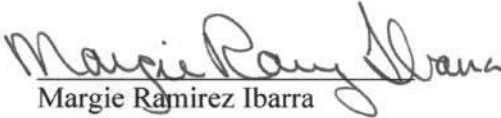
**WHEREAS**, the Commissioners Court of Webb County, Texas has reviewed its Investment Policy and Investment Strategies for Fiscal Year 2014.

**NOW THEREFORE**, be it **ORDERED** that the Commissioners Court of Webb County, Texas adopts Webb County Investment Policy for fiscal year 2014.

Passed and Approved on this the 11<sup>th</sup> day of August, 2014.

  
\_\_\_\_\_  
Honorable Danny Valdez  
Webb County Judge

**ATTESTED:**

  
\_\_\_\_\_  
Margie Ramirez Ibarra  
Webb County Clerk





***Delia Perales***  
*Webb County Treasurer*

July 28, 2014

Honorable Judge Danny Valdez  
And Webb County Commissioners  
Webb County Courthouse  
Laredo, Texas 78040

Dear Sir or Madam:

Enclosed please find a copy of Policy for the Investment of County Funds which is required to be adopted each year pursuant to Section 116.112 of the Texas Local Government Code, Chapter 2256 and 2257 (The Public Funds Investment Act).

I have enclosed my 2013 Investment Officer Certificate as having completed the required yearly education hours. As per the Public Funds Investment Act Sec. 2256.005 (b), I am aware that my duty is to (first) protect the principal of the money, (secondly), is liquidity, making sure that the money is there at all times to pay as needed, and (third), is the yield. Diversification of the investment portfolio is of utmost importance.

This document has been revised by the County Treasurer and our County Attorney and is hereby presented for your approval and filing at the County Clerk's office.

Sincerely,

A handwritten signature in cursive script that reads "Delia Perales".

Delia Perales  
Webb County Treasurer



TEXPOOL BANK ACCOUNTS

Investment Account #	Fund Number	Fund Name
<i>TEXPOOL</i>		
Bank Acct:24022000:		
005	862	PERMANENT SCHOOL FUND
006	001	GENERAL FUND
012	627	INTEREST INCOME SERIES 2001
	682	CAPITAL OUTLAY SERIES 2001
016	600	DEBT SERVICE
018	007	HOTEL MOTEL OCCUPANCY TAX
020	602	PARITY BOND RESERVE FUND
027	166	CONST. PCT. 1 FED FORFEIT
028	171	CONST. PCT. 4 FED FORFEIT
031	168	SHERIFF STATE FORFEITURE
032	170	SHERIFF FED. FORFEITURE TREASURY
033	167	DA STATE FORFEITURE
034	169	DA FEDERAL FORFEITURE
041	143	VERTEX TARGETED OPPORTUNITY
043	683	INTEREST INCOME SERIES 02
	691	CAPITAL OUTALY SERIES 02
	696	CAPITAL OUTLAY SERIES 02
047	149	TJPC-P JJAEP TEXAS EDUC.
048	375	CHILD WELFARE UNIT
068	605	BLDG MAINT & CONSTRUCTION
078	164	COUNTY ATTORNEY STATE FORFEITURE
079	010	OLD MILWAUKEE DEPOSITED FUNDS (ROAD & BRIDGE)
087	163	COUNTY ATTY FEDERAL FORFEITURE
088	175	SHERIFF JUSTICE FEDERAL FORFEITURE
089	529	DETENTION PROPERTY FUND

COMMERCE BANK FUNDS

Investment Account#	Fund Number	FundName
<b>COMMERCE BANK</b>		
Bank Acct Ending: 7927	657	INTEREST INCOME SERIES 03
	658	PARK DEVELOPMENT SERIES 03
	660	CAPITAL OUTLAY SERIES 03
	664	R.O.W. ACQUISITION SERIES 03
	666	SHILOH COMM CTR SERIES 03
7935	711	INTEREST INCOME SERIES 2006
	712	ROW ACQUISITION SR06
	716	CUATRO VIENTOS RD ROW SR06
	717	CASA BLANCA DAM SR06
	720	VETERANS MUSEUM SR06
	721	COURT HOUSE ANNEX SR06
	722	CAPITAL OUTLAY SR06
	723	PARK DEVELOPMENT SR06
	724	COMMUNICATION TOWER SR06
	727	ROAD & BRIDGE CAPITAL OUTLAY SR06
7943	684	JUVENILE YTH VILLAGE SR 08A
	734	INTEREST INCOME SSR'08A
2857	628	JAIL IMPROVEMENTS SR10
	629	FIRE&EMS EQUIPMENT SR 10
	630	CASA BLANCA DAM IMPR SR 10
	631	CASAS BLANCA GOLF CRS SR 10
	632	R&B EQUIPMENT SR 10
	633	JJAEP CONSTRUCTION SR 10
	634	BUENOS ARIES COMMCTR SR 10
	635	LA PRESA COMM CTR PHII SR 10
	638	CAPITAL OUTLAY SR 10
	639	INTEREST INCOME SR 10



***Delia Perales***  
*Webb County Treasurer*

July 28, 2014

AUTHORIZED LOCAL BANKS FOR SHORT TERM CD'S:

