Agenda of Regular Meeting

The Board of Trustees
Little Elm ISD

A Regular Meeting of the Board of Trustees of Little Elm ISD will be held February 20, 2023, beginning at 6:00 PM in the Little Elm ISD Administration Building.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. Call to Order Open Session in the Board Room at Little Elm ISD Administration Building on 400 Lobo Lane, Little Elm, Texas 75068.
2. The Board will recess into Closed Meeting in the Board Support Conference Room as permitted by the Texas Open Meetings Act Code Subchapter 551.072 & 551.074. The Board and Superintendent will discuss:
   A. Personnel
   B. Land
3. Pledge of Allegiance
4. Invocation
5. Introduction and Roll Call
6. Superintendent Spotlight
   A. Special Recognition
   Presenter: Daniel Gallagher
   B. Business Services Recognitions
   Presenter: Shay Adams
7. Citizen Input
Audience participation shall be permitted at regular Board meetings and shall be limited to the public comment portion designated for that purpose
8. Approval of Minutes
   A. Consider approval of Regular Board Meeting Minutes - January 23, 2023 4
   Presenter: Sonia S. Flores
9. Action Items
   A. Consider approval of 2023-2024 Administrator Contracts 9
   Presenter: Asheley Brown
   B. Consider approval of the 2023-2024 - Little Elm ISD Calendar 10
   Presenter: Dr. Penny Tramel
   C. Consider approval of Board Resolution: Little Elm ISD Investment Officers 13
   Presenter: Shay Adams
   D. Consider approval of Architect Selection for High School Locker Room Conversions/Renovations 15
   Presenter: Rick Martin

10. Consent Agenda
    A. Consider approval of the Joint Election Contract with Denton County 17
    Presenter: Sonia S. Flores
    B. Consider approval of Financial Reports - December 2022 30
    Presenter: Jesse Wyse
    C. Consider approval of Annual Investment Report and Policy 72
    Presenter: Jesse Wyse
11. Board President Comments
Presenter: Jason Olson
12. Board Comments
13. Superintendent Comments
14. Adjournment

If, during the course of the meeting, the Board of Trustees should determine that a closed meeting should be conducted, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq. The meeting will be held by the School Board at the date, hour, and place given in this Notice or as soon after the commencement of the meeting covered by this Notice as the School Board may conveniently meet in such closed or executive meeting or session concerning any and all purposes permitted by the Act, including, but not limited to the following sections and purposes:

Texas Government Code Section:

551.071	Private consultation with the Board's attorney.
551.072	Discussing purchase, exchange, lease, or value of real property.
551.073	Discussing negotiated contracts for prospective gifts or donations.
551.074	Discussing personnel or to hear complaints against personnel.
551.075	To confer with employees of the school district to receive information or to ask questions.
551.076	Considering the deployment, specific occasions, for or implementation of security personnel or devices.
551.082	Considering discipline of a public school child, or complaint or charge against personnel.
551.0821	Considering personally identifiable information about public school student.
551.083	Considering the standards, guidelines, terms, or conditions the board will follow, or will instruct its representatives to follow, in consultation with representatives of employees groups,
551.084	Excluding witnesses from a hearing.

Before any closed meeting is convened, the presiding officer will publicly identify the section or sections or the Act authorizing the closed meeting.

Should any final action, final decision, or final vote be required in the opinion of the School Board with regard to any matter considered in such closed or executive session, then the final action, final decision, or final vote shall be either:

(a) in the open meeting covered by the Notice upon the reconvening of the public meeting, or
(b) at a subsequent public meeting of the School Board upon

notice thereof; as the School Board shall determine.

_____

Superintendent

Original copy of this agenda was posted on the bulletin board at the Little Elm ISD Administration Building 72 hours prior to the scheduled meeting.

_____

Sonia S. Flores

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date **02-20-2023**	**Reports of the Superintendent** ☐	**Action Item** ☒	**Consent Agenda** ☐	**Reports, Routine Monthly** ☐	**Other** ☐

Subject:	**REGULAR BOARD MEETING MINUTES – 1/23/2023.**
Presenter or Contact Person:	Sonia S. Flores
Policy/Code:	N/A
Strategic Plan Goal:	N/A
Summary:	Board Meeting Minutes for January 23, 2023.
Financial Implications:	There is no financial impact to the budget.
Attachments:	Meeting Minutes
Recommendation:	**The Administration recommends the approval of the Regular Board Meeting Minutes for January 23, 2023.**
Motion:	**I move that the Board approve the attached Regular Board Meeting Minutes for January 23, 2023.**

Agenda of Regular Meeting

The Board of Trustees
Little Elm ISD

A Regular Meeting of the Board of Trustees of Little Elm ISD will be held January 23, 2023, beginning at 6:00 PM in the Little Elm ISD Administration Building.

PRESENT: President Jason Olson, Vice President Monique Thompson, Secretary DeLeon English, Trustee Ken Beber, Trustee David Montemayor, Trustee Mary Watkins, Trustee Alex Flores, and Superintendent Daniel Gallagher.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. Call to Order Open Session in the Board Room at Little Elm ISD Administration Building on 400 Lobo Lane, Little Elm, Texas 75068. The meeting was called to order by President Jason Olson at 6:00 pm.
2. The Board recessed into Closed Meeting at 6:00 pm in the Board Support Conference Room as permitted by the Texas Open Meetings Act Code Subchapter 551.072 & 551.074. The Board and Superintendent discussed:
    A. Personnel
    B. Land
    The Board reconvened at 7:03 pm.
3. Pledge of Allegiance
The Board led those present to The Pledges of The United States Flag and The Texas Flag.
4. Invocation
Pastor Zach Wright from Hope Fellowhip offered the invocation.
5. Introduction and Roll Call
Ms. Sonia S. Flores took roll call.
6. Superintendent Spotlight
    A. Students Recognition
    Mr. Ross Roberts and campus administrators recognized the students of the month.
    B. Little Elm ISD Education Foundation Recognition
    Ms. Cecelia Jones presented a check for $6,000 to the Education Foundation from the proceeds of the 633 Run.
    C. Lobo Angel Tree Recognition
    Ms. Yamile Quintero thanked the volunteers who participated in this event and recognized their hard work.
    D. Board Recognition Month
    Mr. Daniel Gallagher thanked the Board for everything they do for LEISD, the long hours and the hard work.
7. Reports of the Superintendent

A. 2023-2024 Little Elm ISD Calendar

Dr. Penny Tramel shared a presentation with the Board that included the following:

- Calendar Development
- Calendar Input
- Questions / Comments

8. Citizen Input

Audience participation shall be permitted at regular Board meetings and shall be limited to the public comment portion designated for that purpose

McCall Bennett – 4 day school week
Lloyd Reeves – 4 day school week, funding appropriations
Emma Nolan – 4-day weekend advantages
Leigh Rosen Cebulka – 4 day school week
Dr. Wendi Johnson – Concerns related to the calendar for the 23-24 school year transitioning to a 4 day school schedule
Lindsay Minor – 23-24 School calendar
Lisa Olney – Possible 4 day school week for the 2023-2024 academic school year
Julie Brown – 4 day week
Raychel Yaggy – Reduction of school week to 4 days
Kate Olsson – 4 day calendar
Nicole Petersen – 4 day week schedule
Sarah Myatt – Discussing calendar choice for next school year
Michelle Baran – 4 day school week
Jeff Baran – 4 day school week
Sydney Pimentel-Rushing – 4 day work week from the perspective of teacher and mental health
Rachel Grones – Calendar proposal
Robin Bowman – Pro of the 4 day school week from a staff member and parent point of view
Amy Nicholson – Four day work week
Sarah Khaldi – School calendar survey results
Addison Maxwell – 4 day school week
Thomas C. Nash – Want to speak in from experience in favor of the 4 day week calendar option
Christopher Reza – Speaking in favor of 4 day calendar
Meyling Ortiz – 4 day school week
Catherine Oduro – 4 day week school calendar
Kori Werth – 4 day calendar proposal and the benefits it can have
Kelly Lynn Martin – Teacher's perspective on the 4 day calendar
Jonathan Inman – In favor of Calendar A for the new school year
Dan Blackwood – Calendar
Kristale Cross – 2023-2024 Little Elm ISD Calendar
Kris Sye – 4 day school week
Alyssa Borstow – 4 day work week table
Heather Bestul – 4 day calendar proposal – no show
Chaital Patel – Do not prefer 4 days week of school – no show
Nicole Lestelle – 4 day school week – no show
Juarod Cal – Calendar – no show
Catherine Semancik – 4 day calendar teacher and parent perspective – no show
Nicole Beal – Proposed calendar – no show
Katrin Pautler – Against the Friday off schedule – no show
Rhonda Donaldson – 2022/23 Calendar teacher in favor of 4 day work week – no show

Hollie Henry – Thank you for considering the 4 day week – no show
Ray Borden – 4 day school week – no show

9. Approval of Minutes

A. Consider approval of Special Meeting Minutes - December 5, 2022
Ms. Sonia S. Flores presented this item to the Board.
Trustee David Montemayor made the first motion to approve as submitted. Trustee Mary Watkins seconded the motion. The motion passed (7-0).

B. Consider approval of Regular Board Meeting Minutes - December 12, 2022
Ms. Sonia S. Flores briefed the Board about this item.
Vice President Monique Thompson made the first motion to approve this item as submitted. Trustee Ken Beber seconded the motion. The motion passed (6-1-0) Secretary DeLeon English abstained from the vote.

10. Action Items

A. Consider approval of Personnel Actions Related to DFE (LEGAL)
Ms. Asheley Brown presented this item to the Board.
Trustee Mary Watkins made the first motion to approve this item as presented in closed session. Secretary DeLeon English seconded the motion. The motion passed (7-0).

B. Consider approval of Cabinet - Level Administrative Contracts and Agreements
Ms. Asheley Brown shared this item with the Board.
Trustee David Montemayor made the first motion to approve as presented in closed session. Trustee Alex Flores seconded the motion. The motion passed (7-0).

C. Consider approval of the Lease Agreement for Recreational Grounds and Facilities between The Town of Little Elm and Little Elm Independent School District for Approximately 23 Acres around Brent Elementary School
Superintendent Daniel Gallagher presented this item to the Board. This is seeking the consideration and approval of a lease agreement for recreational grounds and facilities between the Town of Little Elm and Little Elm ISD. The Town of Little Elm is requesting the lease of approximately 23 acres around Brent Elementary School.
Trustee David Montemayor made the first motion to approve as submitted. Vice President Monique Thompson seconded the motion. The motion passed (7-0).

D. Consider approval of Order Authorizing Issuance Bonds
Ms. Shay Adams briefed the Board about this item. This is an order authorizing the issuance from time to time of Little Elm Independent School District unlimited tax school building bonds; levying a tax and providing for the security and payment thereof; providing for the award of the sale thereof in accordance with specified parameters; authorizing the execution and delivery of one or more purchase contracts and paying agent/registrar agreements relating to such bonds; approving the state preparation of one or more official statements; and enacting other provisions related thereto
Trustee David Montemayor made the first motion to approve this item as submitted. Trustee Mary Watkins seconded the motion. The motion passed (7-0).

E. Consider approval of Architectural and Specialty Vendor Recommendations for the 2022 Bond Program
Mr. Rick Martin briefed the Board about this item.
Trustee David Montemayor made the first motion to approve this item as submitted. Trustee Alejandro Flores seconded the motion. The motion passed (7-0).

11. Consent Agenda

A. Consider approval of Update Policy FFA (LOCAL) Student Welfare: Wellness and Health Services

B. Consider approval of the Resolution Ordering Trustee Election - 5/06/2023

C. Consider approval of Financial Reports - November 2022

D. Consider approval of Little Elm ISD Interlocal Summary Report

E. Consider approval of Property Value Study Appeal Service
F. Consider approval of Gifts and Donations
Secretary DeLeon English made the first motion to approve the Consent Agenda as submitted. Trustee Mary Watkins seconded the motion. The motion passed (7-0).
The Board returned to closed session at 9:52 pm.
The Board reconvened at 10:42 pm.

12. Board President Comments

Mr. Jason Olson thanked the parents who came and spoke at the meeting. Mr. Olson also challenged Dr. Tramell to be creative and create another calendar with ideas to the Board with options to work with staff and students. Mr. Olson also thanked the campuses for the lovely gifts.

13. Board Comments

Trustee Alejandro Flores gave thanks for the gifts.
Trustee Mary Watkins mentioned that the Board is listening to the teachers and their concerns.
Secretary DeLeon English acknowledged the teachers and the impact they make.
Vice President Monique Thompson reassured Little Elm that the Board is doing the best they can with what they have. Dr. Thompson thanked Superintendent Gallagher for his dedication and his work.
Trustee David Montemayor gave thanks for the gifts. Mr. Montemayor mentioned that he understands the need during citizen input and wants to thank the faculty and staff who came to the meeting. He wants them to know that the Board cares and also he wants the teachers to know that they are supported.
Trustee Ken Beber mentioned how he loves the students being recognized and thanked the teachers and campuses for the gifts.

14. Superintendent Comments

Superintendent Daniel Gallagher thanked the Board for the support and the work. Mr. Gallagher commented that he understands the frustration from teachers and staff about the 4 day calendar decision. He encouraged the Board to reach out to our teachers and staff. He thanked DEIC for their work and also thanked the teachers for what they do.

15. Adjournment

Secretary DeLeon English made the first motion to adjourn the meeting. Trustee Mary Watkins seconded the motion. The motion passed (7-0).
The meeting adjourned at 10:56 pm.

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date **02-20-2023**	**Reports of the Superintendent** ☐	**Action Item** ☒	**Consent Agenda** ☐	**Reports, Routine Monthly** ☐	**Other** ☐

Subject:	**2023-2024 ADMINISTRATOR CONTRACTS**
Presenter or Contact Person:	Asheley Brown, Executive Director for Human Resource Services
Policy/Code:	DC (LEGAL), DC (LOCAL), DCE (LEGAL)
Strategic Plan Goal:	We will recruit, recognize, and retain high quality and effective personnel to support student success at every level.
Summary:	The superintendent annually makes contract recommendations for specific administrator positions to the Board of Trustees.
Financial Implications:	Included in the annual budget
Attachments:	Under separate cover
Recommendation:	**The Administration recommends approval of 2023-2024 administrator contracts as submitted.**
Motion:	**I move the Board approve 2023-2024 administrator contracts as submitted.**

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date **02-20-23**	**Reports of the Superintendent** ☐	**Business Item** ☐	**Consent Agenda** ☐	**Reports, Routine Monthly** ☐	**Action Item** ☒

Subject:	**2023-2024 LITTLE ELM ISD CALENDAR**
Presenter or Contact Person:	Dr. Penny Tramel Asst. Superintendent for Curriculum and Learning Services
Policy/Code:	Board Policy EB(LEGAL), EB(LOCAL)
Summary:	The District has completed the process for developing the calendar for the 2023-2024 school year including community and staff input, as well as additional input from the Board of Trustees. Calendars will be presented for the Board's review for the 2023-2024 school year.
Financial Implications:	There is no financial impact to the budget.
Attachments:	2023-2024 Calendar Presentation
Recommendation:	**The Administration recommends the approval of the 2022-2023 LEISD Calendar as presented.**
Motion:	**I move the Board approve the 2022-2023 LEISD Calendar as presented.**

Little Elm Independent School District

DRAFT 2023/24 Academic Calendar Blue

July 2023						
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August 2023						
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February 2024						
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April 2024						
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May 2023						
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{ } Grading Periods (GP)

GP1: Aug. 9-Oct. 6

GP2: Oct. 16-Dec. 20

GP3: Jan. 8-Mar.7

GP4: Mar. 18-May 24

Key
Professional Learning - Student Holiday
Student/Staff Holiday
Student Early Release Day
Bad Weather Makeup Day
New Teacher Orientation
Teacher Workday
Professional Learning Half Day/Student Holiday
Teacher Independent Preparation
Teacher Exchange Day

Important Information

July 25-27 New Teacher Orientation

August 2-7 Professional Learning

August 8 Teacher Workday

September 1 Professional Learning Half Day/Student Holiday

September 4 District Holiday

September 22 Teacher Independent Preparation

October 9-13 District Holiday

October 26 Professional Learning - Student Holiday

October 27 Teacher Independent Preparation

November 10 Professional Learning Half Day/Student Holiday

November 20-24 District Holiday

December 20 Student Early Release

December 21 Teacher Workday

December 22-29 District Holiday

January 1-3 District Holiday

January 4 Professional Learning -Student Holiday

January 5 Professional Learning Half Day/Student Holiday

January 8 Begin Second Semester

January 15 District Holiday

February 2 Teacher Independent Preparation

February 19 District Holiday

March 8 Teacher Professional Learning Half Day

March 11-15 District Holiday

March 29 Bad Weather Day

April 5 District Holiday

April 19 Bad Weather Day

May 24 Student Early Release

May 27 District Holiday

May 28 Teacher Workday

May 29-30 Professional Learning

May 31 Teacher Exchange Day

Little Elm Independent School District

DRAFT 2023/24 Academic Calendar Silver

July 2023

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August 2023

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September 2023

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October 2023

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November 2023

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December 2023

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January 2024

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February 2024

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March 2024

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April 2024

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May 2024

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June 2024

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{ } Grading Periods (GP)

GP1: Aug. 9-Oct. 6
GP2: Oct. 16-Dec. 20
GP3: Jan. 8-Mar.7
GP4: Mar. 18-May 24

Key

- Professional Learning - Student Holiday
- District Holiday
- Student Early Release Day
- Bad Weather Makeup Day
- New Teacher Orientation
- Teacher Workday
- Professional Learning Half Day/Student Holiday
- Teacher Independent Preparation
- Teacher Exchange Day

Important Information

July 25-27 New Teacher Orientation
August 1-8 Professional Learning
August 9 Teacher Workday
September 1 Professional Learning Half Day/Student Holiday
September 4 District Holiday
September 22 District Holiday
October 9 Teacher Workday
October 10 Professional Learning -Student Holiday
October 11-13 District Holiday
October 27 Teacher Independent Preparation
November 10 Professional Learning Half Day/Student Holiday
November 20-24 District Holiday
December 20 Student Early Release
December 21-29 District Holiday
January 1-3 District Holiday
January 4 Professional Learning - Student Holiday
January 5 Professional Learning Half Day/Student Holiday
January 8 Second Semester Begins
January 15 District Holiday
February 2 Teacher Independent Preparation
February 19 District Holiday
March 8 Professional Learning Half Day/Student Holiday
March 11-15 District Holiday
April 5 District Holiday
April 19 Bad Weather Day
May 24 Student Early Release
May 27 District Holiday
May 28 Teacher Exchange Day
May 29 Teacher Independent Preparation

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date **02-20-2023**	**Reports of the Superintendent** ☐	**Action Item** ☒	**Consent Agenda** ☐	**Reports, Routine Monthly** ☐	**Other** ☐

Subject: **CONSIDER APPROVAL OF BOARD RESOLUTION: LITTLE ELM ISD INVESTMENT OFFICERS**

Presenter or Contact Person: Shay Adams, Assistant Superintendent for Business & Finance Services

Policy/Code: CDA (LEGAL), GOV'T CODE 2256.008 (A-1)

Strategic Plan Goal: To Ensure Fiscal Health and Responsibility

Summary: The Superintendent or other person designated by Board resolution shall serve as the investment Officer(s) of the District and shall invest District funds as directed by the Board and in accordance with the District's written investment policy and generally accepted accounting procedures. All investment transactions except investment pool funds and mutual funds shall be settled on a delivery versus payment basis.
The Treasurer, or the Chief Financial Officer if the Treasurer is not the Chief Financial Officer, and the investment Officer of a district shall attend an investment training session not less than once in a two-year period that begins on the first day of the district's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than eight hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by the board or by a designated investment committee advising the investment officer. *Gov't Code 2256.008 (a-1)*
Shay Adams, Assistant Superintendent for Business & Finance Services, has attended the required training sessions, and therefore shall serve as an investment Officer for Little Elm ISD.

Financial Implications:	N/A
Attachments:	N/A
Recommendation:	**I recommend the Board approves Shay Adams as an investment Officer for Little Elm ISD.**
Motion:	**I move the Board approve Shay Adams as an investment Officer for Little Elm ISD as submitted.**

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date **2-20-2023**	**Reports of the Superintendent** ☐	**Action Item** ☒	**Consent Agenda** ☐	**Reports, Routine Monthly** ☐	**Other** ☐

Subject:	**ARCHITECT SELECTION FOR HIGH SCHOOL LOCKER ROOM CONVERSIONS/RENOVATIONS**
Presenter or Contact Person:	Rick Martin, Executive Director of Construction
Policy/Code:	CVD (LOCAL)
Strategic Plan Goal:	To ensure fiscal health & sustainability.
Summary:	Requesting approval to award CORGAN as the architect of record for this project
Financial Implications:	Total fees proposed are $175,000, plus a $5,000 allowance for reimbursables. To be included in the final project budget presented at a later date.
Attachments:	Fee Proposal from CORGAN
Recommendation:	**The Administration recommends the approval of this selection and fee as presented, and to authorize the Superintendent or his designee to execute the required purchase documents.**
Motion:	**I move the Board approve this selection and fee as presented, and authorize the Superintendent or his designee to execute the required purchase documents.**

CORGAN

6927 Ash Street Frisco, Texas 75034 — 972 712 2255

23 January 2023

Mr. Rick Martin
Executive Director for Construction Services
Little Elm Independent School District
PO Box 6000
400 Lobo Lane
Little Elm, Texas 75068

Re : LEHS Athletics Area Conversions
Professional Services Proposal

Dear Mr. Martin:

We are once again honored to serve the Little Elm ISD. We are presenting this proposal to you to design, document and observe the construction of the above referenced project. As discussed with you and documented on the attached schematic floor plan we understand the scope to be as follows:

1. Convert locker room / restroom space to new CTE classrooms. No special systems are currently anticipated in these new spaces.
2. Convert official's restrooms to restrooms for student use and convert showers to storage rooms.
3. Select demo and patch work in locker room areas.
4. Survey existing locker layouts and shuffle locker types amongst the new rooms.

Our proposal includes retaining the following consultants:

MEP – Estes McClure and Associates
Structural – L.A. Fuess Partners

For the above referenced scope, we propose to be compensated with a lump sum fee of $175,000. If agreeable, we propose to execute an assignment of work under our master AIA B101 agreement with Little Elm ISD dated 15 October 2018.

We look forward to discussing this proposal with you and the opportunity to serve the students and staff of Little Elm Independent School District.

Sincerely,

Brett Sumrow
Principal

corgan.com

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date **02-20-2023**	**Reports of the Superintendent** ☐	**Business Item** ☐	**Consent Agenda** ☒	**Reports, Routine Monthly** ☐	**Action** ☐

Subject:	**JOINT ELECTION AGREEMENT AND CONTRACT FOR ELECTION SERVICES WITH DENTON COUNTY**
Presenter or Contact Person:	Sonia S. Flores, Superintendent Secretary.
Policy/Code:	N/A
Summary:	Yearly Joint Election Agreement and Contract for Election Services with Denton County.
Financial Implications:	Around $30,000.
Attachments:	Denton County Contract
Recommendation:	**The Administration recommends the approval of the Joint Election Agreement and Contract for Election Services with Denton County.**
Motion:	**I move that the Board approve the Joint Election Agreement and Contract for election Services with Denton County.**

THE STATE OF TEXAS COUNTY OF DENTON

JOINT ELECTION AGREEMENT AND CONTRACT FOR ELECTION SERVICES

This CONTRACT for election services is made by and between the Denton County Elections Administrator and the following political subdivisions, herein referred to as "participating authority or participating authorities" located entirely or partially inside the boundaries of Denton County:

Participating Authorities:

[entities]

This contract is made pursuant to Texas Election Code Sections 31.092 and 271.002 and Texas Education Code Section 11.0581 for a joint May 6, 2023 election to be administered by Frank Phillips, Denton County Elections Administrator, hereinafter referred to as "Elections Administrator."

RECITALS

Each participating authority listed above plans to hold a General or Special Election on May 6, 2023. Denton County plans to hold county-wide voting for this General Election.

The County owns the Hart InterCivic Verity Voting System, which has been duly approved by the Secretary of State pursuant to Texas Election Code Chapter 122 as amended, and is compliant with the accessibility requirements for persons with disabilities set forth by Texas Election Code Section 61.012. The contracting political subdivisions (participating authorities) desire to use the County's voting system and to compensate the County for such use and to share in certain other expenses connected with joint elections, in accordance with the applicable provisions of Chapters 31 and 271 of the Texas Election Code, as amended.

NOW THEREFORE, in consideration of the mutual covenants, agreements, and benefits to all parties, IT IS AGREED as follows:

I. ADMINISTRATION

The participating authorities agree to hold a "Joint Election" with Denton County and each other in accordance with Chapter 271 of the Texas Election Code and this agreement. The Elections Administrator shall coordinate, supervise, and handle all aspects of administering the Joint Election as provided in this agreement. Each participating authority agrees to pay the Elections Administrator for equipment, supplies, services, and administrative costs as provided in this agreement. The Elections Administrator shall serve as the administrator for the Joint Election; however, each participating authority shall remain responsible for the decisions and actions of its officers necessary for the lawful conduct of its election. The Elections Administrator shall provide advisory services in connection with decisions to be made and actions to be taken by the officers of each participating authority as necessary.

It is understood that other political subdivisions may wish to participate in the use of the County's Verity voting system and polling places, and it is agreed that the Elections Administrator may enter into other contracts for election services for those purposes, on terms and conditions generally similar to those set forth in this contract. In such cases, costs shall be pro-rated among the participants according to Section XI of this contract.

II. LEGAL DOCUMENTS

Each participating authority shall be responsible for the preparation, adoption, and publication of all required election orders, resolutions, notices, and any other pertinent documents required by the Texas Election Code and/or the participating authority's governing body, charter, or ordinances, except that the Elections Administrator shall be responsible for the preparation and publication of all voting equipment testing notices that are required by the Texas Election Code. Election orders should include language that would not necessitate amending the order if any of the Early Voting and/or Election Day polling places change.

Preparation of the necessary materials for notices and the official ballot shall be the responsibility of each participating authority, including translation to languages other than English. Each participating authority shall provide a copy of their respective election orders and notices to the Elections Administrator.