COMPASS BANK ✕

TEXAS COMMUNITY BANK ↯

WELLS FARGO ✕

COMMERCE BANK ✓

CHASE BANK ✕

LAREDO FEDERAL CREDIT UNION

DELIA PERALES   
WEBB COUNTY INVESTMENT OFFICER



**TEXAS PUBLIC FUNDS INVESTMENT ACT  
ACKNOWLEDGEMENT AND CERTIFICATION  
OF INVESTMENT POLICIES**

This Acknowledgement and Certification is executed on behalf of the Texas Local Government Investment Pools, TexPool and TexPool Prime (collectively, "TexPool"), and Federated Investment Counseling, as investment adviser to TexPool ("Adviser"), pursuant to Section 2256.005(k), Texas Government Code, in connection with investment transactions conducted between Webb County ("Investing Entity") and TexPool.

The undersigned, who is a qualified representative of both TexPool and Adviser (the "Qualified Representative") hereby certifies on behalf of TexPool and Adviser that, as of the date of this letter:

- (i.) The Qualified Representative is duly authorized to execute this Acknowledgment and Certification on behalf of TexPool and Adviser; and
- (ii.) The Qualified Representative has received and reviewed the Investing Entity's investment policy attached hereto as Exhibit A (the "Policy"); and
- (iii.) TexPool and Adviser have implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Investing Entity and TexPool that are not authorized by the Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Investing Entity's entire portfolio or requires an interpretation of subjective investment standards.

TEXPOOL

Signature: Steven A. Friedman  
Authorized Signatory

Date: 7/23/2014

FEDERATED INVESTMENT COUNSELING

Signature: Steven A. Friedman  
Assistant Vice President

Date: 7/23/2014

# TEXPOOL

## ANNOUNCEMENTS

We would like to recognize and welcome the following entities who joined the TexPool program in June 2014:

### TexPool

Electra ISD  
Lerin Hills MUD  
Montgomery County ESD 4

### TexPool Prime

Electra ISD  
City of Clear Lake Shores  
Clear Lake Shores EDC  
Plaza Ten 06 Corporation

### Upcoming Events

07/13/14 - 07/15/14  
TASSCUBO Summer Conference  
Austin

08/05/14 - 08/07/14  
CTAT Annual Conference  
Amarillo

08/27/14 - 08/29/14  
TAC Legislative Conference  
Austin

### TexPool Advisory Board Members

R.C. Allen	LaVonne Mason
Pati Buchenau	John McGrane
Jose Elizondo, Jr.	Clay McPhail
Ron Leverett	Vivian Wood

Overseen by the State of Texas Comptroller of Public Accounts Susan Combs.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company.

### Additional information regarding TexPool is available upon request:

www.texpool.com  
1-866-839-7665  
(1-866-TEX-POOL)  
Fax: 866-839-3291

## Federated®

Federated, founded in 1955, is publicly traded on the NYSE. It is one of the largest managers of AAA-rated money market portfolios in the country (Source: *iMoneyNet* as of 5/31/14).

Visit us at [FederatedInvestors.com](http://FederatedInvestors.com).

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Monthly Newsletter July 2014

# Economic and Market Commentary

## Month in Cash: Inch by inch, point by point

July 1, 2014

When the pace of change is glacial, every inch counts. You could apply that to a pair of aspects of the Federal Reserve this past month: its filling of governor posts and its overnight trading.

After months of waiting, the Senate finally confirmed Lael Brainard and Jerome Powell to the Fed's board of governors, and also approved Stanley Fischer as vice chair. But two open seats remain, leaving only five active governors. Considering how long it has taken to add Fischer, Brainard and Powell to the table, we'll take it. While we would rather see seven, it would have been hard to imagine a Fed with only three governors (even though all the regional Fed president posts are filled) working in such a crucial time for the economy.

The three additions may not seem to have altered the central bank's policy decisions following the Federal Open Market Committee (FOMC) meeting mid-month—it continued to taper its Treasury and asset-backed purchases by another \$10 billion to \$35 billion—but they will play a major role after this latest round of quantitative easing (QE) ends. That's because the bigger issue is when the Fed decides to raise its benchmark federal funds rate and by how much. The consensus ballpark for this is for it to slowly rise starting in spring of 2015, but Chair Janet Yellen reiterated that any move will be data dependent on the economy's health, and she thinks that is still under the weather.

Well, that means continued paltry interest rates for some time. But even from this perspective, a tiny bump up is at least something positive, and we have been getting that through the New York Fed's Overnight Fixed-Rate Reverse Repo facility, which uses Treasuries as collateral. It is extremely risk-free, but offers only five basis points. So it was heartening to start to see counterparties offering a few basis points higher to take some of that business. Tiny as the difference was, we are happy to have it.

Speaking of the big effect of tiny things, the "dots" returned. The FOMC has recently been asking its members to anonymously predict when they think the fed funds rate will rise and to what percent. These projections are indicated by points on a timeline/rate grid—the dot chart, as it is affectionately known. The placement of the points was ever so slightly hawkish than the last chart, especially in the short term. It was not that the members altered the time frame when they think rates will rise, but rather that several indicated they expected more of a rise in those times.

(continued page 6)

### PERFORMANCE AS OF JUNE 30, 2014

	TexPool	TexPool Prime
Current Invested Balance	\$14,435,246,878.24	\$981,534,027.47
Weighted Average Maturity (1)*	48 Days	46 Days
Weighted Average Maturity (2)*	79 Days	50 Days
Net Asset Value	1.00005	1.00001
Total Number of Participants	2,315	177
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$341,874.95	\$53,743.33
Management Fee Collected	\$570,719.08	\$53,535.82
Standard & Poor's Current Rating	AAAm	AAAm

### Month Averages

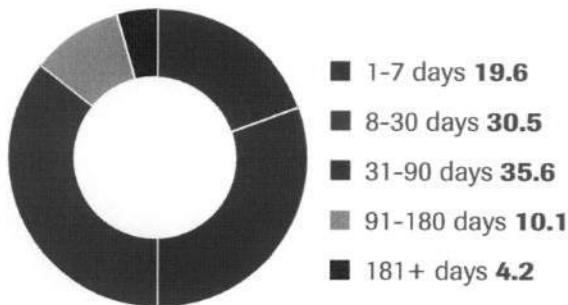
	TexPool	TexPool Prime
Average Invested Balance	\$14,649,906,930.92	\$1,016,210,441.16
Average Monthly Yield, on a simple basis (3)*	0.03%	0.06%
Average Weighted Average Maturity (1)*	51 Days	44 Days
Average Weighted Average Maturity (2)*	83 Days	49 Days

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



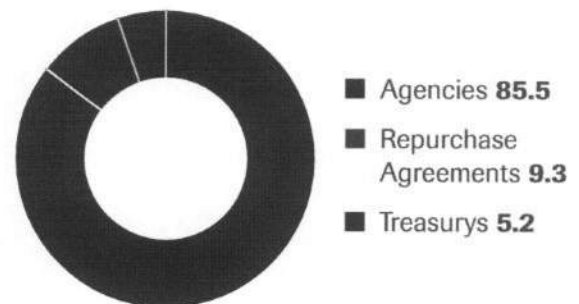
## Portfolio by Maturity (%)

As of June 30, 2014



## Portfolio by Type of Investment (%)

As of June 30, 2014



### PORTFOLIO ASSET SUMMARY AS OF JUNE 30, 2014

	Book Value	Market Value
Uninvested Balance	\$398,241.64	\$398,241.64
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	10,031,806.05	10,031,806.05
Interest and Management Fees Payable	-341,912.77	-341,912.77
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	0.00	0.00
Repurchase Agreements	1,343,425,000.00	1,343,423,250.00
Mutual Fund Investments	0.00	0.00
Government Securities	11,593,291,563.47	11,593,883,489.61
US Treasury Bills	0.00	0.00
US Treasury Notes	1,488,442,179.85	1,488,449,983.00
<b>Total</b>	<b>\$14,435,246,878.24</b>	<b>\$14,435,844,857.53</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

### PARTICIPANT SUMMARY

	Number of Participants	Balance
School District	575	\$4,496,243,238.70
Higher Education	56	\$1,000,178,236.75
Healthcare	80	\$570,467,428.19
Utility District	713	\$1,853,286,799.92
City	450	\$4,036,407,127.09
County	174	\$1,188,867,461.13
Other	267	\$1,289,687,930.09

#### Definition of Weighted Average Maturity (1) & (2)

\*(1) "WAM Days" is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

\*(2) "WAM Days" is calculated in the same manner as the described in footnote 1, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.

#### Definition of Average Monthly Yield (3)

\*(3) This current yield for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