III. VOTING LOCATIONS

The Elections Administrator shall select and arrange for the use of and payment for all Early Voting and Election Day voting locations. Voting locations will be, whenever possible, the usual voting location for each election precinct in elections conducted by each participating authority, and shall be compliant with the accessibility requirements established by Election Code Section 43.034 and the Americans with Disabilities Act (ADA). The proposed voting locations are listed in Exhibit A of this agreement. In the event a voting location is not available or appropriate, the Elections Administrator will arrange for use of an alternate location. The Elections Administrator shall notify the participating authorities of any changes from the locations listed in Exhibit A.

IV. ELECTION JUDGES, CLERKS, AND OTHER ELECTION PERSONNEL

Denton County shall be responsible for the appointment of the presiding judge and alternate judge for each polling location. The Elections Administrator shall make emergency appointments of election officials if necessary.

Upon request by the Elections Administrator, each participating authority agrees to assist in recruiting bilingual polling place officials (fluent in both English and Spanish). In compliance with the Federal Voting Rights Act of 1965, as amended, each polling place containing more than 5% Hispanic population as determined by the 2020 Census shall have one or more election officials who are fluent in both the English and Spanish languages. If a presiding judge is not bilingual, and is unable to appoint a bilingual clerk, the Elections Administrator may recommend a bilingual worker for the polling place. If the Elections Administrator is unable to recommend or recruit a bilingual worker, the participating authority or authorities served by that polling

place shall be responsible for recruiting a bilingual worker for translation services at that polling place.

The Elections Administrator shall notify all election judges of the eligibility requirements of Subchapter C of Chapter 32 of the Texas Election Code, and will take the necessary steps to insure that all election judges appointed for the Joint Election are eligible to serve.

The Elections Administrator shall arrange for the training and compensation of all election judges and clerks. The Election judges and clerks who attend in-person voting equipment training and/or procedures training, shall be compensated at the rate of $13 an hour. Election judges and clerks that elect to complete online training shall be compensated as a rate of a flat $40. In the event that as Election judge or clerk completes both in-person and online training, they shall be compensated for the training resulting in the highest pay and will not be compensated for both trainings.

The Elections Administrator shall arrange for the date, time, and place for presiding election judges to pick up their election supplies. Each presiding election judge will be sent a letter from the Elections Administrator notifying them of their appointment, the dates/times and locations of training and distribution of election supplies, and the number of election clerks that the presiding judge may appoint.

Each election judge and clerk will receive compensation at the hourly rate established by Denton County pursuant to Texas Election Code Section 32.091 and overtime after 40 hours worked per week, if applicable. The election judge, or their designee, will receive an additional sum of $25.00 for picking up the election supplies and equipment prior to Election Day and for returning the supplies and equipment to the central counting station after the polls close. Likewise, the Presiding Judge in Early Voting, or their designee, will receive an additional sum of $25.00 for picking up the election supplies prior to the first day of Early Voting and for returning the supplies and equipment to the Elections Department after Early Voting has ended.

The compensation rates established by Denton County are:

Early Voting – Presiding Judge ($15/hour), Alternate Judge ($14/ hour), Clerk ($13/ hour)

Election Day – Presiding Judge ($15/hour), Alternate Judge ($14/ hour), Clerk ($13/ hour)

The Elections Administrator may employ other personnel necessary for the proper administration of the election, as well as, pre and post-election administration. In such cases, costs shall be pro-rated among participants of this contract. Personnel working in support of full-time staff will be expensed on a pro-rated basis and include a time period of one week prior to the election, during the election, and one week post-election. Personnel working in support of the Early Voting Ballot Board and/or central counting station on election night will be compensated at the hourly rate set by Denton County in accordance with Election Code Sections 87.005, 127.004, and 127.006.

If elections staff is required outside of the hours of the office's normal scope of business, the entity(ies) responsible for the hours will be billed for those hours. The Elections Administrator will determine when those hours are necessary, the number of staff and whom are necessary, along with to whom the hours are to be billed. Cost for these hours will be billed at a rate of 1.5 times the staff's hourly rate (See Sections XV #10). The Election Administrator has the right to waive these costs as they see fit.

V. PREPARATION OF SUPPLIES AND VOTING EQUIPMENT

The Elections Administrator shall arrange for delivery of all election supplies and voting equipment including, but not limited to, the County's Verity voting system and equipment, official ballot paper, sample ballots, voter registration lists, and all forms, signs, maps and other materials used by the election judges at the voting locations. The Elections Administrator shall ensure availability of tables and chairs at each polling place and shall procure rented tables and chairs for those polling places that do not have tables and/or chairs. Any additional required materials (required by the Texas Election Code) must be provided by the participating authority, and delivered to the Elections Office thirty-three (33) calendar days (April 3, 2023) prior to Election Day. If this deadline is not met, the material must be delivered by the participating authority, to all Early Voting and Election Day locations affected, prior to voting commencing. The Elections Administrator shall be responsible for conducting all required testing of the voting equipment, as required by Chapters 127 and 129 of the Texas Election Code.

At each polling location, joint participants shall share voting equipment and supplies to the extent possible. The participating authorities shall share a mutual ballot in those precincts where jurisdictions overlap. Multiple ballot styles shall be available in those shared polling places where jurisdictions do not overlap. The Elections Administrator shall provide the necessary voter registration information, maps, instructions, and other information needed to enable the election judges in the voting locations that have more than one ballot style to conduct a proper election.

Each participating authority shall furnish the Elections Administrator a list of candidates and/or propositions showing the order and the exact manner in which the candidate names and/or proposition(s) are to appear on the official ballot (including titles and text in each language in which the authority's ballot is to be printed). **Said list must be provided to the Elections Office within three (3) business days following the last day to file for a place on the ballot** or after the election is ordered, whichever is later. The list must be in a Word document, the information will preferably be in sentence case format, be in Arial 12 point font, and must contain candidate contact information for the purposes of verifying the pronunciation of each candidate's name. Each participating authority shall be responsible for proofreading and approving the ballot insofar as it pertains to that authority's candidates and/or propositions. Each participating authority shall be responsible for proofing and approving the audio recording of the ballot insofar as it pertains to that authority's candidates and/or propositions. **The approval must be finalized with the Elections Office within five (5) calendar days of the receipt of the proofs, or the provided proofs shall be considered approved.**

The joint election ballots shall list the County's election first. The joint election ballots that contain ballot content for more than one joint participant because of overlapping territory shall

be arranged with the appropriate school district ballot content appearing on the ballot following the County's election, followed by the appropriate city ballot content, and followed by the appropriate water district or special district ballot content.

Early Voting by personal appearance and on Election Day shall be conducted exclusively on Denton County's Verity voting system including provisional ballots.

The Elections Administrator shall be responsible for the preparation, testing, and delivery of the voting equipment for the election as required by the Election Code.

The Elections Administrator shall conduct criminal background checks on the relevant employees upon hiring as required by Election Code 129.051(g).

VI. EARLY VOTING

The participating authorities agree to conduct joint early voting and to appoint the Election Administrator as the Early Voting Clerk in accordance with Sections 31.097 and 271.006 of the Texas Election Code. Each participating authority agrees to appoint the Elections Administrator's permanent county employees as deputy early voting clerks. The participating authorities further agree that the Elections Administrator may appoint other deputy early voting clerks to assist in the conduct of early voting as necessary, and that these additional deputy early voting clerks shall be compensated at an hourly rate set by Denton County pursuant to Section 83.052 of the Texas Election Code. Deputy early voting clerks who are permanent employees of the Denton County Elections Administrator or any participating authorities shall serve in that capacity without additional compensation.

Exhibit A of this document includes locations, dates, and times that voting will be held for Early Voting by personal appearance. Any qualified voter of the Joint Election may vote early by personal appearance at any one of the joint early voting locations. All requests for temporary branch polling places will be considered and determined based on the availability of facility and if it is within the Election Code parameters. All costs for temporary locations including coverage by Election Administration staff will be borne by the requesting authority. The Elections Administrator will determine when those hours are necessary, the number of staff and who are necessary, along with to whom the hours are to be billed. Cost for these hours will be billed at a rate of 1.5 times the staff's hourly rate (See Sections XV #10). The Election Administrator has the right to waive these costs as they see fit.

The standard dates and hours for the May 6, 2023 election will be as follows:

Monday, April 24, 2023 through Saturday, April 29, 2023; 8am – 5pm
Sunday, April 30, 2023; 11am-5pm
Monday, May 1, 2023 through Tuesday, May 2, 2023; 7am-7pm.

As Early Voting Clerk, the Elections Administrator shall receive applications for early voting ballots to be voted by mail in accordance with Chapters 31 and 86 of the Texas Election Code. Any requests for early voting ballots to be voted by mail received by the participating authorities

shall be forwarded immediately by fax or courier to the Elections Administrator for processing. The address of the Early Voting Clerk is as follows:

Frank Phillips, Early Voting Clerk
Denton County Elections
PO Box 1720
Denton, TX 76202
Email: elections@dentoncounty.gov

Any requests for early voting ballots to be voted by mail, and the subsequent actual voted ballots that are sent by a contract carrier (ie. UPS, FedEx, etc.) shall be delivered to the Early Voting Clerk at the Denton County Elections Department physical address as follows:

Frank Phillips, Early Voting Clerk
Denton County Elections
701 Kimberly Drive, Suite A101
Denton, TX 76208
Email: elections@dentoncounty.gov

The Elections Administrator shall post on the county website, the participating authority's Early Voting Roster on a daily basis. In accordance with Section 87.121 of the Election Code, the daily roster showing the previous day's early voting activity will be posted no later than 11:00 am each business day.

VII. EARLY VOTING BALLOT BOARD

Denton County shall appoint the Presiding Judge of an Early Voting Ballot Board (EVBB) to process early voting results from the Joint Election. The Presiding Judge, with the assistance of the Elections Administrator, shall appoint an Alternate Judge and one or more additional members to constitute the EVBB. The Elections Administrator shall determine the number of EVBB members required to efficiently process the early voting ballots.

VIII. CENTRAL COUNTING STATION AND ELECTION RETURNS

The Elections Administrator shall be responsible for establishing and operating the central counting station to receive and tabulate the voted ballots in accordance with the provisions of the Texas Election Code and of this agreement.

The participating authorities hereby, in accordance with Section 127.002, 127.003, and 127.005 of the Texas Election Code, appoint the following central counting station officials:

Counting Station Manager: Brandy Grimes, Deputy Elections Administrator
Tabulation Supervisor: Jason Slonaker, Technology Resources Coordinator
Presiding Judge: Early Voting Ballot Board Judge
Alternate Judge: Early Voting Ballot Board Alternate Judge

The counting station manager or their representative shall deliver timely cumulative reports of the election results as precincts report to the central counting station and are tabulated by posting on the Election Administrator's Election Night Results website. The manager shall be responsible for releasing unofficial cumulative totals and precinct returns from the election to the joint participants, candidates, press, and general public by distribution of hard copies at the central counting station (if requested) and by posting to the Election Administrator's Election Night Results website. To ensure the accuracy of reported election returns, results printed on the reports produced by Denton County's voting equipment will not be released to the participating authorities at the remote collection locations or from individual polling locations.

The Elections Administrator will prepare the unofficial canvass reports after all precincts have been counted and will deliver a copy of the unofficial canvass to each participating authority as soon as possible after all returns have been tabulated. The Elections Administrator will include the tabulation and precinct-by-precinct results that are required by Texas Election Code Section 67.004 for the participating authorities to conduct their respective canvasses. Each participating authority shall be responsible for the official canvass of its respective election(s), and shall notify the Elections Administrator, or their designee, of the date of the canvass, no later than three days after Election Day.

The Elections Administrator shall be responsible for conducting the post-election manual recount required by Section 127.201 of the Texas Election Code unless a waiver is granted by the Secretary of State. Notification and copies of the recount, if waiver is denied, will be provided to each participating authority and the Secretary of State's Office.

IX. PARTICIPATING AUTHORITIES WITH TERRITORY OUTSIDE DENTON COUNTY

Each participating authority with territory containing population outside of Denton County agrees that they Elections Administrator shall administer only the Denton County portion of those elections.

X. RUNOFF ELECTIONS

Each participating authority shall have the option of extending the terms of this agreement through its runoff election, if applicable. In the event of such runoff election, the terms of this agreement shall automatically extend unless the participating authority notifies the Elections Administrator in writing within three (3) business days of the original election.

Each participating authority shall reserve the right to reduce the number of early voting locations and/or Election Day voting locations in a runoff election.

Each participating authority eligible to hold runoff elections agrees that the date of the runoff election, if necessary, shall be Saturday, June 10, 2023, with early voting being held in accordance with the Election Code.

XI. ELECTION EXPENSES AND ALLOCATION OF COSTS

The participating authorities agree to share the costs of administering the Joint Election.

Allocation of general expenses, which are not directly attributable to an individual polling location, will be expensed by each participating authority's percentage of registered voters of the total registered voters of all participating authorities.

Expenses for Early Voting by personal appearance shall be allocated based upon the actual costs associated with each early voting location. Each participating authority shall be responsible for an equal portion of the actual costs associated with the early voting locations within their jurisdiction. Participating authorities that do not have a polling location within their jurisdiction shall pay an equal portion of the nearest polling location.

Election Day location expenses will be allocated based on each participating authority's percentage of registered voters assigned to each polling place. If a participating authority's election is conducted at more than one Election Day polling location there shall be no charges or fees allocated to the participating authority for the cost of the Election Day polling location in which the authority has fewer than 50% of the total registered voters served by that polling location, except that if the number of registered voters in all of the authority's polling locations is less than the 50% threshold, the participating authority shall share the expenses, based on their percentage of registered voters, of the polling location at which it has the greatest percentage of registered voters.

In the event that participating authorities with overlapping boundaries cannot make an agreement on Early Voting and/or Election Day locations, the requesting participating authority agrees to bear the entire expense of the location.

Each participating authority requesting additional hours, outside of the standard hours, for a location or locations, agree to split the cost of the additional open hours equally amongst the requesting participating authorities.

Costs for Early Voting by mail, in-person ballots, provisional ballots, and Poll Pad paper shall be allocated according to the actual number of ballots issued to each participating authority's voters and the cost shared equally amongst participating authorities of each ballot style.

Each participating authority agrees to pay the Elections Administrator an administrative fee equal to ten percent (10%) of its total billable costs in accordance with Section 31.100(d) of the Texas Election Code.

The Denton County Elections Administrator shall deposit all funds payable under this contract into the appropriate fund(s) within the county treasury in accordance with Election Code Section 31.100.

The Denton County Elections Administrator reserves the right to adjust the above formulas in agreement with an individual jurisdiction if the above formula results in a cost allocation that is inequitable.

If any participating authority makes a special request for extra Temporary Branch Early Voting by Personal Appearance locations as provided by the Texas Election Code, that entity agrees to pay the entire cost for that request.

Participating authorities having the majority of their voters in another county, and fewer than 500 registered voters in Denton County, and that do not have an Election Day polling place or early voting location within their Denton County territory shall pay a flat fee of $400 for election expenses.

Election expenses, including but not limited to, overtime charges for Election Office staff, and any unforeseen expenses needed to conduct the election, will be borne by the participating authority or authorities, affected.

XII. WITHDRAWAL FROM CONTRACT DUE TO CANCELLATION OF ELECTION

Any participating authority may withdraw from this agreement and the Joint Election should it cancel its election in accordance with Sections 2.051 - 2.053 of the Texas Election Code. The withdrawing authority is fully liable for any expenses incurred by the Denton County Elections Administrator on behalf of the authority plus an administrative fee of ten percent (10%) of such expenses. Any monies deposited with the Elections Administrator by the withdrawing authority shall be refunded, minus the aforementioned expenses and administrative fees, if applicable.

It is agreed that any of the joint election early voting locations that are not within the boundaries of one or more of the remaining participating authorities, with the exception of the early voting location at the Denton County Elections Building, may be dropped from the joint election unless one or more of the remaining participating authorities agreed to fully fund such location(s). In the event that any early voting location is eliminated under this section, as addendum to the contract shall be provided to the remaining participants within five days after notification of all intents to withdraw have been received by the Elections Administrator.

XIII. RECORDS OF THE ELECTION

The Elections Administrator is hereby appointed general custodian of the voted ballots and all records of the Joint Election as authorized by Section 271.010 of the Texas Election Code.

Access to the election records shall be available to each participating authority as well as to the public in accordance with applicable provisions of the Texas Election Code and the Texas Public Information Act. The election records shall be stored at the offices of the Elections Administrator or at an alternate facility used for storage of county records. The Elections Administrator shall ensure that the records are maintained in an orderly manner so that the records are clearly identifiable and retrievable.

Records of the election shall be retained and disposed of in accordance with the provisions of Section 66.058 of the Texas Election Code. If records of the election are involved in any pending election contest, investigation, litigation, or open records request, the Elections Administrator shall maintain the records until final resolution or until final judgment, whichever is applicable.

It is the responsibility of each participating authority to bring to the attention of the Elections Administrator any notice of pending election contest, investigation, litigation or open records request which may be filed with the appropriate participating authority.

XIV. RECOUNTS

A recount may be obtained as provided by Title 13 of the Texas Election Code. By signing this document, the presiding officer of the contracting participating authorities agree that any recount shall take place at the office of the Elections Administrator, and that the Elections Administrator shall serve as Recount Supervisor, and the participating authority's official or employee who performs the duties of a secretary under the Texas Election Code shall serve as Recount Coordinator.

The Elections Administrator agrees to provide advisory services to each participating authority as necessary to conduct a proper recount.

XV. MISCELLANEOUS PROVISIONS

1. It is understood that to the extent space is available, other districts and political subdivisions may wish to participate in the use of the County's election equipment and voting places, and it is agreed that the Elections Administrator may contract with such other districts or political subdivisions for such purposes and that in such event there may be an adjustment of the pro-rata share to be paid to the County by the participating authorities.

2. The Elections Administrator shall file copies of this document with the Denton County Treasurer and the Denton County Auditor in accordance with Section 31.099 of the Texas Election Code.

3. Nothing in this contract prevents any party from taking appropriate legal action against any other party and/or other election personnel for a breach of this contract or a violation of the Texas Election Code.

4. This agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas.

5. In the event that one of more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

6. All parties shall comply with all applicable laws, ordinances, and codes of the State of Texas, all local governments, and any other entities with local jurisdiction.

7. The waiver by any party of a breach of any provision of this agreement shall not operate as or be construed as a waiver of any subsequent breach.

8. Any amendments of this agreement shall be of no effect unless in writing and signed by all parties hereto.

9. Failure for a participating authority to meet the deadlines as outline in this contract may result in additional charges, including but not limited to, overtime charges, etc.

Elections Staffing Hourly Rate (includes all benefit pay):

Absentee Voting Coordinator	$43.137
Voter Registration Clerk	$33.198 - $35.590
Technology Resources Coordinator	$46.790
Elections Technician	$31.220 - $37.234
Voter Registration Coordinator	$40.308
Training Coordinator	$45.243
Election Coordinator	$37.234

XIV. COST ESTIMATES AND DEPOSIT OF FUNDS

The total estimated obligation for each participating authority under the terms of this agreement is listed below. The exact amount of each participating authority's obligation under the terms of this agreement shall be calculated after the May 6, 2023 election (or runoff election, if applicable). The participating authority's obligation shall be paid to Denton County within 30 days after the receipt of the final invoice from the Denton County Elections Administrator.

The total estimated obligation for each participating authority under the terms of this agreement shall be provided within 45 days after the last deadline for ordering an election:

[costs]

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XVII. JOINT CONTRACT ACCEPTANCE AND APPROVAL

IN TESTIMONY HEREOF, this agreement has been executed on behalf of the parties hereto as follows, to-wit:

(1) It has on the 23rd day of January, 2023 been executed by the Denton County Elections Administrator pursuant to the Texas Election Code so authorizing;
(2) It has on the _____ day of _____, 2023 been executed on behalf of the Little Elm Independent School District pursuant to an action of the Little Elm Independent School District Board of Trustees so authorizing;

ACCEPTED AND AGREED TO BY DENTON COUNTY ELECTIONS ADMINISTRATOR:

APPROVED:

Frank Phillips

Frank Phillips, CERA

ACCEPTED AND AGREED TO BY THE LITTLE ELM ISD BOARD OF TRUSTEES:

APPROVED: ATTESTED:

_____ _____

TITLE OF PRESIDING OFFICER TITLE OF PERSON ACTING AS SECRETARY

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date **02-20-2023**	**Reports of the Superintendent** ☐	**Action Item** ☐	**Consent Agenda** ☒	**Reports, Routine Monthly** ☐	**Other** ☐

Subject: **FINANCIAL REPORTS – DECEMBER 2022**

Presenter or Contact Person: Jesse Wyse, Director of Budget and Finance

Policy/Code: Board Legal Status Powers and Duties – BAA (LOCAL)
Annual Operating Budget – CE (LOCAL)

Strategic Plan Goal: Ensuring Fiscal Health & Sustainability

Summary: Monthly financial reports prepared by Business Services Department

Financial Implications: Increase in General Fund revenues and increase in appropriate expenditure budgets

Attachments:

Financial Reports
- Statement of Unaudited Revenue and Expenditures
- Financial Statements for Special Revenue Funds
- Cash Flow Statements
- Bank and Investment Reconciliations
- Reports for Current Investments by Fund
- Property Tax Collection Reports
- Capital Project Reports
- Expenditures Between $50K - $100K
- Gifts and Donations

Recommendation:	**The Administration recommends approval of the December 2022 Financial Reports as presented.**
Motion:	**I move that the Board approve the December 2022 Financial Reports as presented.**

Little Elm
Independent School District

Budget Amendment Reports
February 6, 2023

The Texas Education Code requires Board approval of the budget for the General Operating, Child Nutrition and Debt Service Funds. The following summary reports of budget revisions, adjustments, and transfers are being submitted to the Board of Trustees for adoption/ratification.

General Operating Fund

No budget adjustments to report.

Child Nutrition Fund

No budget adjustments to report.

Debt Service Fund

No budget adjustments to report.

Little Elm Independent School District
GENERAL OPERATING
Fiscal Year Ending June 30, 2023

		Original Budget	Revised Budget	2/6/2023 Amendments	Proposed Amended Budget
REVENUES:					
5700	Local Revenue	63,962,172	68,924,305	-	68,924,305
5800	State Program Revenues	20,495,133	16,267,414	-	16,267,414
5900	Federal Program Revenues	1,750,000	1,750,000	-	1,750,000
	Total Revenue	86,207,305	86,941,719	-	86,941,719
EXPENDITURES:					
11	Instruction	46,860,023	46,559,958	-	46,559,958
12	Library Services	1,102,182	1,079,705	-	1,079,705
13	Staff Development	2,918,981	2,864,633	-	2,864,633
21	Instructional Admin	1,612,022	1,577,977	-	1,577,977
23	Campus Administration	5,157,676	5,206,676	-	5,206,676
31	Guidance & Counseling	2,811,558	2,775,493	-	2,775,493
32	Attendance & Social Services	-	13,520	-	13,520
33	Health Services	753,516	738,516	-	738,516
34	Student Transportation	3,199,925	3,199,925	-	3,199,925
35	Food Services	16,819	164,407	-	164,407
36	Co-curricular Activities	3,052,033	3,059,533	-	3,059,533
41	General Administration	4,002,479	4,063,479	-	4,063,479
51	Plant Maintenance	10,113,019	10,223,119	-	10,223,119
52	Security	1,162,717	1,538,092	-	1,538,092
53	Data Processing	2,138,825	2,083,825	-	2,083,825
61	Community Services	2,280	48,065	-	48,065
71	Debt Services	-	-	-	-
81	Facilities	1,500	19,044	-	19,044
91	Contracted Instr Between Schools	756,000	1,107,002	-	1,107,002
95	Payments to JUV Justice Alt	5,000	35,000	-	35,000
99	Intergovernmental Charges	540,750	583,750	-	583,750
	Total Expenditures	86,207,305	86,941,719	-	86,941,719
00 Other Resources		-	-	-	-
00 Other Uses		-	-	-	-
NET SURPLUS / (DEFICIT)		**-**	**-**	**-**	**-**

Little Elm Independent School District
CHILD NUTRITION
Fiscal Year Ending June 30, 2023

		Original Budget	Revised Budget	2/6/2023 Amendments	Proposed Amended Budget
REVENUES:					
5700	Local Revenue	1,750,000	1,750,000	-	1,750,000
5800	State Program Revenues	20,000	20,000	-	20,000
5900	Federal Program Revenues	3,571,000	3,018,103	-	3,018,103
	Total Revenue	5,341,000	4,788,103	-	4,788,103
EXPENDITURES:					
35	Food Services	5,341,000	6,087,584	-	6,087,584
	Total Expenditures	5,341,000	6,087,584	-	6,087,584
00	Other Resources	-	-	-	-
00	Other Uses	-	-	-	-
NET SURPLUS / (DEFICIT)		**-**	**(1,299,481)**	**-**	**(1,299,481)**

Little Elm Independent School District
DEBT SERVICE
Fiscal Year Ending June 30, 2023

		Original Budget	Revised Budget	2/6/2023 Amendments	Proposed Amended Budget
REVENUES:					
5700	Local Revenue	28,816,425	33,730,380	-	33,730,380
5800	State Program Revenues	250,000	380,000	-	380,000
5900	Federal Program Revenues	-	-	-	-
	Total Revenue	29,066,425	34,110,380	-	34,110,380
EXPENDITURES:					
71	Debt Service - Principal	12,880,275	20,956,268	-	20,956,268
71	Debt Service - Interest	16,166,150	16,263,780	-	16,263,780
71	Debt Service - Fees	20,000	20,000	-	20,000
	Total Expenditures	29,066,425	37,240,048	-	37,240,048
00	Other Resources	-	-	-	-
00	Other Uses	-	-	-	-
NET SURPLUS / (DEFICIT)		**-**	**(3,129,668)**	**-**	**(3,129,668)**

Little Elm
Independent School District

Financial Reports
February 6, 2023

Each month, financial reports are prepared detailing the status of the District's budget as of the most recent accounting period. To increase financial transparency, the following reports are included.