# TEXPOOL

## DAILY SUMMARY

Date	Money Mkt. Fund Equiv. (SEC Std.)	Daily Allocation Factor	TexPool Invested Balance	Market Value Per Share	WAM Days (1)	WAM Days (2)
6/1	0.0239%	0.000000656	\$15,131,495,410.88	1.00005	55	87
6/2	0.0273%	0.000000747	\$14,999,996,915.97	1.00005	53	85
6/3	0.0256%	0.000000702	\$14,976,970,157.56	1.00004	53	84
6/4	0.0275%	0.000000754	\$14,776,641,871.68	1.00004	53	85
6/5	0.0249%	0.000000681	\$14,676,100,415.64	1.00004	52	84
6/6	0.0260%	0.000000713	\$14,612,009,971.70	1.00004	51	84
6/7	0.0260%	0.000000713	\$14,612,009,971.70	1.00004	51	84
6/8	0.0260%	0.000000713	\$14,612,009,971.70	1.00004	51	84
6/9	0.0258%	0.000000707	\$14,596,553,448.62	1.00004	49	81
6/10	0.0275%	0.000000753	\$14,617,921,734.40	1.00004	51	82
6/11	0.0279%	0.000000765	\$14,530,907,538.85	1.00005	52	84
6/12	0.0293%	0.000000803	\$14,472,042,516.84	1.00005	54	85
6/13	0.0299%	0.000000820	\$14,541,523,998.19	1.00005	53	85
6/14	0.0299%	0.000000820	\$14,541,523,998.19	1.00005	53	85
6/15	0.0299%	0.000000820	\$14,541,523,998.19	1.00005	53	85
6/16	0.0304%	0.000000834	\$14,763,916,838.74	1.00004	50	81
6/17	0.0293%	0.000000803	\$14,691,530,431.45	1.00004	51	82
6/18	0.0291%	0.000000796	\$14,620,043,573.33	1.00004	52	84
6/19	0.0281%	0.000000770	\$14,674,547,854.54	1.00005	52	83
6/20	0.0293%	0.000000804	\$14,581,310,269.45	1.00005	52	83
6/21	0.0293%	0.000000804	\$14,581,310,269.45	1.00005	52	83
6/22	0.0293%	0.000000804	\$14,581,310,269.45	1.00005	52	83
6/23	0.0285%	0.000000781	\$14,516,473,893.34	1.00005	50	80
6/24	0.0295%	0.000000808	\$14,553,524,457.23	1.00005	48	77
6/25	0.0300%	0.000000821	\$14,772,091,801.44	1.00005	50	80
6/26	0.0297%	0.000000813	\$14,635,827,813.32	1.00005	51	82
6/27	0.0307%	0.000000842	\$14,616,947,219.19	1.00005	50	81
6/28	0.0307%	0.000000842	\$14,616,947,219.19	1.00005	50	81
6/29	0.0307%	0.000000842	\$14,616,947,219.19	1.00005	50	81
6/30	0.0304%	0.000000834	\$14,435,246,878.24	1.00005	48	79
<b>Average</b>	<b>0.0284%</b>	<b>0.000000779</b>	<b>\$14,649,906,930.92</b>	<b>1.00005</b>	<b>51</b>	<b>83</b>



July 26, 2014

Ms. Delia Perales  
County Treasurer  
Webb County  
1110 Washington Street, Suite 202  
Laredo, TX 78040

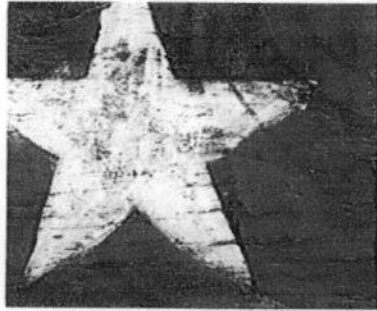
Re: Webb County Investment Policy

Dear Ms. Perales:

Thank you for your interest in the Texas CLASS program. This letter is to acknowledge that the Texas CLASS staff has received from you (the "Investor") and reviewed the Investment Policy (described in (ii) below) and the form of resolution (the "Resolution") proposed for adoption by your governing body (the "Governing Body") approving the Investment Policy. According to the Resolution, the Investment Policy has been developed in accordance with the requirements of the Public Funds Investment Act, Texas Government Code, Chapter 2256 (the "Act"), and, upon adoption, will authorize you to deposit funds in Texas CLASS for investment by Texas CLASS. You also have represented to the undersigned that:

- i. The Investment Officer named in the Resolution has been, or upon adoption of the Resolution will be, (a) duly designated by official action of the Governing Body to act as its Investment Officer pursuant to the Act, (b) vested with full power and authority under the Act and other applicable law (collectively, the "Authorized Investments Law") to engage in investment activities on behalf of the Investor and to perform all obligations in connection therewith, and (c) duly authorized to execute this letter on behalf of the Investor for the purpose of confirming the representations of the Investor set forth herein;
- ii. Pursuant to the Act, the Governing Body of the Investor has, or will upon approval of the Resolution have, duly adopted a written investment policy, including an investment strategy (as the same may be amended, the "Investment Policy"), and the Investment Officer (a) has furnished a true and correct copy of the Investment Policy to us and (b) will promptly notify us of any rescission of, or amendment to, the Investment Policy, provided that we shall be entitled to rely upon the most recent version of the Investment Policy furnished by the Investment Officer; and
- iii. The Investor has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions with Texas CLASS, and prior to investing assets through the Texas CLASS program, the Investment Officer will determine that the contemplated investment is authorized under the Authorized Investments Law and is consistent with the Investment Policy.

Texas CLASS acknowledges that it has reviewed the investment policy of the above-named entity and has implemented reasonable procedures and controls in an effort to preclude



## The NEWS

### 4 Helpful Hints When Evaluating a Bank

According to the Federal Deposit Insurance Corporations (FDIC) Web site nearly 500 banks have failed nationally since the start of 2008\*. Compare this frightening statistic with the fact that only 27 banks failed between January of 2000 and December of 2007 and there is no denying that the recent economic downturn had a catastrophic impact on the banking world as a whole.

As an investor of public funds, what steps can you take to appropriately analyze your banking relationship? How can you sleep better at night knowing that you upheld your fiduciary responsibility to the general public?

#### Hint 1 - Do your Homework

Prior to partnering with a bank, there are a number of ways to help ensure that the bank in question is well-capitalized and in general good health. The FDIC is a great resource to use, and rating/ranking services such as Highline offer additional insights that can help to put your mind at ease prior to signing on the dotted line.

#### Hint 2 - Request a Client Analysis Statement

When working with any banking partner it is always important to obtain a "Client Analysis Statement". Unlike the asset management industry, banks are not required to disclose the fees they are charging to depositors. The client analysis statement provides a line by line fee disclosure for all services. To illustrate, the document will show the exact amount a depositor has paid to the bank for electronic checks, online access, electronic statement delivery, ACH, wire transfers etc. Sometimes, clients are being charged for services they never utilize.

#### Hint 3 - Analyze the Analysis Statement

Banks should provide a client analysis statement upon request. Once the analysis is received, it is important to sit down and walk through the statement line by line. As mentioned above, each fee charged over the course of a year will be disclosed as a line item. Be sure to review the

fees being charged by the bank with the client to ensure they are utilizing the services.

#### Hint 4 - Determine the Earnings Credit & Net Yield

Banks will determine a required balance in order to receive the stated "earnings credit". For example, let's say the earnings credit is .40% or 40 basis points. This figure is known as the Gross Yield. For this illustration the client must have at least \$4,000,000 in deposits in order to receive the credit. This is where the fees come into play to determine the Net Yield the client is actually receiving. Once you have determined the fees, you can subtract the fees from the required deposit then divide by the gross yield to determine the actual Net Yield. Some banks communicate a high gross yield to the client but after the fees are taken into consideration, the net yield is significantly lower than what the client thinks they are receiving. In addition, the required deposit to "earn" the yield is a way of keeping the deposits in the bank rather than moving to other liquidity options such as Money Markets and Local Government Investment Pools.

#### In Summary

Many banks nationally are not motivated to hold public funds. The collateralization requirements make holding large public deposits very expensive for banks. Over the last few years, many regional and local banks have started to turn away public deposits from government entities. The institutions that are accepting the deposits are adding on more fees to ensure that they are profitable on the deposits once the cost of collateralization has been determined. We hope these hints help to confirm that your banking partners are in good standing and are really offering you the rates you think you are receiving!

Best Regards,  
Texas CLASS Staff

\* <http://www.fdic.gov/bank/individual/failed/banklist.html>

All comments and discussion presented are purely based on opinion and assumptions, not fact, and these assumptions may or may not be correct based on foreseen and unforeseen events. The information above is not a recommendation to buy, sell, implement or change any securities or investment strategy, function or process. Any financial and/or investment decision should be made only after considerable research, consideration and involvement with an experienced professional engaged for the specific purpose. Of course past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.

## The **ECONOMY**

### Muddling Along

The June 18th Federal Open Market Committee (FOMC) meeting proved to be a non-event, as the official statement and post-meeting press conference provided little insight to any potential shifts in monetary policy. While the U.S. economy contracted in the first quarter by the most in five years, reporting a negative 2.9 percent annualized rate, the continued gradual improvement of the labor market and recent firming of inflation led some to believe that the FOMC might sound a bit more hawkish in its assessment of economic conditions. This was not to be, with Chairwoman Janet Yellen notably referring to the recent inflation data as "noisy".

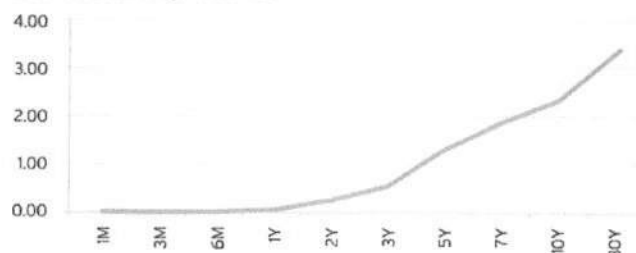
The one notable takeaway from the June meeting was the downward revision to the Committee's economic projection for growth in 2014, from roughly 2.9 percent to 2.2 percent. With the first quarter already in the books, this would still imply that the economy will grow at over 3.0 percent for the final three quarters of this year. With this in mind, the markets are now patiently waiting for signs that economic activity is actually accelerating. Unfortunately, most of the data over the past few months has painted a muddled picture of the economy.

The recent weakness in consumer spending, with retail sales cooling off in May, has to be of some concern. However, new and existing home sales have recently posted large increases, exemplifying the mixed nature of the data. For now, the markets generally expect the FOMC to raise the federal funds target rate at some point next summer. As the FOMC has stressed time and again, the future path of monetary policy is not pre-set, and will be heavily dependent on future gains made in the labor market.

### Portfolio Strategy

Short-term rates continued to be well anchored by the Fed's zero interest target rate policy, expected to last well into next year. Therefore, we remain focused on safety, liquidity and then yield. Texas CLASS is rated AAAM by Standard & Poor's.