- Statements of Unaudited Revenues and Expenditures for the General Fund, Child Nutrition Fund and Debt Service Fund
    - Expenditures Summarized by Function
    - Expenditures Summarized by Function and Object
- Financial Statements for the Special Revenue Funds 2XX, 3XX and 4XX and Fund 720 Child Care
- Cash Flow Statements
- Bank and Investment Reconciliations
- Reports for Current Investments by Fund
- Property Tax Collection Reports
- Bond Capital Project Report
- Non-Bond Capital Project Report
- Expenditures Between $50K-$100K
- Gifts and Donations

The financial statements for the Special Revenue Funds 2XX, 3XX and 4XX and Child Care Fund 720 are to provide specific information about funds received through federal, state and local sources that are accounted for outside the General Operating Fund.

Statement of Unaudited Revenues and Expenditures
LITTLE ELM I.S.D
Budget vs. Actual As of December
GENERAL OPERATING FUND 1XX 2022-2023

Obj / Func	Description	Annual Budget	YTD Actual	YTD Encumbrance	Variance	Percent To Total
	REVENUES:					
5700	REVENUE-LOCAL AND INTERMEDIATE	68,924,305.00	-47,409,857.52	.00	21,514,447.48	74.22%
5800	STATE PROGRAM REVENUES	16,267,414.00	-16,221,996.19	.00	45,417.81	25.40%
5900	FEDERAL PROGRAM REVENUES	1,750,000.00	-244,227.05	.00	1,505,772.95	.38%
5000 Total Revenues		**86,941,719.00**	**-63,876,080.76**	**.00**	**23,065,638.24**	**100.00%**
	EXPENDITURES:					
11	INSTRUCTION	-46,602,958.00	22,561,429.99	421,857.88	-23,619,670.13	54.38%
12	INSTRUCTIONAL RESOURCES/MEDIA	-1,079,705.00	516,308.86	22,517.30	-540,878.84	1.24%
13	CURRICULUM & STAFF DEVELOPMENT	-2,864,633.00	1,320,873.94	56,673.43	-1,487,085.63	3.18%
21	INSTRUCTIONAL LEADERSHIP	-1,577,977.00	732,103.49	10,018.75	-835,854.76	1.76%
23	SCHOOL LEADERSHIP	-5,206,676.00	2,428,512.33	21,381.12	-2,756,782.55	5.85%
31	GUIDANCE AND COUNSELING SVS	-2,775,493.00	1,285,690.19	38,793.15	-1,451,009.66	3.10%
32	SOCIAL WORK SERVICES	-13,520.00	4,244.41	.00	-9,275.59	.01%
33	HEALTH SERVICES	-738,516.00	338,111.11	1,969.72	-398,435.17	.81%
34	STUDENT TRANSPORTATION	-3,199,925.00	1,065,639.99	119,440.14	-2,014,844.87	2.57%
35	FOOD SERVICES	-164,407.00	72,544.05	.00	-91,862.95	.17%
36	CO-CURRICULAR ACTIVITIES	-3,059,533.00	1,365,795.37	126,558.86	-1,567,178.77	3.29%
41	GENERAL ADMINISTRATION	-4,063,479.00	1,985,053.76	186,935.88	-1,891,489.36	4.78%
51	PLANT MAINTENANCE & OPERATION	-10,223,119.00	5,040,684.18	1,483,531.17	-3,698,903.65	12.15%
52	SECURITY & MONITORING SERVICES	-1,538,092.00	638,795.25	51,673.67	-847,623.08	1.54%
53	DATA PROCESSING SERVICES	-2,083,825.00	1,233,573.42	60,946.60	-789,304.98	2.97%
61	COMMUNITY SERVICES	-48,065.00	19,796.93	.00	-28,268.07	.05%
81	FACILITIES ACQ & CONSTRUCTION	-19,044.00	9,729.30	.00	-9,314.70	.02%
91	CONTRACTED INST BETWEEN SCHOOL	-1,107,002.00	587,657.00	.00	-519,345.00	1.42%
95	PAYMENTS TO JUV JUSTICE ALTERN	-35,000.00	6,039.00	.00	-28,961.00	.01%
99	INTERGOVERNMENTAL CHARGES	-540,750.00	279,526.33	303,328.26	42,104.59	.67%
6000 Total Expenditures		**-86,941,719.00**	**41,492,108.90**	**2,905,625.93**	**-42,543,984.17**	**99.97%**
	OPERATING TRANSFERS:					
7919	INSURANCE PROCEEDS	.00	-16,937.44	.00	-16,937.44	
7000 Total Other Resources/Non-Operating Rev		**.00**	**-16,937.44**	**.00**	**-16,937.44**	
8913	EXTRAORDINARY ITEMS	.00	21,938.88	.00	21,938.88	
8000 Total Other Uses/Non-Operating Exp		**.00**	**21,938.88**	**.00**	**21,938.88**	
Total Operating Transfers		**.00**	**5,001.44**			
3000 Fund Balance - June (Audited)		**33,953,476.46**	**-33,953,476.46**			
3000 Year to Date Fund Balance (Unaudited)		**33,953,476.46**	**-56,332,446.88**			

End of Report

Statement of Unaudited Revenues and Expenditures
LITTLE ELM I.S.D
Budget vs. Actual As of December
CHILD NUTRITION FUND 240 2022-2023

Obj / Func	Description	Annual Budget	YTD Actual	YTD Encumbrance	Variance	Percent To Total
	REVENUES:					
5700	REVENUE-LOCAL AND INTERMEDIATE	1,750,000.00	-901,341.22	.00	848,658.78	38.45%
5800	STATE PROGRAM REVENUES	20,000.00	.00	.00	20,000.00	.00%
5900	FEDERAL PROGRAM REVENUES	3,018,103.00	-1,442,651.64	.00	1,575,451.36	61.55%
5000	**Total Revenues**	**4,788,103.00**	**-2,343,992.86**	**.00**	**2,444,110.14**	**100.00%**
	EXPENDITURES:					
35	FOOD SERVICES	-6,087,584.00	2,228,655.95	520,119.24	-3,338,808.81	100.00%
6000	**Total Expenditures**	**-6,087,584.00**	**2,228,655.95**	**520,119.24**	**-3,338,808.81**	**100.00%**
	Total Operating Transfers	**.00**	**.00**			
3000	**Fund Balance - June (Audited)**	**2,477,756.32**	**-2,477,756.32**			
3000	**Year to Date Fund Balance (Unaudited)**	**1,178,275.32**	**-2,593,093.23**			

End of Report

Statement of Unaudited Revenues and Expenditures
LITTLE ELM I.S.D
Budget vs. Actual As of December
DEBT SERVICE FUND 511 2022-2023

Obj / Func	Description	Annual Budget	YTD Actual	YTD Encumbrance	Variance	Percent To Total
	REVENUES:					
5700	REVENUE-LOCAL AND INTERMEDIATE	28,816,425.00	-23,419,546.60	.00	5,396,878.40	96.50%
5800	STATE PROGRAM REVENUES	250,000.00	-848,487.00	.00	-598,487.00	3.50%
5000	**Total Revenues**	**29,066,425.00**	**-24,268,033.60**	**.00**	**4,798,391.40**	**100.00%**
	EXPENDITURES:					
71	DEBT SERVICE	-29,066,425.00	18,704,550.73	8,200.00	-10,353,674.27	100.00%
6000	**Total Expenditures**	**-29,066,425.00**	**18,704,550.73**	**8,200.00**	**-10,353,674.27**	**100.00%**
	OPERATING TRANSFERS:					
7916	PREM/DISCOUNT ON BOND ISSUE	.00	-10,374.91	.00	-10,374.91	
7000	**Total Other Resources/Non-Operating Rev**	**.00**	**-10,374.91**	**.00**	**-10,374.91**	
	Total Operating Transfers	**.00**	**-10,374.91**			
3000	**Fund Balance - June (Audited)**	**26,499,867.54**	**-26,466,867.54**			
3000	**Year to Date Fund Balance (Unaudited)**	**26,499,867.54**	**-32,040,725.32**			

End of Report

Combined Funds Board Report
Fund Description
LITTLE ELM I.S.D
As of December

General Operating Funds

163 PAYROLL CLEARING
164 ACCOUNTS PAYABLE CLEARING
199 GENERAL FUND

Special Revenue Funds

240 NATL BREAKFAST/LUNCH PROGRAM

Interest & Sinking Funds

511 DEBT SERVICE FUND

Combined Funds Board Report
Comparison of Revenue to Budget
LITTLE ELM I.S.D
As of December

	Estimated Revenue	Realized Revenue	Realized Revenue To Date	Revenue Balance	Percent Realized
General Operating Funds					
5700 - REVENUE-LOCAL AND INTERMEDIATE					
5710 - LOCAL REAL/PERS PROPERTY TAXES	68,349,291.00	-42,465,252.79	-46,655,695.07	21,693,595.93	68.26%
5730 - TUITION AND FEES	8,012.00	-110.98	-25,950.58	-17,938.58	323.90%
5740 - OTHER REVENUES LOCAL SOURCES	567,001.00	-145,019.14	-598,128.87	-31,127.87	105.49%
5750 - REVENUES-COCURRIC/ENTERPRISING	1.00	-8,115.00	-130,083.00	-130,082.00	13008300.
Total 5700 - REVENUE-LOCAL AND INTERMEDIATE	**68,924,305.00**	**-42,618,497.91**	**-47,409,857.52**	**21,514,447.48**	**68.79%**
5800 - STATE PROGRAM REVENUES					
5810 - PER CAPITA/FOUNDATION REVENUES	11,567,677.00	-522,727.00	-14,238,525.00	-2,670,848.00	123.09%
5830 - REV/STATE AGENCIES (NOT TEA)	4,699,737.00	-334,773.73	-1,983,471.19	2,716,265.81	42.20%
Total 5800 - STATE PROGRAM REVENUES	**16,267,414.00**	**-857,500.73**	**-16,221,996.19**	**45,417.81**	**99.72%**
5900 - FEDERAL PROGRAM REVENUES					
5920 - FED REV DISTRIBUTED BY TEA	600,000.00	.00	-17,719.42	582,280.58	2.95%
5930 - FED REV DIST BY STATE(NOT TEA)	1,150,000.00	-1,292.19	-226,507.63	923,492.37	19.70%
Total 5900 - FEDERAL PROGRAM REVENUES	**1,750,000.00**	**-1,292.19**	**-244,227.05**	**1,505,772.95**	**13.96%**
5000 Total REVENUES	**86,941,719.00**	**-43,477,290.83**	**-63,876,080.76**	**23,065,638.24**	**73.47%**

Combined Funds Board Report
Comparison of Revenue to Budget
LITTLE ELM I.S.D
As of December

	Estimated Revenue	Realized Revenue	Realized Revenue To Date	Revenue Balance	Percent Realized
General Operating Funds					
7900 - OTHER USES					
7910 - OTHER RESOURCES	.00	.00	-16,937.44	-16,937.44	.00%
Total 7900 - OTHER RESOURCE ACCOUNTS	**.00**	**.00**	**-16,937.44**	**-16,937.44**	**.00%**
7000 Total OTHER RESOURCES ACCOUNTS	**.00**	**.00**	**-16,937.44**	**-16,937.44**	**.00%**

Combined Funds Board Report
Comparison of Expenditures and Encumbrances to Budget
LITTLE ELM I.S.D
As of December

	Appropriation	Encumbrance	Current Expenditure	Expenditure To Date	Balance	Percent Expended
General Operating Funds						
11 - INSTRUCTION						
6100 - PAYROLL COSTS	-42,780,020.00	.00	2,816,762.41	20,664,359.01	-22,115,660.99	48.30%
6200 - PROFESSIONAL & CONTRACTED SVS	-2,027,110.00	233,154.23	165,285.07	913,674.70	-880,281.07	45.07%
6300 - SUPPLIES AND MATERIALS	-1,567,031.00	180,301.96	36,752.67	971,173.79	-415,555.25	61.98%
6400 - OTHER OPERATING COSTS	-228,797.00	8,401.69	3,992.94	12,222.49	-208,172.82	5.34%
Total Function 11 INSTRUCTION	**-46,602,958.00**	**421,857.88**	**3,022,793.09**	**22,561,429.99**	**-23,619,670.13**	**48.41%**
12 - INSTRUCTIONAL RESOURCES/MEDIA						
6100 - PAYROLL COSTS	-898,266.00	.00	62,413.40	446,561.27	-451,704.73	49.71%
6200 - PROFESSIONAL & CONTRACTED SVS	-25,525.00	.00	1,050.19	18,849.58	-6,675.42	73.85%
6300 - SUPPLIES AND MATERIALS	-147,119.00	18,406.95	2,649.09	50,845.01	-77,867.04	34.56%
6400 - OTHER OPERATING COSTS	-8,795.00	4,110.35	.00	53.00	-4,631.65	.60%
Total Function 12 INSTRUCTIONAL	**-1,079,705.00**	**22,517.30**	**66,112.68**	**516,308.86**	**-540,878.84**	**47.82%**
13 - CURRICULUM & STAFF DEVELOPMENT						
6100 - PAYROLL COSTS	-2,184,006.00	.00	190,176.39	1,044,960.06	-1,139,045.94	47.85%
6200 - PROFESSIONAL & CONTRACTED SVS	-250,905.00	25,623.40	7,744.68	144,609.76	-80,671.84	57.64%
6300 - SUPPLIES AND MATERIALS	-149,964.00	4,396.50	6,087.89	28,357.71	-117,209.79	18.91%
6400 - OTHER OPERATING COSTS	-279,758.00	26,653.53	4,652.61	102,946.41	-150,158.06	36.80%
Total Function 13 CURRICULUM & STAFF	**-2,864,633.00**	**56,673.43**	**208,661.57**	**1,320,873.94**	**-1,487,085.63**	**46.11%**
21 - INSTRUCTIONAL LEADERSHIP						
6100 - PAYROLL COSTS	-1,400,165.00	.00	108,441.54	680,824.26	-719,340.74	48.62%
6200 - PROFESSIONAL & CONTRACTED SVS	-23,048.00	1,343.23	194.80	6,364.86	-15,339.91	27.62%
6300 - SUPPLIES AND MATERIALS	-70,426.00	305.80	509.43	18,411.28	-51,708.92	26.14%
6400 - OTHER OPERATING COSTS	-84,338.00	8,369.72	3,639.52	26,503.09	-49,465.19	31.42%
Total Function 21 INSTRUCTIONAL LEADERSHIP	**-1,577,977.00**	**10,018.75**	**112,785.29**	**732,103.49**	**-835,854.76**	**46.40%**
23 - SCHOOL LEADERSHIP						
6100 - PAYROLL COSTS	-4,997,489.00	.00	392,346.19	2,338,699.90	-2,658,789.10	46.80%
6200 - PROFESSIONAL & CONTRACTED SVS	-26,126.00	6,178.50	1,430.27	11,829.28	-8,118.22	45.28%
6300 - SUPPLIES AND MATERIALS	-75,793.00	7,145.14	1,365.54	33,824.05	-34,823.81	44.63%
6400 - OTHER OPERATING COSTS	-107,268.00	8,057.48	2,673.43	44,159.10	-55,051.42	41.17%
Total Function 23 SCHOOL LEADERSHIP	**-5,206,676.00**	**21,381.12**	**397,815.43**	**2,428,512.33**	**-2,756,782.55**	**46.64%**
31 - GUIDANCE AND COUNSELING SVS						
6100 - PAYROLL COSTS	-2,454,692.00	.00	196,835.65	1,179,794.84	-1,274,897.16	48.06%
6200 - PROFESSIONAL & CONTRACTED SVS	-122,400.00	32,246.36	5,602.72	33,151.22	-57,002.42	27.08%

Combined Funds Board Report
Comparison of Expenditures and Encumbrances to Budget
LITTLE ELM I.S.D
As of December

	Appropriation	Encumbrance	Current Expenditure	Expenditure To Date	Balance	Percent Expended
General Operating Funds						
6300 - SUPPLIES AND MATERIALS	-172,915.00	328.14	2,371.37	66,973.81	-105,613.05	38.73%
6400 - OTHER OPERATING COSTS	-25,486.00	6,218.65	430.93	5,770.32	-13,497.03	22.64%
Total Function 31 GUIDANCE AND COUNSELING SVS	**-2,775,493.00**	**38,793.15**	**205,240.67**	**1,285,690.19**	**-1,451,009.66**	**46.32%**
32 - SOCIAL WORK SERVICES						
6100 - PAYROLL COSTS	-13,520.00	.00	853.23	4,244.41	-9,275.59	31.39%
Total Function 32 SOCIAL WORK SERVICES	**-13,520.00**	**.00**	**853.23**	**4,244.41**	**-9,275.59**	**31.39%**
33 - HEALTH SERVICES						
6100 - PAYROLL COSTS	-714,020.00	.00	44,901.35	322,749.44	-391,270.56	45.20%
6200 - PROFESSIONAL & CONTRACTED SVS	-6,500.00	956.00	2,132.70	10,311.32	4,767.32	158.64%
6300 - SUPPLIES AND MATERIALS	-14,686.00	1,013.72	166.43	4,603.25	-9,069.03	31.34%
6400 - OTHER OPERATING COSTS	-3,310.00	.00	19.99	447.10	-2,862.90	13.51%
Total Function 33 HEALTH SERVICES	**-738,516.00**	**1,969.72**	**47,220.47**	**338,111.11**	**-398,435.17**	**45.78%**
34 - STUDENT TRANSPORTATION						
6200 - PROFESSIONAL & CONTRACTED SVS	-2,797,000.00	.00	313,448.23	965,654.74	-1,831,345.26	34.52%
6300 - SUPPLIES AND MATERIALS	-402,275.00	119,440.14	20,692.83	99,985.25	-182,849.61	24.85%
6400 - OTHER OPERATING COSTS	-650.00	.00	.00	.00	-650.00	-.00%
Total Function 34 STUDENT TRANSPORTATION	**-3,199,925.00**	**119,440.14**	**334,141.06**	**1,065,639.99**	**-2,014,844.87**	**33.30%**
35 - FOOD SERVICES						
6100 - PAYROLL COSTS	-164,407.00	.00	11,580.94	72,544.05	-91,862.95	44.12%
Total Function 35 FOOD SERVICES	**-164,407.00**	**.00**	**11,580.94**	**72,544.05**	**-91,862.95**	**44.12%**
36 - CO-CURRICULAR ACTIVITIES						
6100 - PAYROLL COSTS	-2,071,937.00	.00	124,109.68	884,622.39	-1,187,314.61	42.70%
6200 - PROFESSIONAL & CONTRACTED SVS	-207,398.00	4,588.71	16,216.98	107,046.44	-95,762.85	51.61%
6300 - SUPPLIES AND MATERIALS	-350,533.00	50,422.84	27,868.18	180,096.66	-120,013.50	51.38%
6400 - OTHER OPERATING COSTS	-429,664.00	71,547.31	30,621.61	194,029.88	-164,086.81	45.16%
6600 - CPTL OUTLY LAND BLDG & EQUIP	-1.00	.00	.00	.00	-1.00	-.00%
Total Function 36 CO-CURRICULAR ACTIVITIES	**-3,059,533.00**	**126,558.86**	**198,816.45**	**1,365,795.37**	**-1,567,178.77**	**44.64%**
41 - GENERAL ADMINISTRATION						
6100 - PAYROLL COSTS	-2,964,429.00	.00	269,124.09	1,522,235.27	-1,442,193.73	51.35%
6200 - PROFESSIONAL & CONTRACTED SVS	-537,203.00	144,938.05	52,437.88	162,816.65	-229,448.30	30.31%
6300 - SUPPLIES AND MATERIALS	-262,455.75	6,603.09	688.32	182,054.50	-73,798.16	69.37%
6400 - OTHER OPERATING COSTS	-299,391.25	35,394.74	10,935.95	117,947.34	-146,049.17	39.40%
Total Function 41 GENERAL ADMINISTRATION	**-4,063,479.00**	**186,935.88**	**333,186.24**	**1,985,053.76**	**-1,891,489.36**	**48.85%**

Combined Funds Board Report
Comparison of Expenditures and Encumbrances to Budget
LITTLE ELM I.S.D
As of December

	Appropriation	Encumbrance	Current Expenditure	Expenditure To Date	Balance	Percent Expended
General Operating Funds						
51 - PLANT MAINTENANCE & OPERATION						
6100 - PAYROLL COSTS	-4,129,369.00	.00	349,479.65	1,992,871.43	-2,136,497.57	48.26%
6200 - PROFESSIONAL & CONTRACTED SVS	-4,201,360.00	1,283,166.40	224,094.96	1,731,969.64	-1,186,223.96	41.22%
6300 - SUPPLIES AND MATERIALS	-745,888.00	182,123.79	15,484.39	241,951.61	-321,812.60	32.44%
6400 - OTHER OPERATING COSTS	-1,136,502.00	18,240.98	2,305.91	1,066,665.02	-51,596.00	93.86%
6600 - CPTL OUTLY LAND BLDG & EQUIP	-10,000.00	.00	.00	7,226.48	-2,773.52	72.26%
Total Function 51 PLANT MAINTENANCE &	**-10,223,119.00**	**1,483,531.17**	**591,364.91**	**5,040,684.18**	**-3,698,903.65**	**49.31%**
52 - SECURITY & MONITORING SERVICES						
6100 - PAYROLL COSTS	-157,100.00	.00	5,925.26	40,632.16	-116,467.84	25.86%
6200 - PROFESSIONAL & CONTRACTED SVS	-1,309,873.00	48,108.77	11,547.14	577,905.51	-683,858.72	44.12%
6300 - SUPPLIES AND MATERIALS	-55,671.00	3,564.90	.00	13,850.00	-38,256.10	24.88%
6400 - OTHER OPERATING COSTS	-15,448.00	.00	488.95	6,407.58	-9,040.42	41.48%
Total Function 52 SECURITY & MONITORING	**-1,538,092.00**	**51,673.67**	**17,961.35**	**638,795.25**	**-847,623.08**	**41.53%**
53 - DATA PROCESSING SERVICES						
6100 - PAYROLL COSTS	-1,396,425.00	.00	119,002.33	713,491.02	-682,933.98	51.09%
6200 - PROFESSIONAL & CONTRACTED SVS	-161,935.00	19,800.00	.00	111,779.07	-30,355.93	69.03%
6300 - SUPPLIES AND MATERIALS	-434,355.00	38,130.38	59,657.24	341,777.29	-54,447.33	78.69%
6400 - OTHER OPERATING COSTS	-29,650.00	3,016.22	-26.46	5,066.04	-21,567.74	17.09%
6600 - CPTL OUTLY LAND BLDG & EQUIP	-61,460.00	.00	.00	61,460.00	.00	100.00%
Total Function 53 DATA PROCESSING SERVICES	**-2,083,825.00**	**60,946.60**	**178,633.11**	**1,233,573.42**	**-789,304.98**	**59.20%**
61 - COMMUNITY SERVICES						
6100 - PAYROLL COSTS	-47,785.00	.00	3,414.91	19,796.93	-27,988.07	41.43%
6400 - OTHER OPERATING COSTS	-280.00	.00	.00	.00	-280.00	-.00%
Total Function 61 COMMUNITY SERVICES	**-48,065.00**	**.00**	**3,414.91**	**19,796.93**	**-28,268.07**	**41.19%**
81 - FACILITIES ACQ & CONSTRUCTION						
6100 - PAYROLL COSTS	-19,044.00	.00	1,624.38	9,729.30	-9,314.70	51.09%
Total Function 81 FACILITIES ACQ & CONSTRUCTION	**-19,044.00**	**.00**	**1,624.38**	**9,729.30**	**-9,314.70**	**51.09%**
91 - CONTRACTED INST BETWEEN SCHOOL						
6200 - PROFESSIONAL & CONTRACTED SVS	-1,107,002.00	.00	.00	587,657.00	-519,345.00	53.09%
Total Function 91 CONTRACTED INST BETWEEN	**-1,107,002.00**	**.00**	**.00**	**587,657.00**	**-519,345.00**	**53.09%**
95 - PAYMENTS TO JUV JUSTICE ALTERN						
6200 - PROFESSIONAL & CONTRACTED SVS	-35,000.00	.00	2,079.00	6,039.00	-28,961.00	17.25%
Total Function 95 PAYMENTS TO JUV JUSTICE	**-35,000.00**	**.00**	**2,079.00**	**6,039.00**	**-28,961.00**	**17.25%**

Combined Funds Board Report
Comparison of Expenditures and Encumbrances to Budget
LITTLE ELM I.S.D
As of December

	Appropriation	Encumbrance	Current Expenditure	Expenditure To Date	Balance	Percent Expended
General Operating Funds						
99 - INTERGOVERNMENTAL CHARGES						
6200 - PROFESSIONAL & CONTRACTED SVS	-540,750.00	303,328.26	151,664.13	279,526.33	42,104.59	51.69%
Total Function 99 INTERGOVERNMENTAL CHARGES	**-540,750.00**	**303,328.26**	**151,664.13**	**279,526.33**	**42,104.59**	**51.69%**
6000 Total EXPENDITURES/EXPENSES	**-86,941,719.00**	**2,905,625.93**	**5,885,948.91**	**41,492,108.90**	**-42,543,984.17**	**47.72%**

Combined Funds Board Report
Comparison of Revenue to Budget
LITTLE ELM I.S.D
As of December

	Appropriation	Encumbrance	Current Expenditure	Expenditure To Date	Balance	Percent Expended
General Operating Funds						
00 - OTHER USES						
8900 - OTHER USES ACCOUNTS	.00	.00	.00	21,938.88	21,938.88	.00%
Total Function 00 OTHER USES	**.00**	**.00**	**.00**	**21,938.88**	**21,938.88**	**.00%**
8000 Total OTHER USES ACCOUNTS	**.00**	**.00**	**.00**	**21,938.88**	**21,938.88**	**.00%**

Combined Funds Board Report
Comparison of Revenue to Budget
LITTLE ELM I.S.D
As of December