### US Treasury Curve



Source: Bloomberg

### Treasury Yields

MATURITY	7/1/14	6/2/14	CHANGE
3 Month	0.020%	0.030%	-0.010%
6 Month	0.040%	0.040%	0.000%
1-Year	0.100%	0.090%	0.010%

Source: Bloomberg

### Agency Yields

MATURITY	7/1/14	6/2/14	CHANGE
3 Month	0.070%	0.050%	0.020%
6 Month	0.090%	0.070%	0.020%
1-Year	0.110%	0.110%	0.000%

Source: Bloomberg

### Commercial Paper Yields (A-1/P-1)

MATURITY	7/1/14	6/2/14	CHANGE
1 Month	0.140%	0.150%	-0.010%
3 Month	0.180%	0.180%	0.000%
6 Month	0.270%	0.270%	0.000%
9 Month	0.330%	0.330%	0.000%

Source: Bloomberg

### Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q1 '14	-2.90%
US Unemployment	May '14	6.30%
ISM Manufacturing	Jun '14	55.3
PPI YoY	May '14	2.40%
CPI YoY	May '14	2.10%
Fed Funds Target	Jun 18 '14	0 - 0.25%

Source: Bloomberg

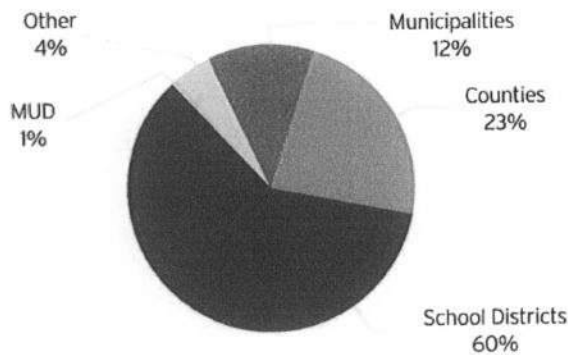


## The**FUND**

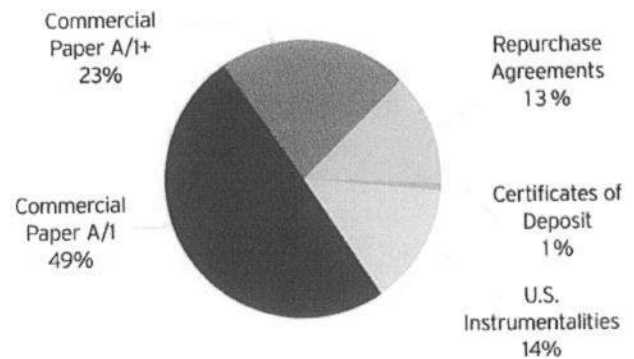
### Fund Highlights as of June 30, 2014 (Unaudited)

The following information is provided in accordance with Texas state statute 2256.0016. As of June 30, 2014 the portfolio contained the following types of securities:

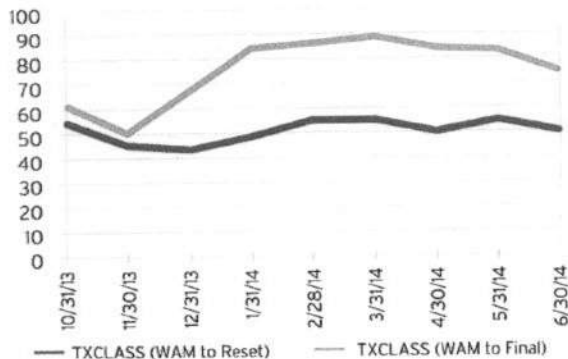
#### Participant Asset Distribution



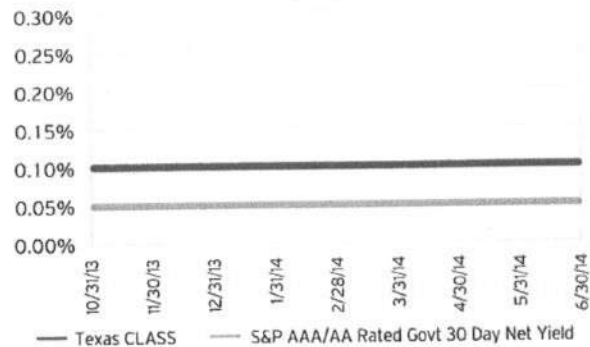
#### Portfolio Distribution



#### Weighted Average Maturity



#### Texas CLASS vs S&P AAA/AA GIP\* (30 Day Avg Yields)



#### Program Yields

Apr-14	0.10%
May-14	0.10%
Jun-14	0.10%

	Mar 31, 2014	Jun 30, 2014
Shares Balance	\$3,017,312,783	\$2,786,097,958
Market Value	\$3,017,631,080	\$2,786,420,997
Amortized Cost	\$3,017,442,277	\$2,786,256,002

#### Weighted Average Maturity

Apr-14	50
May-14	55
Jun-14	50

Data Unaudited. All comments and discussion presented are purely based on opinion and assumptions, not fact, and these assumptions may or may not be correct based on foreseen and unforeseen events. The information above is not a recommendation to buy, sell, implement or change any securities or investment strategy, function or process. Any financial and/or investment decision should be made only after considerable research, consideration and involvement with an experienced professional engaged for the specific purpose. Additionally, past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.

\*The benchmark, the S&P US AAA & AA Rated GIP All 30 Day Net Yield (LGIP300) is a performance indicator of rated GIPs that maintain a stable net asset value of \$1.00 per share and is an unmanaged market index representative of the LGIP universe. The S&P benchmark utilized in this comparison is a composite of all rated stable net asset value pools. GIPs in the index include only those rated based on Standard & Poor's money market criteria. Pools rated 'AAAm' provide excellent safety and a superior capacity to maintain principal value while those rated 'AAAm' offer very good safety and a strong capacity to maintain principal value (Source: Standard & Poor's website.) The comparison between this index and the portfolio may differ in holdings, duration and percentage composition of each holding. Such differences may account for variances in yield. Past performance is not a guarantee of future results. Any financial and/or investment decision may incur losses.

## The **FUND**

### Fund Highlights as of June 30, 2014

(Unaudited)

For the month of June, 2014, the Program Administrator, accrued fees of \$241,961.17 based on average shares outstanding for the Texas CLASS of \$2,848,529,008.43. The fee is accrued on a daily basis by multiplying the value of the investment property as determined each day by the fee rate divided by 365 days. The Program Administrator reserves the right to abate fees listed in the Sixth Amended and Restated Trust Agreement. The monthly fee is the sum of all daily fee accruals for the month of June. The fee is paid monthly upon notification to the custodian bank. As of June 30, 2014 the fee was 10.7 basis points.

- Rated "AAAm" by Standard and Poor's Rating Services.
- Net Asset Value from April 1 to June 30, 2014 is equal to \$1.00.
- The final maturity dates of all securities were less than one year.
- The custodian bank for Texas CLASS is Wells Fargo Bank.
- Total Number of Participants is 480.
- There are currently no investments that have a stated maturity greater than one year.
- The portfolio manager for Texas CLASS is Randy Palomba, CFA.
- The Sixth Amended and Restated Trust Agreement was adopted by the Board of Trustees on August 16, 2013. You can access your copy of the Sixth Amended and Restated Trust Agreement by visiting our website at [www.texasclass.com](http://www.texasclass.com).

Additional information can be provided to you by calling the Texas CLASS Client Service Desk at 1-800-707-6242.

### Texas CLASS

2435 North Central Expressway  
Suite 1200  
Richardson, TX 75080  
T 214-473-4224  
[info@texasclass.com](mailto:info@texasclass.com)  
[www.texasclass.com](http://www.texasclass.com)

### Advisory Board Members

NAME	TERM
Mark Burton Municipal Accounts & Consulting, L.P.	2017
Arthur Martin Qualified Non-Participant	2015
Tony Sekaly Qualified Non-Participant	2016

### Board of Trustees Members

NAME	TERM
Mike Hagar Alamo Heights ISD	2016
Rodney Rhoades City of McKinney	2015
Roger Roecker City of Friendswood	2015
Cindy Brown Denton County	2015
Steve Williams City of Conroe	2015
Monika Arris Collin County	2016
Vacancy	2014



**Counties**

ARANSAS COUNTY

BASTROP COUNTY

BEE COUNTY

BELL COUNTY

BRAZORIA COUNTY

BREWSTER COUNTY

BURLESON COUNTY

BURNET COUNTY

CALDWELL COUNTY

CARSON COUNTY

CASS COUNTY

CHAMBERS COUNTY

COKE COUNTY

COLLIN COUNTY

COLORADO COUNTY

COUNTY OF MEDINA

DENTON COUNTY

ECTOR COUNTY

EL PASO COUNTY

ELLIS COUNTY

FORT BEND COUNTY

FRANKLIN COUNTY

GALVESTON COUNTY

GILLESPIE COUNTY

GUADALUPE COUNTY

HARRIS COUNTY

HARRISON COUNTY

HAYS COUNTY

HIDALGO COUNTY

HILL COUNTY

HOPKINS COUNTY

HOWARD COUNTY

JACKSON COUNTY

JEFFERSON COUNTY

JOHNSON COUNTY

KARNES COUNTY

LEE COUNTY

LIMESTONE COUNTY

MCLENNAN COUNTY

MIDLAND COUNTY

MONTGOMERY COUNTY

NAVARRO COUNTY

NUECES COUNTY

POLK COUNTY

ROCKWALL COUNTY

SAN JACINTO COUNTY

SAN PATRICIO COUNTY

SMITH COUNTY

TARRANT COUNTY

TAYLOR COUNTY

TOM GREEN COUNTY

TOM GREEN COUNTY CLERK

VAN ZANDT COUNTY

WALKER COUNTY

WALLER COUNTY

WASHINGTON COUNTY

WEBB COUNTY

WILSON COUNTY

WILLACY COUNTY



**School Districts**

ALAMO HEIGHTS ISD	CLEAR CREEK ISD	EL PASO ISD
ALICE ISD	COLUMBIA - BRAZORIA ISD	ELDRIDGE ROAD M.U.D.
ALLEN ISD	COLUMBUS ISD	ENNIS I.S.D.
ALVIN ISD	CONNALLY ISD	EVERMAN ISD
ANAHUAC ISD	CONROE ISD	FARMERSVILLE ISD
ANGLETON INDEPENDENT SCHOOL	COPPELL ISD	FORNEY I.S.D.
ARANSAS COUNTY ISD	CORPUS CHRISTI ISD	FORT HANCOCK ISD
ARLINGTON ISD	CROSBYTON CISD	FORT SAM HOUSTON ISD
ATHENS ISD	CROWLEY I.S.D.	FORT WORTH I.S.D.
ATLANTA ISD	DALLAS COUNTY SCHOOLS	FRANKSTON ISD
BECKVILLE ISD	DALLAS ISD	FREDERICKSBURG ISD
BEEVILLE ISD	DEER PARK ISD	FRENSHIP ISD
BIRDVILLE ISD	DEL VALLE ISD	FRIENDSWOOD ISD
BRENHAM ISD	DESOTO ISD	GALVESTON INDEPENDENT SCHOOL DISTRICT
BROWNSVILLE ISD	DEVERS ISD	GEORGE WEST ISD
BURKBURNETT ISD	DICKINSON ISD	GEORGETOWN ISD
CALDWELL ISD	DUNCANVILLE ISD	GOLIAD ISD
CALHOUN COUNTY ISD	EAGLE MOUNTAIN-SAGINAW ISD	GONZALES ISD
CANUTILLO ISD	EANES ISD	GRAND PRAIRIE ISD
CARROLL ISD	EAST CENTRAL ISD	GREENVILLE I.S.D.
CELINA ISD	EDCOUCH-ELSA ISD	GROESBECK ISD
CHANNELVIEW ISD	EDGEWOOD ISD	GUNTER ISD
CHAPEL HILL ISD	EDINBURG C.I.S.D.	HARDIN ISD