	Estimated Revenue	Realized Revenue	Realized Revenue To Date	Revenue Balance	Percent Realized
Special Revenue Funds					
5700 - REVENUE-LOCAL AND INTERMEDIATE					
5740 - OTHER REVENUES LOCAL SOURCES	8,000.00	.00	-350.00	7,650.00	4.38%
5750 - REVENUES-COCURRIC/ENTERPRISING	1,742,000.00	-119,017.93	-900,991.22	841,008.78	51.72%
Total 5700 - REVENUE-LOCAL AND INTERMEDIATE	**1,750,000.00**	**-119,017.93**	**-901,341.22**	**848,658.78**	**51.51%**
5800 - STATE PROGRAM REVENUES					
5820 - STATE REV DISTRIBUTED BY TEA	20,000.00	.00	.00	20,000.00	.00%
Total 5800 - STATE PROGRAM REVENUES	**20,000.00**	**.00**	**.00**	**20,000.00**	**.00%**
5900 - FEDERAL PROGRAM REVENUES					
5920 - FED REV DISTRIBUTED BY TEA	2,882,353.00	-305,778.14	-1,269,001.59	1,613,351.41	44.03%
5930 - FED REV DIST BY STATE(NOT TEA)	135,750.00	.00	-173,650.05	-37,900.05	127.92%
Total 5900 - FEDERAL PROGRAM REVENUES	**3,018,103.00**	**-305,778.14**	**-1,442,651.64**	**1,575,451.36**	**47.80%**
5000 Total REVENUES	**4,788,103.00**	**-424,796.07**	**-2,343,992.86**	**2,444,110.14**	**48.95%**

Combined Funds Board Report
Comparison of Expenditures and Encumbrances to Budget
LITTLE ELM I.S.D
As of December

	Appropriation	Encumbrance	Current Expenditure	Expenditure To Date	Balance	Percent Expended
Special Revenue Funds						
35 - FOOD SERVICES						
6100 - PAYROLL COSTS	-2,191,355.00	.00	164,387.13	875,130.13	-1,316,224.87	39.94%
6200 - PROFESSIONAL & CONTRACTED SVS	-191,985.00	22,061.80	14,625.42	86,932.78	-82,990.42	45.28%
6300 - SUPPLIES AND MATERIALS	-3,193,095.00	495,403.52	216,722.14	1,171,003.90	-1,526,687.58	36.67%
6400 - OTHER OPERATING COSTS	-82,700.00	2,653.92	108.20	22,466.16	-57,579.92	27.17%
6600 - CPTL OUTLY LAND BLDG & EQUIP	-428,449.00	.00	.00	73,122.98	-355,326.02	17.07%
Total Function 35 FOOD SERVICES	**-6,087,584.00**	**520,119.24**	**395,842.89**	**2,228,655.95**	**-3,338,808.81**	**36.61%**
6000 Total EXPENDITURES/EXPENSES	**-6,087,584.00**	**520,119.24**	**395,842.89**	**2,228,655.95**	**-3,338,808.81**	**36.61%**

Combined Funds Board Report
Comparison of Revenue to Budget
LITTLE ELM I.S.D
As of December

	Estimated Revenue	Realized Revenue	Realized Revenue To Date	Revenue Balance	Percent Realized
Interest & Sinking Funds					
5700 - REVENUE-LOCAL AND INTERMEDIATE					
5710 - LOCAL REAL/PERS PROPERTY TAXES	28,786,425.00	-21,165,347.62	-23,247,506.26	5,538,918.74	80.76%
5740 - OTHER REVENUES LOCAL SOURCES	30,000.00	-52,199.34	-172,040.34	-142,040.34	573.47%
Total 5700 - REVENUE-LOCAL AND INTERMEDIATE	**28,816,425.00**	**-21,217,546.96**	**-23,419,546.60**	**5,396,878.40**	**81.27%**
5800 - STATE PROGRAM REVENUES					
5820 - STATE REV DISTRIBUTED BY TEA	250,000.00	-848,487.00	-848,487.00	-598,487.00	339.39%
Total 5800 - STATE PROGRAM REVENUES	**250,000.00**	**-848,487.00**	**-848,487.00**	**-598,487.00**	**339.39%**
5000 Total REVENUES	**29,066,425.00**	**-22,066,033.96**	**-24,268,033.60**	**4,798,391.40**	**83.49%**

	Estimated Revenue	Realized Revenue	Realized Revenue To Date	Revenue Balance	Percent Realized
Interest & Sinking Funds					
7900 - OTHER USES					
7910 - OTHER RESOURCES	.00	.00	-10,374.91	-10,374.91	.00%
Total 7900 - OTHER RESOURCE ACCOUNTS	**.00**	**.00**	**-10,374.91**	**-10,374.91**	**.00%**
7000 Total OTHER RESOURCES ACCOUNTS	**.00**	**.00**	**-10,374.91**	**-10,374.91**	**.00%**

Combined Funds Board Report
Comparison of Expenditures and Encumbrances to Budget
LITTLE ELM I.S.D
As of December

	Appropriation	Encumbrance	Current Expenditure	Expenditure To Date	Balance	Percent Expended
Interest & Sinking Funds						
71 - DEBT SERVICE						
6500 - DEBT SERVICE	-29,066,425.00	8,200.00	.00	18,704,550.73	-10,353,674.27	64.35%
Total Function 71 DEBT SERVICE	**-29,066,425.00**	**8,200.00**	**.00**	**18,704,550.73**	**-10,353,674.27**	**64.35%**
6000 Total EXPENDITURES/EXPENSES	**-29,066,425.00**	**8,200.00**	**.00**	**18,704,550.73**	**-10,353,674.27**	**64.35%**

End of Report

Class/Major Object Code	Est Rev/Approp	Encumbrances	Real Rev/Exp	Balances
Fund Code 211 / 3 - ESEA TITLE I-A IMPROVING BASIC				
5900 FEDERAL PROGRAM REVENUES	660,035.00	.00	-106,771.30	553,263.70
6100 PAYROLL COSTS	-463,312.00	.00	98,646.97	-364,665.03
6200 PROFESSIONAL & CONTRACTED SVS	-48,765.00	8,550.00	32,250.00	-7,965.00
6300 SUPPLIES AND MATERIALS	-134,422.00	1,108.10	64,318.43	-68,995.47
6400 OTHER OPERATING COSTS	-13,536.00	170.00	2,147.00	-11,219.00
Subtotals for Fund 211 / 3	**.00**	**9,828.10**	**90,591.10**	**100,419.20**
Fund Code 224 / 3 - IDEA - PART B, FORMULA				
5900 FEDERAL PROGRAM REVENUES	1,875,767.00	.00	-453,878.71	1,421,888.29
6100 PAYROLL COSTS	-1,786,423.00	.00	570,053.08	-1,216,369.92
6200 PROFESSIONAL & CONTRACTED SVS	-84,073.00	.00	72,276.00	-11,797.00
6300 SUPPLIES AND MATERIALS	-4,271.00	311.00	2,692.41	-1,267.59
6400 OTHER OPERATING COSTS	-1,000.00	.00	.00	-1,000.00
Subtotals for Fund 224 / 3	**.00**	**311.00**	**191,142.78**	**191,453.78**
Fund Code 225 / 3 - IDEA - PART B, PRESCHOOL				
5900 FEDERAL PROGRAM REVENUES	31,629.00	.00	-16,116.41	15,512.59
6100 PAYROLL COSTS	-11,716.00	.00	12,271.21	555.21
6200 PROFESSIONAL & CONTRACTED SVS	-8,540.00	.00	276.50	-8,263.50
6300 SUPPLIES AND MATERIALS	-11,373.00	.00	7,413.99	-3,959.01
6400 OTHER OPERATING COSTS	.00	.00	.00	.00
Subtotals for Fund 225 / 3	**.00**	**.00**	**3,845.29**	**3,845.29**
Fund Code 244 / 3 - VOC ED - BASIC GRANT				
5900 FEDERAL PROGRAM REVENUES	48,071.00	.00	-28,131.98	19,939.02
6200 PROFESSIONAL & CONTRACTED SVS	-10,375.00	4,500.00	5,875.00	.00
6300 SUPPLIES AND MATERIALS	-37,696.00	5,593.50	23,963.18	-8,139.32
Subtotals for Fund 244 / 3	**.00**	**10,093.50**	**1,706.20**	**11,799.70**
Fund Code 255 / 3 - TITLE II TPTR				
5900 FEDERAL PROGRAM REVENUES	205,087.00	.00	-59,357.59	145,729.41
6100 PAYROLL COSTS	-48,721.00	.00	642.51	-48,078.49
6200 PROFESSIONAL & CONTRACTED SVS	-77,802.00	5,400.00	51,250.00	-21,152.00
6300 SUPPLIES AND MATERIALS	-64,546.00	802.05	21,797.89	-41,946.06
6400 OTHER OPERATING COSTS	-14,018.00	4,200.00	5,112.20	-4,705.80
Subtotals for Fund 255 / 3	**.00**	**10,402.05**	**19,445.01**	**29,847.06**
Fund Code 263 / 3 - TITLE III, PART A LEP/IMMIGRAN				
5900 FEDERAL PROGRAM REVENUES	167,457.00	.00	-71,029.50	96,427.50
6100 PAYROLL COSTS	-57,280.00	.00	26,259.96	-31,020.04
6200 PROFESSIONAL & CONTRACTED SVS	-18,396.00	.00	6,495.00	-11,901.00
6300 SUPPLIES AND MATERIALS	-86,729.00	1,790.38	76,314.74	-8,623.88
6400 OTHER OPERATING COSTS	-5,052.00	.00	3,219.00	-1,833.00
Subtotals for Fund 263 / 3	**.00**	**1,790.38**	**41,259.20**	**43,049.58**
Fund Code 280 / 3 - ARP HOMELESS II				
5900 FEDERAL PROGRAM REVENUES	25,473.00	.00	.00	25,473.00
6100 PAYROLL COSTS	-15,000.00	.00	.00	-15,000.00
6200 PROFESSIONAL & CONTRACTED SVS	-2,000.00	.00	.00	-2,000.00
6300 SUPPLIES AND MATERIALS	-8,000.00	.00	.00	-8,000.00
6400 OTHER OPERATING COSTS	-473.00	.00	.00	-473.00
Subtotals for Fund 280 / 3	**.00**	**.00**	**.00**	**.00**

Class/Major Object Code	Est Rev/Approp	Encumbrances	Real Rev/Exp	Balances
Fund Code 281 / 3 - ESSER II				
5800 STATE PROGRAM REVENUES	.00	.00	.00	.00
5900 FEDERAL PROGRAM REVENUES	1,231,106.00	.00	-746,975.81	484,130.19
6100 PAYROLL COSTS	-247,425.00	.00	110,408.17	-137,016.83
6200 PROFESSIONAL & CONTRACTED SVS	-501,555.00	13,000.00	314,550.00	-174,005.00
6300 SUPPLIES AND MATERIALS	-482,126.00	8,000.00	399,312.57	-74,813.43
Subtotals for Fund 281 / 3	**.00**	**21,000.00**	**77,294.93**	**98,294.93**
Fund Code 282 / 3 - ESSER III				
5900 FEDERAL PROGRAM REVENUES	3,374,601.00	.00	-77,412.93	3,297,188.07
6100 PAYROLL COSTS	-2,993,287.00	.00	190,896.99	-2,802,390.01
6200 PROFESSIONAL & CONTRACTED SVS	-301,797.00	194,362.25	86,903.25	-20,531.50
6300 SUPPLIES AND MATERIALS	-45,517.00	.00	45,517.00	.00
6400 OTHER OPERATING COSTS	-34,000.00	7,057.79	1,742.21	-25,200.00
Subtotals for Fund 282 / 3	**.00**	**201,420.04**	**247,646.52**	**449,066.56**
Fund Code 283 / 3 - ESSER SUPPLEMENTAL				
5900 FEDERAL PROGRAM REVENUES	2,848,959.00	.00	-600,381.04	2,248,577.96
6100 PAYROLL COSTS	-2,848,959.00	.00	925,487.73	-1,923,471.27
6200 PROFESSIONAL & CONTRACTED SVS	.00	.00	3,754.77	3,754.77
6300 SUPPLIES AND MATERIALS	.00	.00	.00	.00
Subtotals for Fund 283 / 3	**.00**	**.00**	**328,861.46**	**328,861.46**
Fund Code 284 / 3 - IDEA B FORMULA ARP				
5900 FEDERAL PROGRAM REVENUES	219,984.00	.00	-9,810.00	210,174.00
6200 PROFESSIONAL & CONTRACTED SVS	-208,041.00	80,637.50	25,025.00	-102,378.50
6300 SUPPLIES AND MATERIALS	-11,943.00	4,080.00	1,415.74	-6,447.26
Subtotals for Fund 284 / 3	**.00**	**84,717.50**	**16,630.74**	**101,348.24**
Fund Code 285 / 3 - IDEA B PRESCHOOL ARP				
5900 FEDERAL PROGRAM REVENUES	15,332.00	.00	.00	15,332.00
6300 SUPPLIES AND MATERIALS	-15,332.00	4,080.00	1,069.14	-10,182.86
Subtotals for Fund 285 / 3	**.00**	**4,080.00**	**1,069.14**	**5,149.14**
Fund Code 289 / 3 - TITLE IV, PART A, SUBPART 1				
5900 FEDERAL PROGRAM REVENUES	69,828.00	.00	-37,348.33	32,479.67
6100 PAYROLL COSTS	-19,396.00	.00	1,332.33	-18,063.67
6200 PROFESSIONAL & CONTRACTED SVS	-2,394.00	.00	.00	-2,394.00
6300 SUPPLIES AND MATERIALS	-30,923.00	223.80	30,591.00	-108.20
6400 OTHER OPERATING COSTS	-17,115.00	.00	5,425.00	-11,690.00
Subtotals for Fund 289 / 3	**.00**	**223.80**	**.00**	**223.80**
Grand Totals	**.00**	**343,866.37**	**1,019,492.37**	**1,363,358.74**

End of Report

Revenues and Expenditures by Major Object Code
LITTLE ELM I.S.D
Accounting Periods: 07 through 12
STATE PROGRAMS AS OF 12-31-2022

Class/Major Object Code	Est Rev/Approp	Encumbrances	Real Rev/Exp	Balances
Fund Code 397 / 3 - ADVANCED PLACEMENT INCENTIVES				
5800 STATE PROGRAM REVENUES	.00	.00	-1,341.44	-1,341.44
6200 PROFESSIONAL & CONTRACTED SVS	-8,782.00	.00	.00	-8,782.00
Subtotals for Fund 397 / 3	**-8,782.00**	**.00**	**-1,341.44**	**-10,123.44**
Fund Code 410 / 3 - INSTRUCTIONAL MATERIALS				
5800 STATE PROGRAM REVENUES	87,028.00	.00	-92,915.00	-5,887.00
6300 SUPPLIES AND MATERIALS	-87,149.00	.00	71,905.80	-15,243.20
Subtotals for Fund 410 / 3	**-121.00**	**.00**	**-21,009.20**	**-21,130.20**
Fund Code 429 / 3 - STATE SPECIAL REVENUE				
5800 STATE PROGRAM REVENUES	70,471.00	.00	-29,581.08	40,889.92
5900 FEDERAL PROGRAM REVENUES	.00	.00	.00	.00
6100 PAYROLL COSTS	-4,866.00	.00	1,049.39	-3,816.61
6200 PROFESSIONAL & CONTRACTED SVS	-56,500.00	28,000.00	28,500.00	.00
6300 SUPPLIES AND MATERIALS	-9,105.00	.00	6,267.29	-2,837.71
Subtotals for Fund 429 / 3	**.00**	**28,000.00**	**6,235.60**	**34,235.60**
Grand Totals	**-8,903.00**	**28,000.00**	**-16,115.04**	**2,981.96**

End of Report

Revenues and Expenditures by Major Object Code
LITTLE ELM I.S.D
Accounting Periods: 07 through 12
CHILD CARE AS OF 12-31-2022

Class/Major Object Code	Est Rev/Approp	Encumbrances	Real Rev/Exp	Balances
Fund Code 720 / 3 - CHILD CARE				
5700 REVENUE-LOCAL AND INTERMEDIATE	544,640.00	.00	-282,673.05	261,966.95
5800 STATE PROGRAM REVENUES	.00	.00	.00	.00
5900 FEDERAL PROGRAM REVENUES	142,961.00	.00	-210,632.00	-67,671.00
6100 PAYROLL COSTS	-631,187.00	.00	281,633.50	-349,553.50
6200 PROFESSIONAL & CONTRACTED SVS	-3,500.00	611.50	1,486.10	-1,402.40
6300 SUPPLIES AND MATERIALS	-32,895.00	13,489.77	13,966.97	-5,438.26
6400 OTHER OPERATING COSTS	-20,019.00	1,382.43	2,034.37	-16,602.20
Subtotals for Fund 720 / 3	**.00**	**15,483.70**	**-194,184.11**	**-178,700.41**
Grand Totals	**.00**	**15,483.70**	**-194,184.11**	**-178,700.41**

End of Report

Little Elm Independent School District
General Operating Cash Flow Statement
FY 2022-2023

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	TOTAL
Beginning Cash Balance in Bank	29,095,448.42	28,701,093.01	24,980,847.33	30,624,069.71	28,202,794.14	22,368,953.99	-	-	-	-	-	-	29,095,448.42
RECEIPTS													
Tax Collections	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	13,636.98	15,682.73	21,349.11	25,453.03	23,973.90	28,809.48	-	-	-	-	-	-	128,905.23
Other Local Revenue	20,331.82	2,534,257.23	198,932.48	136,207.56	255,339.32	186,225.56	-	-	-	-	-	-	3,331,293.97
State Revenue - Available School	361,419.00	780,103.00	405,714.00	346,394.00	351,040.00	522,727.00	-	-	-	-	-	-	2,767,397.00
State Revenue - Foundation	-	71,057.00	5,897,074.00	4,406,093.00	-	-	-	-	-	-	-	-	10,374,224.00
State Revenue - Debt Service	-	-	-	-	-	848,487.00	-	-	-	-	-	-	848,487.00
State Revenue - Misc	-	17,297.58	31,486.65	10,275.91	74,816.44	5,886.00	-	-	-	-	-	-	139,762.58
SHARS Receipts	2,797.78	7,914.19	16,922.83	20,178.41	6,425.35	1,292.19	-	-	-	-	-	-	55,530.75
Federal Program Revenue	-	1,849,746.13	244,160.39	304,330.09	1,291,826.33	555,593.09	-	-	-	-	-	-	4,245,656.03
Federal Program Revenue 240	37,134.13	37,900.44	3,135.00	560,662.58	268,325.87	278,931.14	-	-	-	-	-	-	1,186,089.16
Lunch Revenue - local 240	3,069.65	185,996.58	205,469.63	176,963.82	204,282.19	127,196.71	-	-	-	-	-	-	902,978.58
Payroll Deposits	410.42	1,268.80	354.82	-	1,688.19	-	-	-	-	-	-	-	3,722.23
Transfers from Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from Investment Acct	7,000,000.00	-	8,101,120.89	632,864.93	288,876.85	7,000,000.00	-	-	-	-	-	-	23,022,862.67
Total Revenue	7,438,799.78	5,501,223.68	15,125,719.80	6,619,423.33	2,766,594.44	9,555,148.17	-	-	-	-	-	-	47,006,909.20
DISBURSEMENTS													
Payroll Checks	3,861,989.65	3,624,540.67	3,947,049.52	4,037,274.87	4,029,977.37	4,042,669.56	-	-	-	-	-	-	23,543,501.64
Accounts Payable Checks	3,056,877.46	4,131,054.75	4,053,604.67	3,441,476.99	3,004,833.88	2,225,855.78	-	-	-	-	-	-	19,913,703.53
TRS Deposit	424,438.96	1,032,812.26	1,003,776.68	1,076,715.23	1,083,824.88	1,075,653.59	-	-	-	-	-	-	5,697,221.60
IRS Deposit	484,743.99	433,061.68	478,066.55	485,231.81	481,798.46	492,996.25	-	-	-	-	-	-	2,855,898.74
Bank Charges/ NSFs/Bk Trans	5,105.13	-	-	-	-	-	-	-	-	-	-	-	5,105.13
Total Expenditures	7,833,155.19	9,221,469.36	9,482,497.42	9,040,698.90	8,600,434.59	7,837,175.18	-	-	-	-	-	-	52,015,430.64
Cash Transferred to Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Investment Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures & Transfers	7,833,155.19	9,221,469.36	9,482,497.42	9,040,698.90	8,600,434.59	7,837,175.18	-	-	-	-	-	-	52,015,430.64
Net Change in Cash	(394,355.41)	(3,720,245.68)	5,643,222.38	(2,421,275.57)	(5,833,840.15)	1,717,972.99	-	-	-	-	-	-	(5,008,521.44)
Ending Cash Balance in bank	28,701,093.01	24,980,847.33	30,624,069.71	28,202,794.14	22,368,953.99	24,086,926.98	-	-	-	-	-	-	24,086,926.98
Beginning Cash Balance Lone Star	39,465,216.95	37,081,016.44	35,704,949.46	32,028,079.20	30,416,874.19	29,717,831.47	-	-	-	-	-	-	39,465,216.95
Beginning Cash Balance TexStar	1,634,902.52	1,636,847.85	1,639,554.45	1,642,645.98	1,474,832.20	1,479,146.09	-	-	-	-	-	-	1,634,902.52
Beginning Cash Balance Texas Class	20,949,328.69	14,045,897.38	18,894,763.09	11,891,208.08	12,192,807.95	15,230,248.07	-	-	-	-	-	-	20,949,328.69
Interest Earned Lone Star	49,934.48	66,999.74	69,631.84	83,008.26	93,341.56	101,795.44	-	-	-	-	-	-	464,711.32
Interest Earned TexStar	1,945.33	2,706.60	3,091.53	3,776.91	4,313.89	4,984.96	-	-	-	-	-	-	20,819.22
Interest Earned TexasClass	16,654.86	23,362.18	25,266.75	27,062.16	37,738.17	67,423.20	-	-	-	-	-	-	197,507.32
Transfers in	151,556.18	5,165,560.42	42,299.13	274,537.71	2,999,701.95	39,431,094.65	-	-	-	-	-	-	48,064,750.04
Transfers out	(9,505,777.34)	(1,783,123.61)	(10,817,622.99)	(1,865,803.96)	(792,384.28)	(7,776,373.70)	-	-	-	-	-	-	(32,541,085.88)
Ending Cash Balance Invested	52,763,761.67	56,239,267.00	45,561,933.26	44,084,514.34	46,427,225.63	78,256,150.18	-	-	-	-	-	-	78,256,150.18
TOTAL CASH AVAILABLE	81,464,854.68	81,220,114.33	76,186,002.97	72,287,308.48	68,796,179.62	102,343,077.16	-	-	-	-	-	-	102,343,077.16

Little Elm Independent School District
Debt Service Cash Flow Statement
FY 2022-2023

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	TOTAL
Beginning Cash Balance in Bank	565,840.15	566,213.10	572,485.85	573,192.08	574,004.53	574,929.95	-	-	-	-	-	-	565,840.15
RECEIPTS													
Tax Collections	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	372.95	552.84	706.23	812.45	925.42	1,026.31	-	-	-	-	-	-	4,396.20
Bond Issuance	-	10,374.91	-	-	-	-	-	-	-	-	-	-	10,374.91
Transfer from General Operating	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from Investment Acct	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	372.95	10,927.75	706.23	812.45	925.42	1,026.31	-	-	-	-	-	-	14,771.11
DISBURSEMENTS													
Wire Bond Issuance Fees	-	4,655.00	-	-	-	-	-	-	-	-	-	-	4,655.00
Bank Charges/ NSFs/Bk Trans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	4,655.00	-	-	-	-	-	-	-	-	-	-	4,655.00
Transfers to Investment Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Operating	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures & Transfers	-	4,655.00	-	-	-	-	-	-	-	-	-	-	4,655.00
Net Change in Cash	372.95	6,272.75	706.23	812.45	925.42	1,026.31	-	-	-	-	-	-	10,116.11
Ending Cash Balance in bank	566,213.10	572,485.85	573,192.08	574,004.53	574,929.95	575,956.26	-	-	-	-	-	-	575,956.26
Beginning Cash Balance TexPool	25,868,608.43	25,975,651.66	7,383,053.42	7,418,335.04	7,573,661.18	9,091,794.99	-	-	-	-	-	-	25,868,608.43
Interest Earned TexPool	33,443.51	25,418.46	14,662.27	18,568.73	24,378.14	51,173.03	-	-	-	-	-	-	167,644.14
Transfers in	73,599.72	79,329.03	20,619.35	136,757.41	1,493,755.67	19,665,669.54	-	-	-	-	-	-	21,469,730.72
Transfers out	-	(18,697,345.73)	-	-	-	-	-	-	-	-	-	-	(18,697,345.73)
Ending Cash Balance Invested	25,975,651.66	7,383,053.42	7,418,335.04	7,573,661.18	9,091,794.99	28,808,637.56	-	-	-	-	-	-	28,808,637.56
TOTAL CASH AVAILABLE	26,541,864.76	7,955,539.27	7,991,527.12	8,147,665.71	9,666,724.94	29,384,593.82	-	-	-	-	-	-	29,384,593.82

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
Cash and Investments Reconciliation
December 31, 2022

Operating Fund:

Balance per bank		**24,086,926.98**
Add:	Texas Class	47,728,765.92
	Lone Star	29,043,253.21
	TexStar	1,484,131.05
Add:	Deposits in Transit	562.80
	Taxes in Transit	3,593,354.86
Less:	Outstanding Checks/Wires/ACHs	(806,623.50)
Balance per Books		**105,130,371.32**

Interest & Sinking Fund:

Balance per bank		**575,956.26**
Add:	Texpool	28,808,637.56
Add:	Taxes in Transit	1,790,595.74
Less:	Outstanding Checks	-
Balance per Books		**31,175,189.56**

Total Balance per Books	**136,305,560.88**

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SUMMARY OF CURRENT INVESTMENTS - BY FUND
MONTH ENDED: December 31, 2022

General Fund 199

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22	Lone Star Corporate		Investment Pool	7,083,759.90	100.0000%	100.0000%	0.0000%	7,083,759.90				
	Overnight		Investment	-				7,083,759.90				
			Withdrawal	-				7,083,759.90				-
12/31/22			Interest	26,039.52			4.3300%	7,109,799.42			26,039.52	
				7,109,799.42				7,109,799.42			26,039.52	-