HARLANDALE ISD

HARLINGEN CISD

HAYS CISD

HEREFORD ISD

HITCHCOCK ISD

HUDSON I.S.D.

HUNTSVILLE I.S.D.

HUTTO ISD

INDUSTRIAL ISD

IRVING ISD

JACKSONVILLE ISD

KATY ISD

KAUFMAN ISD

KEMP ISD

KENEDY ISD

KILGORE ISD

KILLEEN ISD

LA PORTE ISD

LA VEGA ISD

LA VERNIA ISD

LAKE DALLAS ISD

LAKE TRAVIS ISD

LAKE WORTH I.S.D.

LAMAR CISD

LANCASTER ISD

LAREDO ISD

LEANDER ISD

LEVERETTS CHAPEL I.S.D.

LITTLE CYPRESS-MAURICEVILLE  
CISD

LITTLE ELM ISD

LOCKHART ISD

LONGVIEW INDEPENDENT  
SCHOOL DISTRICT

LORENZO ISD

LOVEJOY I.S.D.

MABANK ISD

MAGNOLIA ISD

MANSFIELD ISD

MARSHALL ISD

MCKINNEY ISD

MERCEDES ISD

MEYERSVILLE ISD

MIDLAND ISD

MIDWAY ISD

MILLSAP ISD

MISSION CISD

MONTGOMERY I.S.D.

MT. PLEASANT I.S.D.

NACOGDOCHES ISD

NEW BRAUNFELS ISD

NORTH EAST ISD

NORTH FOREST ISD

NORTHPOINTE W.C.I.D.

NORTHSIDE ISD

OVERTON ISD

PALESTINE ISD

PALMER ISD

PARIS ISD

PASADENA ISD

PEARSALL ISD

PETTUS ISD

PFLUGERVILLE ISD

PHARR-SAN JUAN-ALAMO ISD

PINE TREE ISD

PROSPER I.S.D.

QUEEN CITY ISD

RANDOLPH FIELD ISD

RAYMONDVILLE ISD

RED OAK ISD

REDWATER ISD

REFUGIO ISD

RICE CISD

RICHARDSON ISD

RIO GRANDE CITY CISD

RIVER ROAD ISD

ROCKWALL ISD





ROGERS ISD	TERRELL ISD
ROMA ISD	TEXARKANA ISD
ROOSEVELT ISD	TEXAS SCHOOL FOR THE BLIND ISD
S & S CISD	TEXAS SCHOOL FOR THE DEAF
SABINE ISD	THORNDALE ISD
SALADO ISD	TROUP ISD
SAN ANGELO ISD	TULOSO - MIDWAY ISD
SAN BENITO CISD	TYLER ISD
SAN FELIPE - DEL RIO CISD	UNITED ISD
SANTA FE ISD	VAN ALSTYNE ISD
SCHERTZ CIBOLO UNIVERSAL CITY ISD	VICTORIA ISD
SCURRY - ROSSER ISD	VIDOR I.S.D.
SEALY I.S.D.	WACO ISD
SEGUIN ISD	WALLER ISD
SHARYLAND ISD	WAXAHACHIE ISD
SHERMAN ISD	WEATHERFORD ISD
SINTON ISD	WESLACO ISD
SOUTH SAN ANTONIO ISD	WEST ISD
STAFFORD MSD	WHITE OAK ISD
STAMFORD ISD	WHITEHOUSE I.S.D.
SWEENEY INDEPENDENT SCHOOL DISTRICT	WHITESBORO I.S.D.
TAFT ISD	WYLIE ISD
TATUM ISD	YORKTOWN ISD
TAYLOR ISD	YSLETA ISD
TEMPLE ISD	ZAPATA COUNTY ISD



Texas Cooperative Liquid Assets Securities System

investment transactions involving funds invested on behalf of Texas CLASS participants that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards. The Texas CLASS Program allows the purchase of investments that are authorized by the Act. Texas CLASS is committed to the high standards and level of service that participants expect in the investments of their funds.

The foregoing representations of the Investor are true and correct as of the date hereof.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gregory S. Wright", is written over a light blue horizontal line.

Gregory S. Wright  
Texas CLASS Administrator