General Fund 199

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22	Lone Star Government		Investment Pool	64,399.22	100.0000%	100.0000%	0.0000%	64,399.22				
	Overnight		Investment	-				64,399.22				60
			Withdrawal	-				64,399.22				-
12/31/22			Interest	223.07			4.0800%	64,622.29			223.07	
				64,622.29				64,622.29			223.07	-

General Fund 199

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22	TexSTAR		Investment Pool	1,478,932.83	100.0000%	100.0000%	0.0000%	1,478,932.83				
			Investment	-				1,478,932.83				
			Withdrawal	-				1,478,932.83				-
12/31/22			Interest	4,984.30			3.9681%	1,483,917.13			4,984.30	
				1,483,917.13				1,483,917.13			4,984.30	-

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SUMMARY OF CURRENT INVESTMENTS - BY FUND
MONTH ENDED: December 31, 2022

General Fund 199

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22	Texas Class Gov't		Investment Pool	10,194,615.39	100.0000%	100.0000%	0.0000%	10,194,615.39				
			Investment	39,431,094.65				49,625,710.04				
			Withdrawal	(7,000,000.00)				42,625,710.04				(7,000,000.00)
12/31/22			Interest	50,928.57			3.8505%	42,676,638.61			50,928.57	
				42,676,638.61				42,676,638.61			50,928.57	(7,000,000.00)

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SUMMARY OF CURRENT INVESTMENTS - BY FUND
MONTH ENDED: December 31, 2022

Capital Projects Fund 651 **Bond Issue 2018**

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22	Lone Star Government		Investment Pool	926.71	100.0000%	100.0000%	0.0000%	926.71				
	Overnight		Investment	-				926.71				
			Withdrawal					926.71				-
12/31/22			Interest	3.21			4.0800%	929.92			3.21	
				929.92				929.92			3.21	-

Capital Projects Fund 651 **Bond Issue 2018**

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22	TexSTAR		Investment Pool	213.26	100.0000%	100.0000%	0.0000%	213.26				
			Investment	-				213.26				62
			Withdrawal	-				213.26				-
12/31/22			Interest	0.66			3.9681%	213.92			0.66	
				213.92				213.92			0.66	-

Capital Projects Fund 652 **Bond Issue 2019**

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22	Lone Star Government		Investment Pool	8,690,179.56	100.0000%	100.0000%	0.0000%	8,690,179.56				
	Overnight		Investment					8,690,179.56				
			Withdrawal	(776,373.70)				7,913,805.86				(776,373.70)
12/31/22			Interest	27,456.36			4.0800%	7,941,262.22			27,456.36	
				7,941,262.22				7,941,262.22			27,456.36	(776,373.70)

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SUMMARY OF CURRENT INVESTMENTS - BY FUND
MONTH ENDED: December 31, 2022

Capital Projects Fund 654 **Bond Issue 2021**

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22	Lone Star Government		Investment Pool	8,638,729.51	100.0000%	100.0000%	0.0000%	8,638,729.51				
	Overnight		Investment	-				8,638,729.51				
			Withdrawal	-				8,638,729.51				-
12/31/22			Interest	29,923.27			4.0800%	8,668,652.78			29,923.27	
				8,668,652.78				8,668,652.78			29,923.27	-

Capital Projects Fund 655 **Bond Issue 2022**

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22	Texas CLASS Gov't		Investment Pool	5,035,632.68	100.0000%	100.0000%	0.0000%	5,035,632.68				63
	Overnight		Investment	-				5,035,632.68				
			Withdrawal	-				5,035,632.68				-
12/31/22			Interest	16,494.63			3.8505%	5,052,127.31			16,494.63	
				5,052,127.31				5,052,127.31			16,494.63	-

Capital Projects Fund 690 **Non-Bond**

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22	Lone Star Government		Investment Pool	5,239,836.57	100.0000%	100.0000%	0.0000%	5,239,836.57				
	Overnight		Investment	-				5,239,836.57				
			Withdrawal	-				5,239,836.57				-
12/31/22			Interest	18,150.01			4.0800%	5,257,986.58			18,150.01	
				5,257,986.58				5,257,986.58			18,150.01	-

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SUMMARY OF CURRENT INVESTMENTS - BY FUND
MONTH ENDED: December 31, 2022

Debt Service Fund 511

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
12/01/22		TexPool	Investment Pool	9,091,794.99	100.0000%	100.0000%	0.0000%	9,091,794.99				
			Investment	20,010,813.00				29,102,607.99				
			Withdrawal	(345,143.46)				28,757,464.53				(345,143.46)
12/31/22			Interest	51,173.03			3.9799%	28,808,637.56			51,173.03	
				28,808,637.56				28,808,637.56			51,173.03	(345,143.46)

Denton County
Monthly Collection Status Report
December 2022

Little Elm ISD

	Collections Month of December	Cumulative Total 10/1/2022 thru 12/31/2022	% of Tax Levy
Current Tax Year Collections			
Base M&O	42,446,113.08	46,345,376.12	68.94%
Base I&S	21,157,782.38	23,101,417.43	
Base I&S Bond	-	-	
P&I M&O	2,353.64	3,620.17	
P&I I&S	-	-	
P&I I&S Bond	-	-	
Attorney Fee	-	-	
Subtotal	63,606,249.10	69,450,413.72	68.94%
Delinquent TaxYears Collections			
Base M&O	12,359.17	(54,327.74)	
Base I&S	5,610.74	(27,684.71)	
Base I&S Bond	-	-	
P&I M&O	4,426.90	26,557.24	
P&I I&S	1,954.50	11,968.62	
P&I I&S Bond	-	-	
Attorney Fee	4,441.04	31,480.70	
Other*	-	-	
Subtotal	28,792.35	(12,005.89)	
Combined Current & Delinquent:			
Base M&O	42,458,472.25	46,291,048.38	
Base I&S	21,163,393.12	23,073,732.72	
Base I&S Bond	-	-	
P&I M&O	6,780.54	30,177.41	
P&I I&S	1,954.50	11,968.62	
Attorney Fee	4,441.04	31,480.70	
Other*	-	-	
Total Collections	63,635,041.45	69,438,407.83	
Original 2022 Tax Levy		99,960,776.18	
Current 2022 Tax Levy		100,739,469.13	

Denton County
Cumulative Comparative Collection Status Report
December 2022

Little Elm ISD

	Tax Year 2022 Collections thru December 31, 2022	% of Tax Levy	Tax Year 2021 Collections thru December 31, 2021	% of Tax Levy
Current Tax Year Collections				
Base M&O + I&S	69,446,793.55	68.94%	54,169,623.01	61.73%
P&I M&O + I&S	3,620.17		4,140.22	
Attorney Fee	-		-	
Subtotal	69,450,413.72	68.94%	54,173,763.23	61.73%
Delinquent Tax Years Collections				
Base M&O + I&S	(82,012.45)		83,314.70	
P&I M&O + I&S	38,525.86		22,912.34	
Attorney Fee	31,480.70		20,821.12	
Subtotal	(12,005.89)		127,048.16	
Combined Current & Delinquent:				
Base M&O + I&S	69,364,781.10		54,252,937.71	
P&I M&O + I&S	42,146.03		27,052.56	
Attorney Fee	31,480.70		20,821.12	
Other	-		-	
Total Collections	69,438,407.83		54,300,811.39	
Adjusted 2021 Tax Levy			87,759,200.65	
Original 2022 Tax Levy	99,960,776.18			
Current 2022 Tax Levy	100,739,469.13			

Denton County
Levy Outstanding Status Report
December 2022

Little Elm ISD

	Current Tax Year	Delinquent Tax Years
Current Month:		
Tax Levy Remaining as of 12/01/2022	94,650,208.00	965,167.75
Base M&O + I&S Collections	63,603,895.46	17,969.91
Supplement/Adjustments	246,363.04	(44,702.90)
Remaining Levy as of 12/31/2022	31,292,675.58	902,494.94

Cumulative (From 10/01/2022 thru 12/31/2022)		
Original 2022 Tax Levy (as of 10-1-2022)	99,960,776.18	900,307.24
Base M&O + I&S Collections	69,446,793.55	(82,012.45)
Supplement/Adjustments	778,692.95	(79,824.75)
Remaining Levy as of 12/31/2022	31,292,675.58	902,494.94

Little Elm ISD
Capital Projects @ 12-31-2022

Bond Capital Projects	Project ID	Project Estimate	Cost to Date	Balance
High School Athletic Fields	Fund 646-000	$ 8,480,299.00	$ 7,573,976.93	$ 906,322.07
High School Athletic Concourse	Fund 646-940	$ 2,321,953.00	$ 2,285,366.96	$ 36,586.04
Athletic Complex Turf	Fund 646-007	$ 933,638.00	$ 933,637.51	$ 0.49
Walker Middle School	Fund 648-000	$ 68,538,650.00	$ 66,244,470.85	$ 2,294,179.15
Strike Middle School	Fund 649-000	$ 67,513,978.00	$ 65,841,114.45	$ 1,672,863.55
Land	Fund 65X-XXX	$ 15,904,910.00	$ 15,724,064.59	$ 180,845.41
Brent Vestibule	Fund 650-830	$ 207,072.00	$ 158,377.82	$ 48,694.18
Chavez Vestibule	Fund 650-831	$ 216,399.00	$ 158,131.57	$ 58,267.43
Athletic Complex Scoreboard	Fund 650-913	$ 1,007,347.00	$ 920,883.15	$ 86,463.85
Roof Replacements	Fund 650-914	$ 2,136,720.00	$ 2,062,901.17	$ 73,818.83
LEHS HVAC	Fund 650-915	$ 3,759,448.00	$ 3,558,914.06	$ 200,533.94
Buses (12)	Fund 650-919	$ 1,323,446.00	$ 1,323,446.00	$ -
CTE Reno	Fund 650-934	$ 730,037.00	$ 548,709.41	$ 181,327.59
SPED Reno	Fund 650-935	$ 106,399.00	$ 99,262.46	$ 7,136.54
Lobo Lane Repurpose	Fund 650-939	$ 30,000.00	$ 24,600.00	$ 5,400.00
Safety Film	Fund 650-942	$ 130,776.00	$ 130,776.00	$ -
Emergency HVAC (unallocated)	Fund 650-011	$ 567,477.00	$ -	$ 567,477.00
Zellars HVAC	Fund 650-071	$ 13,078.00	$ 13,078.00	$ -
HVAC Replacements Phase 1 & 2	Fund 650-123	$ 300,500.00	$ 300,500.00	$ -
Brent HVAC	Fund 650-124	$ 30,929.00	$ 30,929.00	$ -
Brent HVAC	Fund 650-203	$ 62,880.00	$ 62,879.71	$ 0.29
Lakeside HVAC	Fund 650-301	$ 25,136.00	$ 25,136.00	$ -
LEHS Security Fence	Fund 650-303	$ 13,000.00	$ 12,675.00	$ 325.00
ESPC Upgrades	Fund 652-013	$ 10,000,000.00	$ 9,533,363.96	$ 466,636.04
Roof Management Program	Fund 652-036	$ 70,000.00	$ 55,000.00	$ 15,000.00
Athletic Complex Track	Fund 652-037	$ 1,126,136.00	$ 999,126.50	$ 127,009.50
LEHS Roof Panels	Fund 652-126	$ 48,874.00	$ 42,499.00	$ 6,375.00
Prestwick Sidewalk	Fund 652-132	$ 16,471.00	$ 12,191.14	$ 4,279.86
Prestwick Sidewalk Replacement	Fund 652-201	$ 314,540.00	$ 314,539.24	$ 0.76
Security Camera Upgrades	Fund 652-204	$ 127,803.00	$ 127,802.62	$ 0.38
Lakeside Drive Replacement	Fund 652-206	$ 31,310.00	$ 31,310.00	$ -
Strike Entry Drive	Fund 652-302	$ 967,226.00	$ 580,169.36	$ 387,056.64
Indoor Multi-Use Facility	Fund 653-017	$ 19,878,297.00	$ 17,362,682.02	$ 2,515,614.98
Lakeside Admin Conversion	Fund 653-018	$ 16,346,721.46	$ 15,704,640.30	$ 642,081.16
Zellars Conversion	Fund 653-127	$ 7,960,408.14	$ 3,150,120.36	$ 4,810,287.78
Buses	Fund 653-128	$ 545,104.00	$ 545,104.00	$ -
Long Range Bond Planning	Fund 653-129	$ 97,330.00	$ 97,330.00	$ -
Cameras for Buses	Fund 653-130	$ 117,596.00	$ 92,275.70	$ 25,320.30
LEHS SPED Conversion	Fund 653-131	$ 138,490.00	$ 113,536.46	$ 24,953.54
ESPC III Upgrades	Fund 654-141	$ 2,831,132.00	$ 2,754,156.00	$ 76,976.00
LEHS CTE Renovations/Additions	Fund 654-202	$ 609,922.00	$ 495,803.78	$ 114,118.22
LEHS CTE Welding Lab	Fund 654-304	$ 412,200.00	$ 636.50	$ 411,563.50
Buses	Fund 655-305	$ 850,908.00		$ 850,908.00
		$ 236,844,540.60	**$ 220,046,117.58**	**$ 16,798,423.02**

Little Elm ISD
Capital Projects @ 12-31-2022

Non-Bond Capital Projects (Fund 696)	Project Estimate	Cost to Date	Balance
ATHL COMPLEX SIGNAGE UPGRADE	$ 67,000.00	$ -	$ 67,000.00
CONCRETE REPAIR - DISTRICT	$ 72,742.00	$ 32,000.00	$ 40,742.00
CUSTODIAL EQUIP REPLACEMENT	$ 40,000.00	$ 5,926.90	$ 34,073.10
DOOR ANNUNCIATION	$ 58,550.00	$ -	$ 58,550.00
ELEMENTARY AUDITORIUM CURTAINS	$ 45,000.00	$ -	$ 45,000.00
LEHS AUDITORIUM PROJECTOR	$ 15,000.00	$ -	$ 15,000.00
LEHS CANOPY	$ 42,893.00	$ 42,892.56	$ 0.44
LEHS CHEER	$ 8,345.00	$ -	$ 8,345.00
LEHS ELEVATOR	$ 15,642.00	$ -	$ 15,642.00
LEHS HELMET AND PAD CONDITIONING	$ 52,301.00	$ -	$ 52,301.00
LEHS PORTABLE SINKS	$ 4,600.00	$ -	$ 4,600.00
LEHS WEIGHT ROOM EQUIP	$ 67,590.00	$ 67,589.16	$ 0.84
OPERATIONS VEHICLES	$ 94,777.00	$ -	$ 94,777.00
PRESTWICK PLUMBING PROJECT	$ 159,790.00	$ 486.05	$ 159,303.95
RADIOS LEHS	$ 13,000.00	$ 13,000.00	$ -
RESTRIPE PARKING LOTS	$ 21,000.00	$ -	$ 21,000.00
TECH SWITCHES ACCESS PTS	$ 1,810,000.00	$ 106,952.12	$ 1,703,047.88
TECHNOLOGY IPADS/COMPUTERS	$ 117,480.00	$ 117,480.00	$ -
TECHNOLOGY DIGITAL SIGNAGE	$ 22,081.00	$ 22,080.27	$ 0.73
TECHNOLOGY FIBER INSTALL	$ 140,000.00	$ 140,000.00	$ -
TIME CLOCK IPADS	$ 16,000.00	$ 15,440.40	$ 559.60
TRANSP FAC ESC TESTING	$ 13,470.00	$ 10,000.00	$ 3,470.00
ZELLARS PORTABLE RELOCATE	$ 116,653.00	$ 113,978.00	$ 2,675.00
	$ 3,013,914.00	**$ 687,825.46**	**$ 2,326,088.54**

Expenditures Between $50K-$100K

Vendor Name	Department	SUMMARY OF PURCHASE/ PURPOSE	Price	Purchasing Method
Sunbelt Staffing LLC	Special Populations	LSSP contracted services	$75,000.00	EPCNT-Mansfield ISD, RFP 21-004, Exp: 06/30/2023
Haven Landscaping & Irrigartion	Operational Services	Grounds mowing, maintenance & repairs for 2022-2023	$417,590.88	RFP 2018-852-10 (final renewal)

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NEW DONATIONS
February 2023

Campus/Dept	Fund	Donation From	Description	Date	Monetary	Non-Monetary	Total
No new donations to report							
					-	-	-

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date **02-20-2023**	**Reports of the Superintendent** ☐	**Action Item** ☐	**Consent Agenda** ☒	**Reports, Routine Monthly** ☐	**Other** ☐

Subject: **ANNUAL INVESTMENT REPORT AND POLICY**

Presenter or Contact Person: Jesse Wyse, Executive Director of Business Services.

Policy/Code: CDA Legal and CDA Local Board Policies

Strategic Plan Goal: To Ensure Fiscal Health and Responsibility

Summary: The Board shall review its investment policy and investment strategies not less than annually. The Board shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

Financial Implications: N/A

Attachments: Under Separate Cover

Recommendation: **The Administration recommends approval of the Investment Policies.**

Motion: **I move that we adopt Investment Policy CDA (Legal) dated 11/7/2019 and CDA (Local) dated 11/7/2019 with no changes.**

Little Elm ISD

Annual Investment Report

February 20, 2023

Little Elm ISD

Annual Investment Report

February 20, 2023

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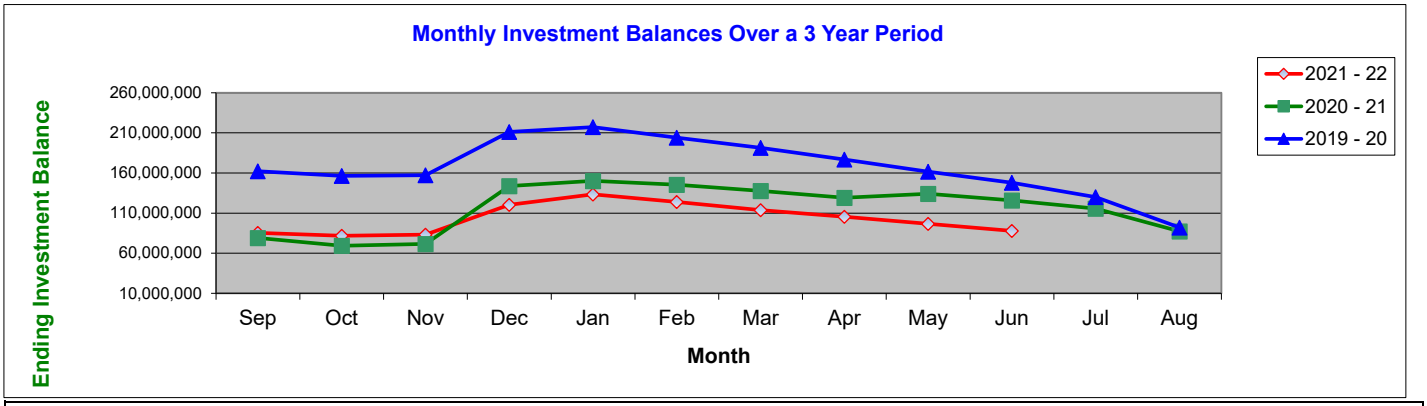
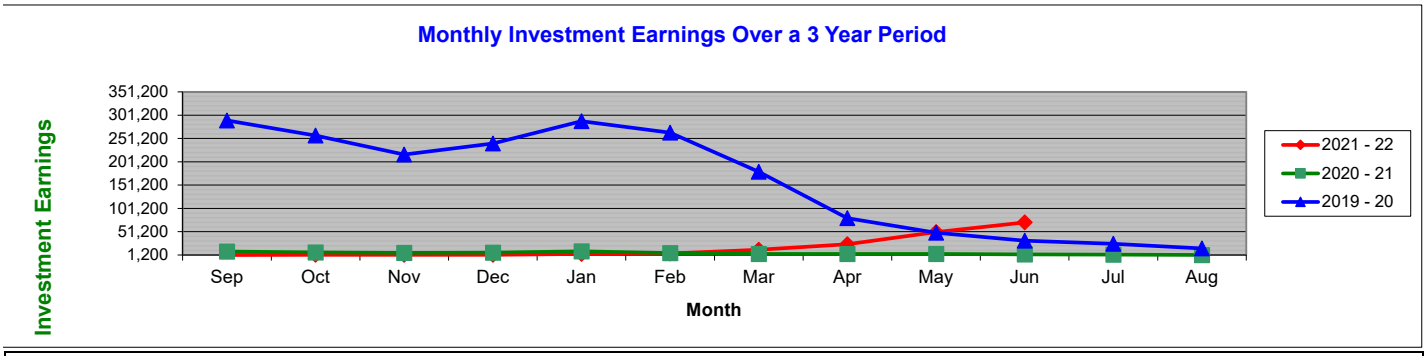
    a. Certification Letter
    b. Lone Star Investment Policy

Little Elm ISD

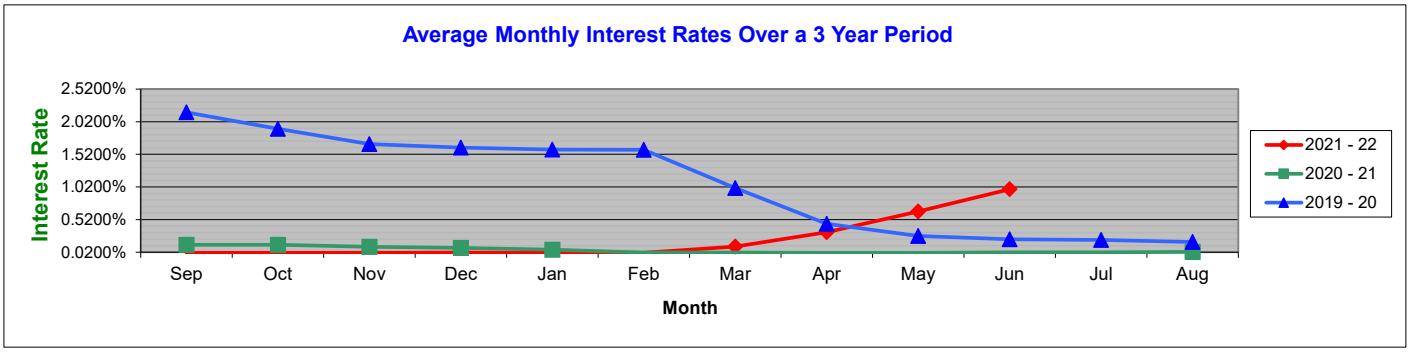
Investment Balances, Returns and Rates
Three Year History Ending June 30, 2022
Unaudited for Management Purposes Only



	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2021 - 22	85,483,580	81,751,617	83,035,792	120,347,812	133,389,857	123,900,046	113,776,737	105,541,346	96,559,836	87,854,350		
2020 - 21	79,026,781	69,294,228	71,549,154	143,796,822	150,209,202	145,359,972	137,708,575	129,125,188	134,155,415	125,871,985	115,623,330	87,187,916
2019 - 20	162,188,055	156,283,594	157,311,814	211,151,809	217,204,478	203,931,506	191,481,227	176,766,841	161,616,746	147,850,575	129,872,561	92,097,620



	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2021 - 22	1,148	1,421	1,332	1,652	3,264	4,320	12,453	24,148	50,157	71,069		
2020 - 21	8,602	6,624	5,630	6,307	9,104	5,395	3,670	3,482	3,676	2,622	1,874	1,306
2019 - 20	289,952	257,567	216,643	240,589	288,223	263,699	179,822	80,297	48,932	31,769	25,063	15,263



	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2021 - 22	0.0100%	0.0100%	0.0102%	0.0139%	0.0100%	0.0104%	0.1070%	0.3255%	0.6459%	0.9850%		
2020 - 21	0.1333%	0.1340%	0.1030%	0.0845%	0.0579%	0.0163%	0.0157%	0.0101%	0.0101%	0.0174%	0.0197%	0.0248%
2019 - 20	2.1635%	1.9115%	1.6774%	1.6226%	1.5925%	1.5908%	1.0034%	0.4552%	0.2685%	0.2165%	0.2082%	0.1768%

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All investments made by a district shall comply with the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) and all federal, state, and local statutes, rules, or regulations. *Gov't Code 2256.026*

Definitions

Bond Proceeds

"Bond proceeds" means the proceeds from the sale of bonds, notes, and other obligations issued by a district, and reserves and funds maintained by a district for debt service purposes.

Investment Pool

"Investment pool" means an entity created under the Texas Government Code to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield.

Pooled Fund Group

"Pooled fund group" means an internally created fund of a district in which one or more institutional accounts of a district are invested.

Separately Invested Asset

"Separately invested asset" means an account or fund of a district that is not invested in a pooled fund group.

Gov't Code 2256.002(1), (6), (9), (12)

Pledged Revenue

"Pledged revenue" means money pledged to the payment of or as security for:

1. Bonds or other indebtedness issued by a district;
2. Obligations under a lease, installment sale, or other agreement of a district; or
3. Certificates of participation in a debt or obligation described by item 1 or 2.

Gov't Code 2256.0208(a)

Repurchase Agreement

"Repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations, described by Government Code 2256.009(a)(1) (obligations of governmental entities) or 2256.013 (commercial paper) or if applicable, 2256.0204 (corporate bonds), at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement. *Gov't Code 2256.011(b)*

Hedging

"Hedging" means acting to protect against economic loss due to price fluctuation of a commodity or related investment by entering

into an offsetting position or using a financial agreement or producer price agreement in a correlated security, index, or other commodity.

Eligible Entity

"Eligible entity" means a political subdivision that has:

1. A principal amount of at least $250 million in outstanding long-term indebtedness, long-term indebtedness proposed to be issued, or a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued; and

2. Outstanding long-term indebtedness that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation.

Eligible Project

"Eligible project" has the meaning assigned by Government Code 1371.001 (issuance of obligations for certain public improvements).

Gov't Code 2256.0207(a)

Corporate Bond

"Corporate bond" means a senior secured debt obligation issued by a domestic business entity and rated not lower than "AA-" or the equivalent by a nationally recognized investment rating firm. The term does not include a debt obligation that, on conversion, would result in the holder becoming a stockholder or shareholder in the entity, or any affiliate or subsidiary of the entity, that issued the debt obligation, or is an unsecured debt obligation. *Gov't Code 2256.0204(a)*

Written Policies

The board shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control. The investment policies must primarily emphasize safety of principal and liquidity and must address investment diversification, yield, and maturity and the quality and capability of investment management. The policies must include:

1. A list of the types of authorized investments in which the district's funds may be invested;

2. The maximum allowable stated maturity of any individual investment owned by the district;

3. For pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date of the portfolio;

4. Methods to monitor the market price of investments acquired with public funds;

5. A requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and

6. Procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Government Code 2256.021 [see Loss of Required Rating, below].

Gov't Code 2256.005(a), (b)

Annual Review

The board shall review its investment policy and investment strategies not less than annually. The board shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies. *Gov't Code 2256.005(e)*

Annual Audit

A district shall perform a compliance audit of management controls on investments and adherence to the district's established investment policies. The compliance audit shall be performed in conjunction with the annual financial audit. *Gov't Code 2256.005(m)*

Investment Strategies

As an integral part of the investment policy, the board shall adopt a separate written investment strategy for each of the funds or group of funds under the board's control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the district;

2. Preservation and safety of principal;

3. Liquidity;

4. Marketability of the investment if the need arises to liquidate the investment before maturity;

5. Diversification of the investment portfolio; and

6. Yield.

Gov't Code 2256.005(d)

Investment Officer

A district shall designate by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees as investment officer(s) to be responsible for the investment of its funds consistent

with the investment policy adopted by the board. If the board has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the contracting board's district. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the board retains the ultimate responsibility as fiduciaries of the assets of the district. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the district. Authority granted to a person to invest the district's funds is effective until rescinded by the district or until termination of the person's employment by a district, or for an investment management firm, until the expiration of the contract with the district. *Gov't Code 2256.005(f)*

A district or investment officer may use the district's employees or the services of a contractor of the district to aid the investment officer in the execution of the officer's duties under Government Code, Chapter 2256. *Gov't Code 2256.003(c)*

Investment Training

Investment training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act. *Gov't Code 2256.008(c)*

Initial

Within 12 months after taking office or assuming duties, the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a district shall attend at least one training session from an independent source approved by the board or a designated investment committee advising the investment officer. This initial training must contain at least ten hours of instruction relating to their respective responsibilities under the Public Funds Investment Act. *Gov't Code 2256.008(a)*

Ongoing

The treasurer, or the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a district shall attend an investment training session not less than once in a two-year period that begins on the first day of the district's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than eight hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by the board or by a designated investment committee advising the investment officer. *Gov't Code 2256.008(a-1)*

Exception

The ongoing training requirement does not apply to the treasurer, chief financial officer, or investment officer of a district if:

1. The district does not invest district funds or only deposits those funds in interest-bearing deposit accounts or certificates of deposit as authorized by Government Code 2256.010; and

2. The treasurer, chief financial officer, or investment officer annually submits to the agency a sworn affidavit identifying the applicable criteria under item 1 that apply to the district.

Gov't Code 2256.008(g)

Standard of Care

Investments shall be made with 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 capital and the probable income to be derived. Investment of funds shall be governed by the following objectives, in order of priority:

1. Preservation and safety of principal;

2. Liquidity; and

3. Yield.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the following shall be taken into consideration:

1. The investment of all funds, or funds under the district's control, over which the officer had responsibility rather than the prudence of a single investment; and

2. Whether the investment decision was consistent with the district's written investment policy.

Gov't Code 2256.006

Personal Interest

A district investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the district shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined by Government Code Chapter 573 (nepotism prohibition), to an individual seeking to sell an investment to the investment officer's district shall file a statement disclosing that relationship. A required statement must be filed with the board and with the Texas Ethics Commission. For purposes of this policy, an investment officer has a personal business relationship with a business organization if:

1. The investment officer owns ten percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

2. Funds received by the investment officer from the business organization exceed ten percent of the investment officer's gross income for the previous year; or

3. The investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

Gov't Code 2256.005(i)

Quarterly Reports

Not less than quarterly, the investment officer shall prepare and submit to the board a written report of investment transactions for all funds covered by the Public Funds Investment Act for the preceding reporting period. This report shall be presented not less than quarterly to the board and the superintendent within a reasonable time after the end of the period. The report must:

1. Describe in detail the investment position of the district on the date of the report;

2. Be prepared jointly and signed by all district investment officers;

3. Contain a summary statement of each pooled fund group that states the:

   a. Beginning market value for the reporting period;

   b. Ending market value for the period; and

   c. Fully accrued interest for the reporting period;

4. State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;

5. State the maturity date of each separately invested asset that has a maturity date;

6. State the account or fund or pooled group fund in the district for which each individual investment was acquired; and

7. State the compliance of the investment portfolio of the district as it relates to the investment strategy expressed in the district's investment policy and relevant provisions of the Public Funds Investment Act.

If a district invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the board by that auditor.

Gov't Code 2256.023

Selection of Broker

The board or the designated investment committee shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with a district. *Gov't Code 2256.025*

Bond Proceeds

The investment officer of a district may invest bond proceeds or pledged revenue only to the extent permitted by the Public Funds Investment Act, in accordance with:

1. Statutory provisions governing the debt issuance or the agreement, as applicable; and
2. The district's investment policy regarding the debt issuance or the agreement, as applicable.

Gov't Code 2256.0208(b)

Authorized Investments

A board may purchase, sell, and invest its funds and funds under its control in investments described below, in compliance with its adopted investment policies and according to the standard of care set out in this policy. *Gov't Code 2256.003(a)*

In the exercise of these powers, the board may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made under this authority may not be for a term longer than two years. A renewal or extension of the contract must be made by the board by order, ordinance, or resolution. *Gov't Code 2256.003(b)*

The board may specify in its investment policy that any authorized investment is not suitable. *Gov't Code 2256.005(j)*

Obligations of Governmental Entities

The following are authorized investments:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;

2. Direct obligations of this state or its agencies and instrumentalities;

3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state, the United States, or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States;

5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;

6. Bonds issued, assumed, or guaranteed by the state of Israel;

7. Interest-bearing banking deposits that are guaranteed or insured by the FDIC or its successor, or the National Credit Union Share Insurance Fund or its successor; and

8. Interest-bearing banking deposits other than those described at item 7 above if:

   a. The funds are invested through a broker with a main office or a branch office in this state that the district selects from a list the board or designated investment committee of the district adopts as required at Selection of Broker above or a depository institution with a main office or a branch office in this state and that the district selects;

   b. The broker or depository institution selected as described above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the district's account;

   c. The full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and

   d. The district appoints as the district's custodian of the banking deposits issued for the district's account the de-

pository institution selected as described above, an entity described by Government Code 2257.041(d) (custodian with which to deposit securities), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating under Rule 15c3-3 (17 C.F.R. Section 240.15c3-3).

Gov't Code 2256.009(a)

Unauthorized Obligations

The following investments are not authorized:

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

Gov't Code 2256.009(b)

Certificates of Deposit and Share Certificates

A certificate of deposit or share certificate is an authorized investment if the certificate is issued by a depository institution that has its main office or a branch office in Texas and is:

1. Guaranteed or insured by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor;
2. Secured by obligations described at Obligations of Governmental Entities, above, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities described at Unauthorized Obligations, above; or
3. Secured in accordance with Government Code Chapter 2257 (Public Funds Collateral Act) or in any other manner and amount provided by law for the deposits of the district.

Gov't Code 2256.010(a)

In addition to the authority to invest funds in certificates of deposit under the previous section, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment:

1. The funds are invested by the district through a broker that has its main office or a branch office in this state and is selected from a list adopted by the district as required at Selection of Broker, above or a depository institution that has its main office or a branch office in this state and that is selected by the district;

2. The broker or depository institution selected by the district arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the district;

3. The full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and

4. The district appoints the depository institution selected by the district, an entity described by Government Code 2257.041(d) (custodian with which to deposit securities), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the district with respect to the certificates of deposit issued for the account of the district.

Gov't Code 2256.010(b)

The district's investment policies may provide that bids for certificates of deposit be solicited orally, in writing, electronically, or in any combination of those methods. *Gov't Code 2256.005(c)*

Repurchase Agreements

A fully collateralized repurchase agreement is an authorized investment if it:

1. Has a defined termination date;

2. Is secured by a combination of cash and obligations described by Government Code 2256.009(a)(1) (obligations of governmental entities) or 2256.013 (commercial paper) or if applicable, 2256.0204 (corporate bonds);

3. Requires the securities being purchased by the district or cash held by the district to be pledged to the district, held in the district's name, and deposited at the time the investment is made with the district or a third party selected and approved by the district; and

4. Is placed through a primary government securities dealer, as defined by the Federal Reserve or a financial institution doing business in Texas.

The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received by a district under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

Government Code 1371.059(c) (validity and incontestability of obligations for certain public improvements) applies to the execution of a repurchase agreement by a district.

Gov't Code 2256.011

Securities Lending Program

A securities lending program is an authorized investment if:

1. The value of securities loaned is not less than 100 percent collateralized, including accrued income;
2. A loan allows for termination at any time;
3. A loan is secured by:
   a. Pledged securities described at Obligations of Governmental Entities, above;
   b. Pledged irrevocable letters of credit issued by a bank that is organized and existing under the laws of the United States or any other state, and continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or
   c. Cash invested in accordance with Government Code 2256.009 (obligations of governmental entities), 2256.013 (commercial paper), 2256.014 (mutual funds), or 2256.016 (investment pools);
4. The terms of a loan require that the securities being held as collateral be pledged to the district, held in the district's name, and deposited at the time the investment is made with the district or with a third party selected by or approved by the district; and
5. A loan is placed through a primary government securities dealer, as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003, or a financial institution doing business in this state.

An agreement to lend securities under a securities lending program must have a term of one year or less.

Gov't Code 2256.0115

Banker's Acceptances

A banker's acceptance is an authorized investment if it:

1. Has a stated maturity of 270 days or fewer from the date of issuance;
2. Will be, in accordance with its terms, liquidated in full at maturity;
3. Is eligible for collateral for borrowing from a Federal Reserve Bank; and
4. Is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least on nationally recognized credit rating agency.

Gov't Code 2256.012

Commercial Paper

Commercial paper is an authorized investment if it has a stated maturity of 365 days or fewer from the date of issuance; and is rated not less than A-1 or P-1 or an equivalent rating by at least:

1. Two nationally recognized credit rating agencies; or
2. One nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States law or any state.

Gov't Code 2256.013

Mutual Funds

A no-load money market mutual fund is an authorized investment if the mutual fund:

1. Is registered with and regulated by the Securities and Exchange Commission;
2. Provides the district with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and
3. Complies with federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.).

Gov't Code 2256.014(a)

In addition to the no-load money market mutual fund authorized above, a no-load mutual fund is an authorized investment if it:

1. Is registered with the Securities and Exchange Commission;
2. Has an average weighted maturity of less than two years; and
3. Either has a duration of:
   a. One year or more and is invested exclusively in obligations approved by the Public Funds Investment Act, or
   b. Less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.

Gov't Code 2256.014(b)

Limitations

A district is not authorized to:

1. Invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described in Government Code 2256.014(b);
2. Invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in Government Code 2256.014(b); or
3. Invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in Government Code 2256.014(a) or (b) in an amount that exceeds ten percent of the total assets of the mutual fund.

Gov't Code 2256.014(c)

Guaranteed Investment Contracts

A guaranteed investment contract is an authorized investment for bond proceeds if the guaranteed investment contract:

1. Has a defined termination date;
2. Is secured by obligations described at Obligations of Governmental Entities, above, excluding those obligations described at Unauthorized Obligations, in an amount at least equal to the amount of bond proceeds invested under the contract; and
3. Is pledged to the district and deposited with the district or with a third party selected and approved by the district.

Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested in a guaranteed investment contract with a term longer than five years from the date of issuance of the bonds.

To be eligible as an authorized investment:

1. The board must specifically authorize guaranteed investment contracts as eligible investments in the order, ordinance, or resolution authorizing the issuance of bonds;
2. The district must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received;
3. The district must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;
4. The price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested; and
5. The provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

Government Code 1371.059(c) (validity and incontestability of obligations for certain public improvements) applies to the execution of a guaranteed investment contract by a district.

Gov't Code 2256.015

Investment Pools

A district may invest its funds or funds under its control through an eligible investment pool if the board by rule, order, ordinance, or resolution, as appropriate, authorizes the investment in the particular pool. *Gov't Code 2256.016, .019*

To be eligible to receive funds from and invest funds on behalf of a district, an investment pool must furnish to the investment officer or other authorized representative of the district an offering circular or other similar disclosure instrument that contains the information specified in Government Code 2256.016(b). To maintain eligibility, an investment pool must furnish to the investment officer or other authorized representative investment transaction confirmations and a monthly report that contains the information specified in Government Code 2256.016(c). A district by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds. *Gov't Code 2256.016(b)-(d)*

Corporate Bonds

A district that qualifies as an issuer as defined by Government Code 1371.001 [see CCF], may purchase, sell, and invest its funds and funds under its control in corporate bonds (as defined above) that, at the time of purchase, are rated by a nationally recognized investment rating firm “AA-” or the equivalent and have a stated final maturity that is not later than the third anniversary of the date the corporate bonds were purchased.

A district is not authorized to:

1. Invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds, reserves, and other funds held for the payment of debt service, in corporate bonds; or

2. Invest more than 25 percent of the funds invested in corporate bonds in any one domestic business entity, including subsidiaries and affiliates of the entity.

A district subject to these provisions may purchase, sell, and invest its funds and funds under its control in corporate bonds if the board:

1. Amends its investment policy to authorize corporate bonds as an eligible investment;

2. Adopts procedures to provide for monitoring rating changes in corporate bonds acquired with public funds and liquidating the investment in corporate bonds; and

3. Identifies the funds eligible to be invested in corporate bonds.

The district investment officer, acting on behalf of the district, shall sell corporate bonds in which the district has invested its funds not later than the seventh day after the date a nationally recognized investment rating firm:

1. Issues a release that places the corporate bonds or the domestic business entity that issued the corporate bonds on negative credit watch or the equivalent, if the corporate bonds are rated “AA-” or the equivalent at the time the release is issued; or

2. Changes the rating on the corporate bonds to a rating lower than “AA-” or the equivalent.

Gov’t Code 2256.0204

Hedging Transactions

The board of an eligible entity (as defined above) shall establish the entity’s policy regarding hedging transactions. An eligible entity may enter into hedging transactions, including hedging contracts,

and related security, credit, and insurance agreements in connection with commodities used by an eligible entity in the entity's general operations, with the acquisition or construction of a capital project, or with an eligible project. A hedging transaction must comply with the regulations of the federal Commodity Futures Trading Commission and the federal Securities and Exchange Commission.

Government Code 1371.059(c) (validity and incontestability of obligations for certain public improvements) applies to the execution by an eligible entity of a hedging contract and any related security, credit, or insurance agreement.

An eligible entity may:

1. Pledge as security for and to the payment of a hedging contract or a security, credit, or insurance agreement any general or special revenues or funds the entity is authorized by law to pledge to the payment of any other obligation.

2. Credit any amount the entity receives under a hedging contract against expenses associated with a commodity purchase.

An eligible entity's cost of or payment under a hedging contract or agreement may be considered an operation and maintenance expense, an acquisition expense, or construction expense of the eligible entity; or a project cost of an eligible project.

Gov't Code 2256.0206

Prohibited Investments

Except as provided by Government Code 2270 (prohibited investments), a district is not required to liquidate investments that were authorized investments at the time of purchase. *Gov't Code 2256.017*

Note: As an "investing entity" under Government Code 2270.0001(7)(A), a district must comply with Chapter 2270, including reporting requirements, regarding prohibited investments in scrutinized companies listed by the comptroller in accordance with Government Code 2270.0201.

Loss of Required Rating

An investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. A district shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating. *Gov't Code 2256.021*

Sellers of Investments

A written copy of the investment policy shall be presented to any business organization (as defined below) offering to engage in an investment transaction with a district. The qualified representative of the business organization offering to engage in an investment transaction with a district shall execute a written instrument in a form acceptable to the district and the business organization substantially to the effect that the business organization has:

1. Received and reviewed the district investment policy; and
2. Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the district and the organization that are not authorized by the district's investment policy, except to the extent that this authorization:
   a. Is dependent on an analysis of the makeup of the district's entire portfolio;
   b. Requires an interpretation of subjective investment standards; or
   c. Relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The investment officer of a district may not acquire or otherwise obtain any authorized investment described in the district's investment policy from a business organization that has not delivered to the district the instrument required above.

Gov't Code 2256.005(k)–(l)

Nothing in this section relieves the district of the responsibility for monitoring investments made by the district to determine that they are in compliance with the investment policy.

Business Organization

For purposes of the provisions at Sellers of Investments above, "business organization" means an investment pool or investment management firm under contract with a district to invest or manage the district's investment portfolio that has accepted authority granted by the district under the contract to exercise investment discretion in regard to the district's funds.

Gov't Code 2256.005(k)

Donations

A gift, devise, or bequest made to a district to provide college scholarships for district graduates may be invested by the board as provided in Property Code 117.004 (Uniform Prudent Investor Act),

unless otherwise specifically provided by the terms of the gift, devise, or bequest. *Education Code 45.107*

Investments donated to a district for a particular purpose or under terms of use specified by the donor are not subject to the requirements of the Public Funds Investment Act. *Gov't Code 2256.004(b)*

Electronic Funds Transfer

A district may use electronic means to transfer or invest all funds collected or controlled by the district. *Gov't Code 2256.051*

Investment Authority

The Superintendent or other person designated by Board resolution shall serve as the investment officer of the District and shall invest District funds as directed by the Board and in accordance with the District's written investment policy and generally accepted accounting procedures. All investment transactions except investment pool funds and mutual funds shall be settled on a delivery versus payment basis.

Approved Investment Instruments

From those investments authorized by law and described further in CDA(LEGAL) under Authorized Investments, the Board shall permit investment of District funds, including bond proceeds and pledged revenue to the extent allowed by law, in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.0115.
5. Banker's acceptances as permitted by Government Code 2256.012.
6. Commercial paper as permitted by Government Code 2256.013.
7. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds, as permitted by Government Code 2256.014.
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
9. Public funds investment pools as permitted by Government Code 2256.016.

Safety

The primary goal of the investment program is to ensure safety of principal, to maintain liquidity, and to maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctua-

tions by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

Investment Management

In accordance with Government Code 2256.005(b)(3), the quality and capability of investment management for District funds shall be in accordance with the standard of care, investment training, and other requirements set forth in Government Code Chapter 2256.

Liquidity and Maturity

Any internally created pool fund group of the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

The District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

Diversity

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

Monitoring Market Prices

The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant changes in the market value of the District's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisers, and representatives/advisers of investment pools or money market funds. Monitoring shall be done monthly or more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

Monitoring Rating Changes

In accordance with Government Code 2256.005(b), the investment officer shall develop a procedure to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings.

Funds/Strategies

Investments of the following fund categories shall be consistent with this policy and in accordance with the applicable strategy defined below. All strategies described below for the investment of a particular fund should be based on an understanding of the suitability of an investment to the financial requirements of the District and consider preservation and safety of principal, liquidity, marketability of an investment if the need arises to liquidate before maturity, diversification of the investment portfolio, and yield.

Operating Funds	Investment strategies for operating funds (including any commingled pools containing operating funds) shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Custodial Funds	Investment strategies for custodial funds shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Debt Service Funds	Investment strategies for debt service funds shall have as their primary objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.
Capital Project Funds	Investment strategies for capital project funds shall have as their primary objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded.

Safekeeping and Custody

The District shall retain clearly marked receipts providing proof of the District's ownership. The District may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with District funds by the investment pool.

Sellers of Investments

Prior to handling investments on behalf of the District, a broker/dealer or a qualified representative of a business organization must submit required written documents in accordance with law. [See Sellers of Investments, CDA(LEGAL)]

Representatives of brokers/dealers shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC) and be in good standing with the Financial Industry Regulatory Authority (FINRA).

Soliciting Bids for CDs

In order to get the best return on its investments, the District may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods.

Interest Rate Risk

To reduce exposure to changes in interest rates that could adversely affect the value of investments, the District shall use final and weighted-average-maturity limits and diversification.

The District shall monitor interest rate risk using weighted average maturity and specific identification.

Internal Controls

A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to

protect against losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District. Controls deemed most important shall include:

1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.
2. Avoidance of collusion.
3. Custodial safekeeping.
4. Clear delegation of authority.
5. Written confirmation of telephone transactions.
6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.
7. Avoidance of bearer-form securities.

These controls shall be reviewed by the District's independent auditing firm.

Annual Review

The Board shall review this investment policy and investment strategies not less than annually and shall document its review in writing, which shall include whether any changes were made to either the investment policy or investment strategies.

Annual Audit

In conjunction with the annual financial audit, the District shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies.

TexSTAR Investment Pool

TEXAS PUBLIC FUNDS INVESTMENT ACT
ACKNOWLEDGMENT OF RECEIPT OF INVESTMENT POLICY

This Acknowledgment is executed on behalf of the Little Elm Independent School District (the "Participant") and Texas Short Term Asset Reserve Fund ("TexSTAR") pursuant to the Public Funds Investment Act, Chapter 2256.005(k), Government Code (the "Act"), in connection with investment transactions conducted between the Participant and TexSTAR.

The undersigned qualified representative of TexSTAR (the "Qualified Representative") hereby acknowledges on behalf of TexSTAR that:

(i) The Qualified Representative is duly authorized to execute this Acknowledgment on behalf of TexSTAR; and,

(ii) The Qualified Representative has received and reviewed the investment policy provided by the Participant; and,

(iii) TexSTAR has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Participant and TexSTAR that are not authorized by the Participant's investment policy, except

(a) to the extent that the Participant's investment policy does not reflect the most current requirements for a local government investment pool contained in the Public Funds Investment Act, TexSTAR will comply with the most current requirements and;

(b) to the extent that this authorization is dependent on an analysis of the makeup of the Participant's entire portfolio, requires an interpretation of subjective investment standards, or relates to investment transactions of the Participant that are not made in TexSTAR.

QUALIFIED REPRESENTATIVE

Mary Ann Dunda
Managing Director, TexSTAR Administrator
Hilltop Securities Inc.
January 18, 2023

INVESTMENT POLICY
(CASH RESERVE FUND)

Investment Service for
Texas Local Governments

I. STATEMENT OF PURPOSE AND OBJECTIVE

ORGANIZATION

The Texas Short Term Asset Reserve Program ("*TexSTAR")* is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code (the *"PFIA"*). TEXSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors (the "*Board*").

J.P. Morgan Investment Management Inc. ("*JPMIM*" or the "investment manager"), Hilltop Securities Inc. *("HTS")*, and Hilltop Securities Asset Management, LLC ("*HSAM*") serve as administrators for TEXSTAR under an agreement with the TEXSTAR board of directors (the "*Board*"). JPMIM provides investment management, HTS provides marketing and distribution, and HSAM provides participant and administrative services. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investor Services Co. Transfer agency services are provided by DST Asset Manager Solutions, Inc. *("DST"* or the *"Transfer Agent")*. Each of JPMIM, HTS, HSAM, DST and JPMorgan Chase Bank, N.A. may provide certain services, including those described herein, through the use of subcontractors and/or delegates.

OBJECTIVE

The purpose of TEXSTAR is to offer a safe, efficient and liquid investment alternative to local governments in the State of Texas so that they may benefit from and realize a higher investment return by utilizing economies of scale and professional investment expertise. It is the policy of TEXSTAR to invest pooled assets in a manner which will provide for preservation and safety of principal and competitive investment returns while meeting the daily liquidity needs of the participants. Specifically, the primary investment objectives of TEXSTAR in order of priority are:

- preservation of capital and protection of principal,
- maintenance of sufficient liquidity, and
- yield.

This Investment Policy establishes investment strategies, policies, and procedures intended to assure that these objectives are met.

FUNDS

The Board may establish separate Funds with separate investment portfolios within TEXSTAR from time to time. Initially, TEXSTAR will maintain a Cash Reserve Fund (also referred to as the *"Fund"*). Unless otherwise stated, this Investment Policy applies to the Cash Reserve Fund.

II. STANDARD OF CARE

The TexSTAR Cash Reserve Fund shall be designed and managed in accordance with the following prudent person standard of care:

> Investments shall be made 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 capital as well as the probable income to be derived.

This prudent person standard shall apply to the management of all TexSTAR Funds.

III. AUTHORIZED INVESTMENTS

The TexSTAR Cash Reserve Fund shall be invested only in the following:

GOVERNMENT SECURITIES

The Fund may be invested in obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks, and obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, *except* the following:

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; and

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

REPURCHASE AGREEMENTS AND REVERSE REPURCHASE AGREEMENTS

The Fund may be invested in fully collateralized repurchase agreements having a defined termination date and secured by the delivery of cash or obligations, including letters of credit, of the United States or its agencies or instrumentalities, including the Federal Home Loan Banks. TEXSTAR may also borrow against its investments through a reverse repurchase agreement meeting the foregoing standards and the other conditions described herein. The repurchase and reverse repurchase agreement transactions shall

be placed only with primary government securities dealers, as recognized by the Federal Reserve or financial institutions doing business in the State of Texas. All such transactions must be governed by a master repurchase agreement in form approved by The Securities Industry and Financial Market Association ("SIFMA").

MONEY MARKET MUTUAL FUNDS

The Fund may be invested in no-load money market mutual funds which meet the requirements of the PFIA and which (1) are registered with and regulated by the United States Securities and Exchange Commission (SEC), (2) provide a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, (3) comply with SEC Rule 2a-7, (4) include in their investment objectives the maintenance of a stable net asset value of $1 per share, and (5) invest only in obligations of the United States, its agencies and/or instrumentalities or repurchase agreements collateralized by obligations of the United States, its agencies and/or instrumentalities.

IV. PROHIBITED INVESTMENTS

The TEXSTAR Cash Reserve Fund *may not* be invested in commercial paper.

The TexSTAR Cash Reserve Fund *may not* be invested in derivatives.

> For the purposes of this Investment Policy, the definition of derivatives includes instruments which have embedded features that alter their character or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer, or are not correlated on a one-to-one basis to the associated index or market.

Prohibited derivatives *include* the following*:*

1. Arrangements in which an investor has swapped the natural cash flows or some portion of the natural cash flows of an instrument for a different set of cash flows (i.e., interest rate swaps).

2. Over-the-counter/exchange-traded options or futures (i.e., option contracts, futures contracts, etc.).

3. The following instruments: collateralized mortgage obligations, inverse floating rate notes, range index notes, non-money market index-based notes, dual index notes, index amortizing notes, inverse multi-index bonds, stepped inverse index bonds, and inverse index bonds.

Instruments that are *not* considered derivatives by the preceding definition and are authorized investments, if described in Part III, are as follows:

> Treasury bills, Treasury notes, Treasury bonds, Treasury strips, repurchase agreements, agency notes with a defined maturity and fixed coupon rate, money market index variable rate notes (i.e., floating rate notes tied to money market indices such as three- or six-

month Treasury bills, one-, three-, and six-month London Interbank Offering Rate ("LIBOR"), federal funds, the one-year constant maturity Treasury rate, or a prime rate or a commercial paper composite rate) and step-up notes.

In addition to commercial paper and derivatives, the TEXSTAR Cash Reserve Fund may not invest in certificates of deposit or any other investments that are not authorized by Part III.

V. POLICY GUIDELINES AND STRATEGY

PORTFOLIO STRUCTURE AND COMPOSITION

The TexSTAR Cash Reserve Fund portfolio shall be designed and managed to ensure that it will meet all the requirements necessary to maintain a AAAm rating (or the equivalent) by a nationally recognized rating service. The weighted average maturity of the TexSTAR Cash Reserve Fund portfolio shall be limited to: (1) a maximum of sixty (60) days when calculated utilizing the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made, and may utilize the interest rate reset date for variable rate notes (VRN) or floating rate securities; and (2) a maximum of one hundred twenty (120) days as calculated taking into account the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made. Specific portfolio composition and maturity limitation guidelines shall be guided by the following general parameters.

Portfolio Composition:

The composition of the Fund shall be limited as follows. Limitations shall be applied by comparing the amortized cost of the Fund's investments at the time of purchase. Investments need not be sold to maintain continuing compliance with composition limits, unless required by TEXSTAR's general investment objectives.

US Government Securities, Agencies and Instrumentalities
The Fund portfolio may be comprised of one hundred percent (100%) obligations of, unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States or its agencies or instrumentalities, including the Federal Home Loan Banks.

Repurchase Agreements
One hundred percent (100%) of the Fund may be invested in repurchase agreements.

Term Repurchase Agreements
Not more than twenty-five percent (25%) in aggregate of the total market value of the Fund may be invested in term repurchase agreements.

Reverse Repurchase Agreements

TEXSTAR is permitted to enter into reverse repurchase agreements for investments in the Fund totaling not more than one third (1/3) of the book value of the Fund's total assets. Reverse repurchase agreements will be used primarily to enhance Fund return.

Money Market Mutual Funds
A maximum of ten percent (10%) of the Fund may be invested in any one money market mutual fund, and the Fund's investment in any one money market mutual fund may not exceed ten percent (10%) of the total assets of that money market mutual fund.

Variable Rate Notes
A maximum of 60 percent (60%) of the Fund may be invested in eligible variable rate notes.

Maturity Limitations:

Government Securities, Agencies and Instrumentalities
The maximum final stated maturity for any securities that are obligations of or guaranteed or insured by the United States government, its agencies or instrumentalities shall be limited to 397 days for fixed rate securities and 24 months for variable rate notes.

Repurchase Agreements
The maturity of repurchase agreements shall not exceed ninety-five (95) days unless the repurchase agreements have a put option that allows the fund to liquidate the position at par (principal plus accrued interest) with no more than 7 days notice to the counterparty.

Reverse Repurchase Agreements
Money received under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments. The authorized investments acquired must mature not later than the expiration date stated in the reverse repurchase agreement. The term of a reverse repurchase agreement may not exceed ninety (90) days.

PURCHASES

The broker-dealers used for TEXSTAR shall be those approved by the Board. All investments shall be purchased on a delivery versus payment (DVP) basis.

COLLATERALIZATION AND SAFEKEEPING

All repurchase agreements shall be fully collateralized as required by the PFIA. The market value of collateral shall be equal to at least one hundred and two percent (102%) of the total amount payable to TEXSTAR under the repurchase agreement, including accrued interest, and shall be checked daily.

All book entry securities, whether purchased outright or under repurchase agreements, shall be held in a custodial account at the Federal Reserve Bank. The Custodian or sub-custodian shall keep accurate records reflecting TEXSTAR's ownership of the securities.

All securities not held in book entry form shall be held by the Custodian or its agent. Third party institutions must issue original safekeeping receipts to the Custodian.

INVESTMENT OFFICERS

The Board shall designate one principal Investment Officer and may designate one or more additional Investment Officers to serve solely when the principal Investment Officer is not available. To the fullest extent allowable by law, the Investment Officers are authorized to delegate to the investment manager the authority to deposit, withdraw, invest, reinvest, transfer and otherwise manage the assets of the Fund.

The Investment Officer shall attend at least one training session from an independent source approved by the Board or a designated investment committee containing at least 10 hours of instruction relating to the officer'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 that begins on the first day of TexSTAR's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 8 hours of instruction relating to the officer's responsibilities under the Public Funds Investment Act from an independent source approved by the Board or a designated investment committee.

If the Investment Officer has a personal business relationship with a business organization offering to engage in an investment transaction with the Fund, they shall file a statement disclosing that personal business interest. If the Investment Officer is related within the second degree by affinity or consanguinity, as determined under State law, to an individual seeking to sell an investment to the Fund, the Investment Officer shall file a statement disclosing that relationship. A statement required under this section must be filed with the Texas Ethics Commission and the Board. For purposes of this section, an Investment Officer has a personal business relationship with a business organization if: (1) the Investment Officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization; (2) funds received by the Investment Officer from the business organization exceed 10 percent of the Investment Officer's gross income for the previous year, or (3) the Investment Officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the Investment Officer.

At least quarterly, the Investment Officer shall cause to be prepared by the investment adviser and shall review and sign a written report concerning the investment transactions of the Fund for the preceding quarter, describing in detail the investment position of the Fund as of the date of the report. Each report shall be presented to the Board at the next meeting following preparation of a report.

AUTHORIZED PERSONNEL

The investment manager must deliver to TExSTAR a written acknowledgment that the investment manager has received and reviewed the TEXSTAR Cash Reserve Fund Investment Policy and has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by the Investment Policy, except to the extent that this authorization requires interpretation of subjective investment standards. All investment manager personnel authorized to buy and sell investment instruments, send and receive securities, make fund transfers and other types of related investment transactions shall be directly supervised by senior management personnel of the investment manager.

DOCUMENTATION

Reasonable documentation and a thorough audit trail shall be maintained for all investment transactions consistent with the Board approved records management program.

DIVERSIFICATION AND SUITABILITY

The TEXSTAR Cash Reserve Fund portfolio shall be designed with the protection of principal and maintenance of sufficient liquidity to all participants as the highest priority. After consideration of safety and liquidity, the portfolio shall be designed to achieve a competitive rate of return for participants. The Fund will use iMoneyNet Institutional Government Money Fund as a benchmark of performance. The risk-return relationship shall be maintained and controlled through this Investment Policy and the TEXSTAR Operating Procedures. Adequate collateralization and delivery versus payment procedures shall be utilized at all times in an attempt to minimize risk.

Diversification by market sector and security types, as well as maturity, may be used in an attempt to protect the TEXSTAR Cash Reserve Fund against market and credit risk as well as aiding in liquidity requirements.

TEMPORARY CASH HOLDINGS

To respond to unusual market conditions in a prudent manner, TexSTAR may be required to hold all or most of its total assets in cash, including for the purpose of assuring sufficient liquidity or due to the lack of eligible securities, among other circumstances. This may result in a lower yield and prevent the Fund portfolio from meeting all its investment objectives.

DETERMINATION OF NET INCOME AND NET ASSET VALUES

The net interest income of the Portfolio shall be determined each business day, and consists of (i) the sum of (a) interest accrued, (b) discount earned (including both original issue and market discount), and (c) realized capital gains (amortized over a period not to exceed 30 days) less (ii) the sum of (a) amortization of premium, (b) the estimated expenses of the Portfolio applicable to that distribution period, and (c) realized capital losses (amortized over a period not to exceed 30 days). All net income of the Portfolio so determined is declared as earnings to Participants each day. Earnings accrue throughout the month and are distributed as of the close of business on the last business day of the month. On the first business day of the following month, the earnings are reinvested as additional Units at the current Net Asset Value (expected to be $1.00), unless the Participant has elected to have them paid out. If the entire balance in an account is withdrawn during the month, the accrued distributions will be paid on or before the first business day of the following month.

The Net Asset Value per Unit of the Portfolio is calculated each business day by adding the amortized book value of the Portfolio securities and other assets, deducting accrued expenses and arrearages, and dividing by the number of Units outstanding. The result of this computation will be rounded to the nearest whole cent.

CONSTANT DOLLAR OBJECTIVE

The objective of the TexSTAR Cash Reserve Fund is to maintain a stable value of $1.00 per unit (rounded to the nearest whole cent). Although all securities in the Fund shall be marked to market daily using the fair value method, amortized cost, which generally approximates the market value of securities, is utilized. The Board, in its discretion, may elect to cease utilizing amortized accounting and to commence utilizing the fair value method at any time. To the extent that the Board elects to utilize a net asset value per share determined by using available market quotations in lieu of amortized accounting, the Fund will reflect market fluctuations and any unrealized gains and losses resulting from those fluctuations on a daily basis.

If, upon a daily calculation, the investment manager finds that the deviation between the amortized cost and market-determined values or the deviation between market-determined values and $1.00 per unit of the Portfolio's assets exceeds $0.0030, it shall promptly notify the Board. In the event that the deviation of market-determined values from amortized cost or $1.00 per unit exceeds $0.0040, the Board shall direct the investment manager to take such action, if any, as it determines is necessary to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing participants. Notwithstanding the foregoing, absent contrary instructions from the Board, the investment manager shall cause the subject investments to be sold promptly to attempt to bring the deviation back within the desired value band. However, the $1.00 per unit value is not guaranteed or insured by TEXSTAR or the administrators. There can be no assurance that the Fund will maintain a stable net asset value of $1.00.

MONITORING MARKET PRICE AND RATINGS

Through the administrators, TEXSTAR shall account for all Fund transactions and shall mark to market the Fund portfolio holdings of TEXSTAR on a daily basis through the use of independent or affiliated commercial pricing services or third party broker-dealers. The market prices shall be checked daily for current data and validity of information. In addition, a reasonability test shall be performed in order to determine if the prices received are within a set tolerance range. In the event that any of the prices fall outside of the set tolerance range, then these prices shall be investigated. The investment manager will periodically monitor the credit ratings of the investments in which the Fund invests and, to the extent required under the PFIA, shall take all prudent measures to liquidate any investments of the Fund that fail to meet any minimum rating requirement for such investments set forth in the PFIA.

VI. ADMINISTRATIVE CONSIDERATIONS

PARTICIPATION AGREEMENTS

Each participant must have a fully executed application on file with TEXSTAR before investing in TEXSTAR.

DEPOSIT AND WITHDRAWAL DEADLINES

See separate TEXSTAR Operating Procedures for detailed deposit and withdrawal deadlines.

REPORTING AND DISCLOSURE

Each participant must obtain and should review the TEXSTAR Cash Reserve Fund Information Statement before investing. TEXSTAR will furnish investment confirmations and a monthly report disclosing certain information to participants in accordance with the Texas Public Funds Investment Act. Additional information is available on the TEXSTAR web site, www.texstar.org, or by calling TEXSTAR Participant Services at 1-800-TEXSTAR (1-800-839-7827).

TEXSTAR is audited annually by an independent auditor.

AUTHORIZED DEALERS

The investment manager shall maintain a list of primary dealers and brokers authorized to provide investment services to TEXSTAR.

ETHICS AND CONFLICTS OF INTEREST

Each administrator is required to maintain a code of ethics which requires its employees working with TexSTAR to place the interests of TexSTAR before their personal interests and to avoid any actual or potential conflicts of interest. Each administrator must promptly report any material non-compliance with such requirements to the Board.

JPMIM acts as a fiduciary when providing investment management services to TexSTAR. JPMIM may order the purchase of investments from either itself, HTS or their affiliates only on terms and conditions approved by a majority of the Participant members of the Board.

JPMIM has provided the following disclosures concerning its practices:

JPMIM and/or its affiliates ("JPMorgan Chase") perform investment services, including rendering investment advice, to varied clients. JPMIM, JPMorgan Chase and its or their directors, officers, agents, and/or employees may render similar or differing investment advisory services to clients and may give advice or exercise investment responsibility and take such other action with respect to any of their other clients that differs from the advice given or the timing or nature of action taken with respect to another client or group of clients. It is JPMIM's policy, to the extent practicable, to allocate, within its reasonable discretion, investment opportunities among clients over a period of time on a fair and equitable basis. One or more of JPMIM's other client accounts may at any time hold, acquire, increase, decrease, dispose, or otherwise deal with positions in investments in which another client account may have an interest from time-to-time.

JPMIM, JPMorgan Chase, and any of its or their directors, partners, officers, agents or employees, may also buy, sell, or trade securities for their own accounts or the proprietary accounts of JPMIM and/or JPMorgan Chase. JPMIM and/or JPMorgan Chase, within their discretion, may make different investment decisions and other actions with respect to their

own proprietary accounts than those made for client accounts, including the timing or nature of such investment decisions or actions. Further, JPMIM is not required to purchase or sell for any client account securities that it, JPMorgan Chase, and any of its or their employees, principals, or agents may purchase or sell for their own accounts or the proprietary accounts of JPMIM, or JPMorgan Chase or its clients.

JPMIM and its related persons may recommend securities to clients that JPMIM and its related persons may also purchase or sell. As a result, positions taken by JPMIM and its related persons may be the same as or different from, or made contemporaneously or at different times than, positions taken for clients of JPMIM. As these situations may involve potential conflicts of interest, JPMIM has adopted policies and procedures relating to personal securities transactions, insider trading and other ethical considerations. These policies and procedures are intended to identify and mitigate actual and perceived conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. The policies and procedures contain provisions regarding preclearance of employee trading, reporting requirements and supervisory procedures that are designed to address potential conflicts of interest with respect to the activities and relationships of related persons that might interfere or appear to interfere with making decisions in the best interest of clients, including the prevention of front-running. In addition, JPMIM has implemented monitoring systems designed to ensure compliance with these policies and procedures.

HTS and HSAM have provided the following disclosures concerning their practices:

Certain employees of HTS and HSAM may also serve as officials of TexSTAR. Employees of HTS and HSAM who are also officials of TexSTAR must still abide by the code of ethics required of each Administrator.

March 2021

Texas CLASS Investment Pool

January 18, 2023

Ms. Shay Adams
Asst. Superintendent for Business and Finance
Little Elm Independent School District
300 Lobo Lane
Little Elm, TX 75068

Re: Little Elm Independent School District Investment Policy

Dear Ms. Adams:

Thank you for your interest in the Texas Cooperative Liquid Assets Securities System Trust (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

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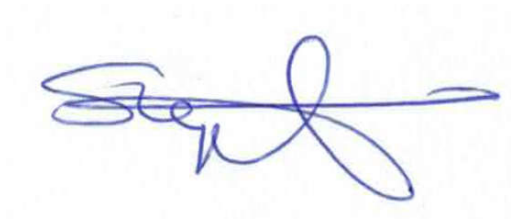
iii. The Investor has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions with Texas CLASS, and prior to investing assets through the Texas CLASS program, the Investment Officer will determine that the contemplated 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 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,



Stephen J Dixon
Director, Business Operations

TEXAS COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM TRUST INVESTMENT POLICY

This Investment Policy (the Policy) is adopted by the Board of Trustees of Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS), its pools, portfolios and sub-accounts, a public funds investment pool established and created pursuant to Chapter 2256 of the Texas Government Code, as amended, and an Amended and Restated Trust Agreement dated as of February 25, 2021 (as amended from time to time, the Trust Agreement) among certain Texas Participants, as defined in the Trust Agreement, UMB Bank, as Custodian (the Custodian), and Public Trust Advisors, LLC, as Program Administrator (the Program Administrator).

ARTICLE I
PURPOSE

Section 1.01. Purpose.

This Policy with respect to investments of Texas CLASS has been adopted to establish the principles and criteria by which the funds of Texas CLASS should be invested and secured and to comply with the provisions of the Trust Agreement and with various provisions of Texas law relating to the investment and security of funds of public funds investment pools (the Investment Laws). As of the date of the adoption of this Policy, the following laws are applicable to the investment of Texas CLASS' funds: Chapter 2256, Texas Government Code; Chapter 791, Texas Government Code; Chapter 2257, Texas Government Code; and Chapter 404.101 et seq., Texas Government Code. The Investment Laws generally provide the minimum criteria for the authorized investment and security of funds of Texas CLASS and require Texas CLASS to adopt rules to ensure the investment of funds of Texas CLASS in accordance with such laws. This Policy will specify the scope of authority of Texas CLASS Officials who are responsible for the investment of funds of Texas CLASS.

Section 1.02. Policy Application to Sub-Accounts and Additional Pools or Portfolios.

This Policy shall apply to all sub-accounts of Texas CLASS, including Texas CLASS PLUS any other sub-accounts that are invested and managed separately from Texas CLASS, whether such sub-accounts contain one or multiple Participants. This Policy shall also apply to any additional pools or portfolios established pursuant to the Trust Agreement.

ARTICLE II
DEFINITIONS

Section 2.01. Definitions.

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

a) The term "Authorized Collateral" means any means or method of securing the deposit of funds of Texas CLASS authorized by Chapter 2257, Texas Government Code.

b) The term "Authorized Investment" means any security which Texas CLASS is authorized to invest in under Chapter 2256, Texas Government Code.

c) The term "Board" means the Board of Trustees of Texas CLASS.

d) The term "Collateral" means any means or method of securing the deposit of funds of Texas CLASS under Article V hereof.

e) The term "Collateral Act" means Chapter 2257, Texas Government Code, as amended from time to time.

f) The term "Trustee" means a person elected or appointed to serve on the Board of Trustees of Texas CLASS.

g) The term "Employee" means any person employed by Texas CLASS, but does not include independent contractors or professionals hired by Texas CLASS as outside consultants, such as the Program Administrator or the Custodian for Texas CLASS.

h) The term "Investment Act" means Chapter 2256, Texas Government Code, as amended from time to time.

i) The term "Investment Officer" means the Trustee of Texas CLASS designated by the Trust Agreement to invest and reinvest the funds of Texas CLASS held in its various accounts.

j) The term "Texas CLASS" , for purposes of this Policy, means all pools or portfolios established pursuant to the Trust Indenture

k) The term "Texas CLASS Officials" means the Investment Officer, Trustees, officers, employees, and persons and business entities engaged in handling the investment of funds of Texas CLASS, including, without limitation, the Program Administrator and the Custodian.

ARTICLE III
INVESTMENT OFFICER

Section 3.01. Investment Officer.

The Trust Agreement designates the Chairman of the Board, ex officio, or in the absence of the Chairman, the Vice Chairman, if any, to serve as Investment Officer to handle the investment of funds of Texas CLASS. The Investment Officer shall be responsible for investing funds of Texas CLASS in accordance with this Policy. The Investment Officer shall invest funds of Texas CLASS, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived, with all investment decisions to be governed by the following objectives in order of priority: (a) preservation and safety of principal; (b) liquidity; and (c) yield.

Section 3.02. Training.

The Investment Officer shall complete any and all training sessions that may be required by law relating to his or her responsibilities under the Investment Act as the Investment Officer for the Participant represented by the Investment Officer.

Section 3.03. Reporting by the Program Administrator.

Not less than quarterly and within a reasonable time after the end of the period reported, the Investment Officer and Texas CLASS Officials shall cause the Program Administrator to prepare and submit to the Board a written report of the investment transactions for all funds of Texas CLASS for the preceding reporting period. The report must (1) describe in detail the investment positions of Texas CLASS on the date of the report, (2) be signed by the Program Administrator, (3) state the book value and the market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested and by pool or portfolio, (4) state the maturity date of each separately invested asset that has a maturity

date, and (5) state the compliance of each investment portfolio as they relate to this Policy and the Investment Act.

Section 3.04. Assistance with Certain Duties of the Investment Officer.

The Board hereby authorizes and directs the Program Administrator and any other Texas CLASS Officials requested by the Investment Officer to assist the Investment Officer with any of his duties, including but not limited to the following:

1. Presenting a copy of the Policy to any person or business organization seeking to sell an investment to Texas CLASS, and obtaining the necessary written certification from such seller referred to in Section 4.03;

2. Handling investment transactions;

3. Preparing and submitting to the Board the written report of all investment transactions for Texas CLASS, as required by this Article;

4. Researching investment options and opportunities;

5. Obtaining written depository pledge agreements as required herein;

6. Obtaining safekeeping receipts from the Texas financial institution which serves as a depository for pledged Collateral; and

7. Reviewing the market value of investments of Texas CLASS, including each pool or portfolio established pursuant to the Trust Agreement and of the Collateral pledged to secure funds of Texas CLASS.

ARTICLE IV
PROCEDURES FOR INVESTMENT OF TEXAS CLASS MONIES

Section 4.01. Qualified Broker/Dealers

The list of qualified broker/dealers with whom Texas CLASS may engage in investment transactions is listed in The Qualified Broker/Dealer List attached to this Policy as Exhibit B. The

Qualified Broker/Dealer List to the Policy may be amended and updated by the Board separate from or as a part of this Policy.

Section 4.02. Disclosures of Relationships with Entities Offering to Enter into Investment Transactions with Texas CLASS.

The Investment Officer and Texas CLASS Officials shall disclose in writing (a) any "personal business relationship" with a business organization offering to engage in an investment transaction with Texas CLASS, and (b) any relationship within the second degree by affinity or consanguinity, as determined by Chapter 573, Texas Government Code, to any individual seeking to sell an investment to Texas CLASS, as required by the Investment Act. The existence of a "personal business relationship" shall be determined in accordance with the Investment Act. Such disclosure statement shall be filed with the Board and the Texas Ethics Commission.

Section 4.03. Certifications from Sellers of Investments.

The Investment Officer or Texas CLASS Officials shall present this Policy to any person or business organization offering to engage in an investment transaction with Texas CLASS and obtain the certificate that such potential seller has reviewed the Policy as provided in the Investment Act. This certificate shall be in a form acceptable to Texas CLASS and shall state that the potential seller has received and reviewed the Policy and has acknowledged that the potential seller has implemented reasonable procedures and controls in an effort to preclude investment transactions with Texas CLASS that are not authorized by this Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entire portfolios of Texas CLASS or requires an interpretation of subjective investment standards. Neither the Investment Officer nor Texas CLASS Officials shall purchase or make any investment from a potential seller that has not delivered to Texas CLASS this required certification. A form of certificate acceptable to Texas CLASS is attached hereto as Exhibit A.

Section 4.04. Solicitation of Bids for Certificates of Deposit.

Bids for certificates of deposit may be solicited orally, in writing, electronically or in any combination of those methods.

Section 4.05. Settlement Basis.

All purchases of investments, except investment in mutual funds, shall be made on a delivery versus payment basis. The safekeeping entity for all Texas CLASS investments and for all Collateral pledged to secure funds of Texas CLASS shall be one approved by the Investment Officer or the Program Administrator.

Section 4.06. Monitoring of the Market Value of Investments and Collateral.

The Program Administrator, on behalf of the Investment Officer, with the help of such Texas CLASS Officials as needed, shall determine the market value of each investment and of all Collateral pledged to secure deposits of funds of Texas CLASS at the times required and in the manner provided in the Trust Agreement and the Investment Act.

ARTICLE V
PROVISIONS APPLICABLE TO ALL FUNDS

Section 5.01. Provisions Applicable to All Funds.

A. All funds of Texas CLASS shall be invested only in accordance with this Policy and shall comply with any additional requirements imposed by the Trust Agreement or by resolutions of the Board and applicable state law or federal tax law, including the Investment Laws.

B. The Program Administrator may withdraw or transfer funds from and to accounts of Texas CLASS only in compliance with this Policy.

Section 5.02. Policy of Securing Deposits of Funds of Texas CLASS -- Applicable to All Deposited Funds of Texas CLASS.

A. Texas CLASS recognizes that FDIC (or its successor) insurance is available for funds of Texas CLASS deposited at any one Texas Financial Institution (including branch banks) only up to a maximum of $250,000 (including accrued interest) for each of the following: (i) demand deposits, (ii) time and savings deposits, and (iii) deposits made pursuant to an indenture or pursuant to law in order to pay bondholders or noteholders. It is the policy of Texas CLASS that all deposited funds in Texas CLASS shall be insured by the FDIC, or its successor, and to the extent not insured, shall be secured by Collateral pledged to the extent of the fair market value of the principal amount deposited plus accrued interest as required by the Collateral Act.

B. If it is necessary for depositories of Texas CLASS to pledge Collateral to secure Texas CLASS' deposits, (1) the Collateral pledge agreement must be in writing, (2) the Collateral pledge agreement must be approved by the depository's board of directors or loan committee, (3) the depository's approval of the Collateral pledge agreement must be reflected in the minutes of the meeting of the depository's board or loan committee approving same, and (4) the Collateral pledge agreement must be kept in the official records of the depository. The depository must provide the Investment Officer or Texas

CLASS Officials with written proof of the depository's approval of the pledge agreement as required herein in a form acceptable to Texas CLASS. A signed or certified copy of the minutes of the meeting of the depository's board or loan committee reflecting the approval of the Collateral pledge agreement or other written documentation of such approval acceptable to the Investment Officer will be accepted. It is the preference of the Board that all requirements of this section be met be prior to the deposit of any funds of Texas CLASS in such financial institution when a pledge of Collateral is required; however, the Board recognizes that compliance with this preference might not be practicable due to time constraints for making a deposit. In such event, the Board directs the Investment Officer and Texas CLASS Officials to proceed diligently to have such agreement approved and documented to assure protection of funds of Texas CLASS. If the decision is made to forego the protection of a Collateral pledge agreement with any depository, the Program Administrator shall be responsible for maintaining the balance of deposit(s) in such depository plus any accrued but unpaid interest at or below FDIC insurance levels.

C. Collateral pledged by a depository shall be held in safekeeping at an independent third party institution, and the Program Administrator shall obtain safe-keeping receipts from the Texas financial institution or the safekeeping institution that reflect that Collateral as allowed by this Policy and in the amount required was pledged to Texas CLASS. Principal and accrued interest on deposits in a financial institution shall not exceed the FDIC's, or its successor's, insurance limits or the market value of the Collateral pledged as security for Texas CLASS' deposits. It shall be acceptable for the Program Administrator to periodically receive interest on deposits to be deposited to the credit of Texas CLASS if needed to keep the amount of the funds under the insurance or Collateral limits. It is the preference of this Board that there be no sharing, splitting or cotenancy of Collateral with other secured parties or entities; however, in the event that a depository cannot accommodate this preference due to the denominations of the securities to be pledged, the Board directs the Investment Officer and Texas CLASS Officials to obtain appropriate protections in the pledge agreement with the depository to assure that the Collateral is liquidated and the funds distributed appropriately to all parties with a security interest in such Collateral. The Program Administrator shall monitor the pledged Collateral to assure that it is pledged only to Texas CLASS, review the fair market value of the Collateral to ensure that Texas CLASS' funds are fully secured, and report periodically to the Investment Officer and the Board regarding the Collateral.

D. Texas CLASS' funds deposited in any Texas financial institution, to the extent that they are not insured, may be secured in any manner authorized by law for Texas CLASS as such law is currently written or as amended in the future.

Section 5.03. Diversification.

The pool shall at all times diversify its assets in such a way as to maintain its AAAm rating status with at least one nationally recognized statistical rating organization. The diversification criteria set by the rating organization shall be reviewed with the Board at least annually. The diversification criteria and the diversification of the pool's assets shall at all times be in compliance with the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code.

ARTICLE VI
AUTHORIZED INVESTMENTS

Section 6.01. Authorized Investments – Texas CLASS.

Unless specifically prohibited by law or elsewhere by this Policy, monies of Texas CLASS may be invested and reinvested only in investments authorized by Chapter 2256, Texas Government Code, as amended, including the following types of investments:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, with a maximum maturity of 397 days, except that certain permitted variable rate securities may be purchased with final maturities greater than 397 days, as described in Paragraph 12 (d) below.

2. Direct obligations of the State of Texas or its agencies and instrumentalities;

3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;

4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;

5. Certificates of deposit or share certificates if the certificate is issued by a depository institution that has its main office or a branch office in this state and is: (1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (2) secured by obligations that are described by Section 2256.009(a) of Chapter 2256, Texas Government Code as amended,

including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Section 2256.009(b), Texas Government Code, as amended; or (3) secured in any other manner and amount provided by law for deposits of the investing entity. In addition, an investment in certificates of deposit is authorized if (1) the funds are invested by an investing entity through (A) a broker that has its main office or a branch office in Texas and is selected from a list adopted by the investing entity, or (B) a depository institution that has its main office or a branch office in Texas and that is selected by the investing entity, (2) the broker or depository institution selected by the investing entity under (1) above arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity, (3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (4) the investing entity appoints the depository institution selected by the investing entity under (1) above, an entity described by Section 2257.041(d) or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rules 15c3-3 (17 C.F.W. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity, .

6. Repurchase agreements that comply with the Investment Act. No more than 25% of the portfolio of Texas CLASS shall be invested in term repurchase agreements and no more than 5% of the portfolio of Texas CLASS may be invested in term repurchase agreements with maturities exceeding 90 days. Repurchase agreements shall be 102% collateralized by obligations of the United States Treasury or its agencies and instrumentalities in accordance with the provisions of the Public Securities Association Master Agreement on file with the Program Administrator pertaining to repurchase agreement operating procedures.

7. A securities lending program where:

1) the value of securities loaned under the program is not less than 100 percent collateralized, including accrued income;
2) a loan made under the program allows for termination at any time;
3) a loan made under the program is secured by: (A) pledged securities described subsection (I) below; (B) pledged irrevocable letters of credit issued by a bank that is: (i) organized and existing under the laws of the United States or any other state; and (ii) continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or (C) cash invested in:

(I) obligations, including letters of credit, of the United States or its agencies and instrumentalities; (2) direct obligations of this state or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and (6) bonds issued, assumed, or guaranteed by the State of Israel.

(II) Commercial Paper pursuant to Number Nine below.

(III) Mutual Funds pursuant to Number 10 below; or

(IV) Investment Pools

4) the terms of a loan made under the program must require that the securities being held as collateral be: (A) pledged to the investing entity; (B) held in the investing entity's name; and (C) deposited at the time the investment is made with the entity or with a third party selected by or approved by the investing entity;

5) a loan made under the program must be placed through: (A) a primary government securities dealer, as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003; or (B) a financial institution doing business in Texas; and

6) an agreement to lend securities must have a term of one year or less.

8. Bankers' acceptances that comply with the Investment Act;

9. Commercial paper that complies with the Investment Act; provided that no more than 25% of the assets of Texas CLASS shall be invested in commercial paper of any one industry, except that the 25% limitation shall not apply to commercial paper of banking and financial institutions.

10. No-load money market mutual funds that comply with the Investment Act;

11. Guaranteed investment contracts that comply with the Investment Act;

12. The following other requirements shall also be met:

    a. No investments shall be made in securities denominated in a currency other than dollars of the United States of America.
    b. The weighted average maturity of the fund will not exceed the lesser of the triple-A guidelines of a nationally recognized rating agency, or 90 days.
    c. Securities with capped coupons are not permitted.
    d. Variable rate instruments issued by United States agencies or instrumentalities with final maturities of greater than 397 days are allowed if the rate resets at least annually and is calculated with reference to a single, established money market index and the instrument can reasonably be expected to reset to or maintain its par value at all reset dates.

13. Bonds issued, assumed or guaranteed by the State of Israel that are also backed by the full faith and credit of the United States of America.

Section 6.02. Authorized Investments – Texas CLASS PLUS

Unless specifically prohibited by law or elsewhere by this Policy, monies of Texas CLASS PLUS may be invested and reinvested only in investments authorized by Chapter 2256, Texas Government Code, as amended, including the following types of investments:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks, with a maximum maturity of 7 years.

2. Direct obligations of the State of Texas or its agencies and instrumentalities;

3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;

4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;

5. Certificates of deposit or share certificates if the certificate is issued by a depository institution that has its main office or a branch office in this state and is: (1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (2) secured by obligations that are described by Section 2256.009(a) of Chapter 2256, Texas Government Code as amended, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Section 2256.009(b), Texas Government Code, as amended; or (3) secured in any other manner and amount provided by law for deposits of the investing entity. In addition, an investment in certificates of deposit is authorized if (1) the funds are invested by an investing entity through (A) a broker that has its main office or a branch office in Texas and is selected from a list adopted by the investing entity, or (B) a depository institution that has its main office or a branch office in Texas and that is selected by the investing entity, (2) the broker or depository institution selected by the investing entity under (1) above arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity, (3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (4) the investing entity appoints the depository institution selected by the investing entity under (1) above, an entity described by Section 2257.041(d) or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rules 15c3-3 (17 C.F.W. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity, .

6. Repurchase agreements that comply with the Investment Act. No more than 25% of the portfolio of Texas CLASS PLUS shall be invested in term repurchase agreements and no more than 5% of the portfolio of Texas CLASS PLUS may be invested in term repurchase agreements with maturities exceeding 90 days. Repurchase agreements shall be 102% collateralized by obligations of the United States Treasury or its agencies and instrumentalities in accordance with the provisions of the Public Securities Association Master Agreement on file with the Program Administrator pertaining to repurchase agreement operating procedures.

7. A securities lending program where:
   (1) the value of securities loaned under the program is not less than 100 percent collateralized, including accrued income;
   (2) a loan made under the program allows for termination at any time;

   (3) a loan made under the program is secured by: (A) pledged securities described subsection (I) below; (B) pledged irrevocable letters of credit issued by a bank that is: (i) organized and existing under the laws of the United States or any other state; and (ii) continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or (C) cash invested in:

      (I) (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities; (2) direct obligations of this state or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and (6) bonds issued, assumed, or guaranteed by the State of Israel.

      (II) Commercial Paper pursuant to Number Nine below.

      (III) Mutual Funds pursuant to Number 10 below; or

      (IV) Investment Pools

   (4) the terms of a loan made under the program must require that the securities being held as collateral be: (A) pledged to the investing entity; (B) held in the investing entity's name; and (C) deposited at the time the investment is made with the entity or with a third party selected by or approved by the investing entity;

(5) a loan made under the program must be placed through: (A) a primary government securities dealer, as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003; or (B) a financial institution doing business in Texas; and

(6) an agreement to lend securities must have a term of one year or less.

8. Bankers' acceptances that comply with the Investment Act;

9. Commercial paper that complies with the Investment Act; provided that no more than 25% of the assets of Texas CLASS PLUS shall be invested in commercial paper of any one industry, except that the 25% limitation shall not apply to commercial paper of banking and financial institutions.

10. No-load money market mutual funds that comply with the Investment Act;

11. Guaranteed investment contracts that comply with the Investment Act;

12. The following other requirements shall also be met:

    a. No investments shall be made in securities denominated in a currency other than dollars of the United States of America.
    b. Securities with capped coupons are not permitted.
    c. Variable rate instruments issued by United States agencies or instrumentalities with final maturities of greater up to 7 years are allowed if the rate resets at least annually and is calculated with reference to a single, established money market index and the instrument can reasonably be expected to reset to or maintain its par value at all reset dates.

13. Bonds issued, assumed or guaranteed by the State of Israel that are also backed by the full faith and credit of the United States of America.

Section 6.04. Authorized Investments – Texas CLASS Government Only Pool or Portfolio

Monies of Texas CLASS GOVERNMENT FUND (or such other pool or portfolio as determined by the Board to be restricted to investments authorized pursuant to this section 6.04) may be invested and reinvested only in investments authorized by this policy and Chapter 2256, Texas Government Code, as amended, including the following types of investments:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks, with a maximum maturity of 397 days, except that certain permitted variable rate securities may be purchased with final maturities greater than 397 days, as described in Paragraph 12 (d) below.

2. Repurchase agreements that comply with the Investment Act. No more than 25% of the portfolio of Texas CLASS shall be invested in term repurchase agreements and no more than 5% of the portfolio of Texas CLASS may be invested in term repurchase agreements with maturities exceeding 90 days. Repurchase agreements shall be 102% collateralized by obligations of the United States Treasury or its agencies and instrumentalities in accordance with the provisions of the Public Securities Association Master Agreement on file with the Program Administrator pertaining to repurchase agreement operating procedures.

3. Certificates of Deposit pursuant to Section 2256.010, Texas Government Code, as amended.

4. No-load money market mutual funds that comply with the Investment Act but that do not include commercial paper;

5. The following other requirements shall also be met:

    a. No investments shall be made in securities denominated in a currency other than dollars of the United States of America.

    b. The weighted average maturity of the fund will not exceed the lesser of the triple-A guidelines of a nationally recognized rating agency, or 120 days.

    c. Securities with capped coupons are not permitted.

    d. Variable rate instruments issued by the United States treasury or agencies or instrumentalities with final maturities of greater than 397 days are allowed if the rate resets at least annually and is calculated with reference to a single, established money market index and the instrument can reasonably be expected to reset to or maintain its par value at all reset dates.

e. The maximum maturity for variable rate securities issued by the United States treasury or agencies or instrumentalities is 762 days.

Section 6.03. Prohibited Investments.

Notwithstanding anything to the contrary stated herein, no funds of Texas CLASS may be invested in the following or in any other type of investment prohibited by the Investment Act or other applicable law:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO's);
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO's);
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
4. Collateralized mortgage obligations the interest rate of which are determined by an index that adjusts opposite to the changes in the market index (inverse floaters).
5. Corporate bonds.

ARTICLE VII
INVESTMENT STRATEGIES

Section 7.01. Strategy Applicable to Texas CLASS.

The general investment strategy for Texas CLASS shall be to invest all monies so as to accomplish the following objectives, which are listed in the order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the Participants in Texas CLASS;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;

5. Diversification of the investment portfolio; and
6. Yield.

All monies shall be invested to meet the cash flow requirements of Texas CLASS as determined by the needs of the Participants. Monies in Texas CLASS shall not be invested for longer than 397 days or as specified in Section 6.01(12)(d) and 6.01(3)(d). Monies in Texas CLASS PLUS shall not be invested longer than 7 years.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Annual Review.

Texas CLASS shall review this Policy at least annually and adopt a resolution confirming the continuance of the Policy without amendment or adopt an Amended Policy.

Section 8.02. Superseding Clause.

This Policy supersedes any prior policies adopted by the Board of Trustees regarding investment or securitization of Funds of Texas CLASS.

Section 8.03. Open Meeting.

The Board officially finds, determines and declares that this Policy was reviewed, carefully considered, and adopted at a regular meeting of the Board, 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 at the administrative office of Texas CLASS, at a place convenient to the public in the main office of the Secretary of State and on a bulletin board at a place convenient to the public in the county courthouse in Dallas County, for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Policy was discussed, considered and acted upon. The Board further ratifies, approves and confirms such written notice and the contents and posting thereof.

This document may be executed in one or more original counterparts, each of which shall constitute one and the same instrument and is effective as of the date specified below.

Exhibit A

CERTIFICATE OF COMPLIANCE FROM SELLERS OF INVESTMENTS
AS REQUIRED BY THE PUBLIC FUNDS INVESTMENT ACT

To: Texas Cooperative Liquid Assets Securities System Trust, a public funds investment pool (Texas CLASS)

From: _____ _____

[Name of the person offering or the "qualified representative of the business organization" offering to engage in an investment transaction with Texas CLASS]

[Office such person holds]

of _____(the Business Organization)
[name of financial institution, business organization or investment pool]

Date: _____

In accordance with the provisions of Chapter 2256 of the Texas Government Code, I hereby certify that:

1. I am an individual offering to enter into an investment transaction with Texas CLASS or any of its subaccounts, pools or portfolios, including Texas CLASS PLUS and Texas CLASS Government (referred to herein collectively as Texas CLASS), or I am a "qualified representative" of the Business Organization offering to enter an investment transaction with Texas CLASS, as applicable, as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code, and that I meet all requirements under such act to sign this Certificate.

2. I or the Business Organization, as applicable, anticipate selling to Texas CLASS investments that comply with Texas CLASS' Investment Policy and the Investment Act (collectively referred to herein as the Investments), as amended and effective as of the date hereof. (the Investment Policy).

3. I or a registered investment professional that services Texas CLASS' account, as applicable, have received and reviewed the Investment Policy, which Texas CLASS has represented is the complete Investment Policy of Texas CLASS now in full force and effect. Texas CLASS has further acknowledged that I or the Business Organization, as applicable, may rely

upon the Investment Policy until Texas CLASS provides me or the Business Organization, as applicable, with any amendments to or any newly adopted form of the Investment Policy.

4. I or the Business Organization, as applicable, have/has implemented reasonable procedures and controls in an effort to preclude investment transactions between Texas CLASS and me or the Business Organization, as applicable, that are not authorized by the Investment Policy, except to the extent that this authorization is dependent upon an analysis of Texas CLASS' entire portfolio or requires an interpretation of subjective investment standards.

5. I or the Business Organization, as applicable, have/has reviewed or will review prior to sale, the terms, conditions and characteristics of the investments to be sold to Texas CLASS and determined (i) that each of the Investments is an authorized investment for local governments under the Investment Act and (ii) each of the Investments is an authorized investment under the Investment Policy. The Business Organization makes no representation as to whether any limits on the amount of Texas CLASS' monies to be invested in the Investments exceeds or in any way violates the Investment Policy.

6. The Business Organization makes no representations or guarantees regarding the prudence, reasonableness or adequacy of the Investment Policy.

7. The Business Organization has attached hereto, for return to Texas CLASS, or will provide a prospectus or disclosure document for each of the Investments other than certificates of deposit and direct obligations of the United States.

By: _____
Name: _____
Title: _____

Investments other than certificates of deposit are not FDIC insured, are not deposits or other obligations of me, the Business Organization or any of its affiliates, and are subject to investment risks, including possible loss of the principal amount invested.

Return Receipt Acknowledged on _____, 20__.

By: _____
Title: _____

Exhibit B

QUALIFIED BROKER/DEALER LIST

A list of the qualified broker/dealers with whom Texas CLASS may engage in investment transactions is available from the Program Administrator and such list is approved periodically by resolution of the Board of Trustees.

#5573634.1

TexPool Investment Pool

TEXPOOL
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

Federated Hermes

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 Pool, 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 the **Little Elm Independent School District** ("Investing Entity") and TexPool.

The undersigned, who is a qualified representative of 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 Adviser has received and reviewed the Investing Entity's investment policy (the "Policy"), and will provide a copy of such Policy to a representative of TexPool upon request; 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: Jeff Aronsohn
Authorized Signatory

Date: 1/20/2023

FEDERATED INVESTMENT COUNSELING

Signature: Jeff Aronsohn
Vice President

Date: 1/20/2023

Revision date: October 15, 2021

TexPool
Investment Policy

Texas Local Government Investment Pool

November 2022

G35884-52

I. PURPOSE AND OBJECTIVES STATEMENT

A. TEXPOOL

The Interlocal Cooperation Act, chapter 791 of the Texas Government Code, and the Public Funds Investment Act, chapter 2256 of the Texas Government Code (the "Act"), provide for the creation of public funds investment pools through which political subdivisions and other entities may invest public funds.

TexPool will use amortized cost to value portfolio assets and follow the criteria established by Governmental Accounting Standards Board ("GASB") Statement No. 79 for use of amortized cost. This Investment Policy shall be interpreted and applied in a manner consistent with GASB guidance on external investment pools that use amortized cost to value all portfolio assets.

Pursuant to subchapter G of chapter 404, the Comptroller of Public Accounts (the "Comptroller") administers the Texas Local Government Investment Pools (the "TexPool Portfolios") as public funds investment pools through the Texas Treasury Safekeeping Trust Company (the "Trust Company"). The Trust Company is a special-purpose trust company authorized to receive, transfer, and disburse money and securities as provided by statute or belonging to the state, agencies, and local political subdivisions and other organizations created on behalf of the state or agency or political subdivision of the state. The Comptroller is the sole officer, director, and shareholder of the Trust Company.

The Comptroller and the Trust Company have contracted with an administrator and investment manager ("Investment Manager") for the TexPool Portfolios. The TexPool Portfolios comprise two investment alternatives: TexPool and TexPool Prime. This Investment Policy relates only to TexPool. TexPool invests in U.S. Treasury and government agency securities, repurchase agreements, and certain mutual funds.

In accordance with the Act, the Comptroller has appointed the TexPool Investment Advisory Board (the "Board") to advise with respect to TexPool. The Board is composed equally of participants in the TexPool Portfolios and other persons who do not have a business relationship with the TexPool Portfolios and are qualified to advise the TexPool Portfolios.

B. PURPOSE

The purpose of TexPool is to offer a safe, efficient, and liquid investment alternative to local governments in the State of Texas. The expectation is that local governments will benefit from the receipt of higher investment returns as a result of economies of scale and the investment expertise and management oversight of the Comptroller and the Trust Company. Investments are made in accordance with this investment policy (the "TexPool Investment Policy") established by the Trust Company and approved by the Comptroller. The TexPool Investment Policy's investment parameters are more conservative than those contained in the Act. The TexPool Investment Policy is reviewed annually and revised as necessary.

C. OBJECTIVES

As required by the Act, the investment objectives of TexPool in order of priority are:

- preservation and safety of principal;

- liquidity; and
- yield

TexPool's additional objective is to maintain a stable $1.00 price per unit. In accordance with the Act, TexPool securities are marked to market daily, and if the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, TexPool will take any appropriate action necessary to maintain the ratio between 0.995 and 1.005. However, the $1.00 price is not guaranteed or insured by the State of Texas.

D. STANDARD OF CARE

As also required by the Act, TexPool investments are made subject to the "prudent person" standard of care. Accordingly, the Investment Manager must make investment decisions:

"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 capital and the probable income to be derived."

E. STRATEGIES

1. Portfolio Composition

The TexPool portfolio is designed and managed to ensure that it maintains its AAAm rating (or the equivalent) by a nationally recognized statistical rating organization ("NRSRO").

The following guidelines shall be followed by the Investment Manager to maintain the portfolio maturity consistent with a stable net asset value per share:

- The maximum remaining maturity of any security or other investment acquired for the portfolio shall be 397 calendar days or less.
- The portfolio should maintain a weighted average maturity of 60 days or less.
- The portfolio should maintain a weighted average life of 120 days or less.

Maturity limits are applied as defined in GASB 79.

A cure period of not more than 10 business days shall be permitted in the event that the weighted average maturity of the portfolio exceeds these limits, consistent with NRSRO guidelines.

2. Risk Management

Principal is protected and market and credit risks minimized by investing in a diversified pool of assets of high credit quality. Actual risks are minimized by adequate collateralization and use of delivery versus payment procedures.

The following procedure shall be followed by the Investment Manager to monitor investment rating changes:

- Perform ongoing monitoring of the credit risks of all securities.
- Create and update, as necessary, an approved list of issuers and securities.

- Maintain the approved list in the Investment Manager's trading and compliance system and utilize the system to monitor the credit risk on a pre-trade compliance basis.
- Note any changes in the rating of a security and determine whether such change is in compliance with the Act.
- If an investment is downgraded such that it is not in compliance with the Act, liquidate the security as required by the Act.

3. Liquidity

Cash needs and cash expectations take priority in the design and structure of TexPool. Income and expenditure history are developed and continuously updated to determine the liquidity needs of TexPool. Reports of anticipated cash flow needs are used to develop the maturity structure of the portfolio to provide liquidity to all participants. To meet the anticipated liquidity needs, TexPool is invested to ensure sufficient distribution of investments in liquid, short-term instruments. The maturities of the investments are distributed such that there is a continuing stream of securities maturing at frequent intervals.

Under normal operating conditions, TexPool seeks to remain fully invested. At the end of each business day, cash is primarily swept into repurchase agreements and/or an eligible money market fund

4. Returns

After consideration of safety and liquidity, TexPool assets are invested with the goal of achieving a competitive rate of return that meets or exceeds the yield on money market mutual funds with similar investment authority. TexPool is structured to benefit from anticipated market conditions and to achieve a reasonable return.

F. DISTRIBUTION OF GAINS AND LOSSES

All gains or losses from the sale of securities are distributed among TexPool participants, and will be amortized over the remaining term to maturity of the liquidated securities.

[Remainder of page intentionally left blank.]

II. AUTHORIZED INVESTMENTS

The Act governs the investment of TexPool. The Act sets out a number of authorized investments. TexPool funds may be invested only in the following authorized investments:

A. GOVERNMENT SECURITIES (section 2256.009(a)(1) of the Act)

1. Statutory Requirements

Obligations of the United States, its agencies, or instrumentalities, including the Federal Home Loan Banks, and EXCLUDING the following:

- Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

2. Policy Guidelines

Portfolio Composition: Up to 100% of TexPool assets may be invested in government obligations of the United States, its agencies, or instrumentalities. However, no more than 60% of the portfolio may be invested in variable rate notes.

Maturity Limits: The maximum final stated maturity of a security may not exceed 397 days, other than for floating or variable rate government obligations of the United States, its agencies, or instrumentalities.

B. REPURCHASE AGREEMENTS (section 2256.011 of the Act)

1. Statutory Requirements

Fully collateralized repurchase agreements or reverse repurchase agreements (i) with defined termination dates, (ii) secured by obligations of the United States, its agencies, or its instrumentalities, including certain mortgage-backed securities, (iii) that require purchased securities to be pledged to the investing entity, in the entity's name, and deposited at the time of investment with the investing entity or a third party, and (iv) that are placed through primary government securities dealers, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas.

The term of a reverse repurchase agreement may not exceed 90 days after the date of delivery. Money received under a reverse repurchase agreement may be used to acquire additional authorized investments provided such investments mature not later than the expiration date stated in the reverse repurchase agreement.

2. Policy Guidelines

a. *Repurchase Agreements*

Portfolio Composition: Direct Repurchase Agreements: Up to 100% of TexPool assets may be invested in repurchase agreements.

Term Repurchase Agreements: A term repurchase agreement refers to any repurchase agreement with more than 7 calendar days remaining to maturity or more than 7 calendar days to the next put option that allows TexPool to liquidate the position at par (principal plus accrued interest.)

Maturity Limits: The maximum final maturity on repurchase agreements may not exceed 365 days. For purposes of calculating the weighted average maturity of the portfolio, the maturity date of a term repurchase agreement will be equal to the put option notice period.

Margin Requirement: Collateral must be equal to at least 102% of the total market value of the repurchase agreement, including accrued interest.

b. *Reverse Repurchase Agreements*

Portfolio Composition: TexPool may enter into reverse repurchase agreements for up to one third (1/3) of the value of TexPool assets.

c. *Repurchase Agreements and Reverse Repurchase Agreements*

Documentation: All repurchase transactions are governed by a Bond Market Association (BMA) or Securities Industry and Financial Markets Association (SIFMA) approved Master Repurchase Agreement and Master Reverse Repurchase Agreement.

Custody: If collateral is to be held by a third party, the third party must have been previously approved by the Trust Company or the Investment Manager.

C. MONEY MARKET MUTUAL FUNDS (section 2256.014 of the Act)

1. Statutory and Other Requirements

No-load money market mutual fund that (i) is registered with and regulated by the Securities and Exchange Commission, (ii) provides a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, (iii) complies with federal Securities and Exchange Commission rule 2a-7, as promulgated under the Investment Company Act of 1940, (iv) is a permissible investment, and (v) includes in its investment objectives the maintenance of a stable net asset value of $1.00 for each share.

2. Policy Guidelines

Portfolio Composition: TexPool assets may be invested in approved money market mutual funds. The Investment Manager may utilize affiliated money market funds for this purpose provided the Investment Manager waives its management fee equal to the relevant affiliated fund's net management fee, and provides an annual accounting of such waivers to the Trust Company.

Concentration Limits: No more than 10% of the TexPool assets may be invested in a single money market fund.

Rating: The money market mutual fund must be rated AAA or its equivalent by at least one NRSRO.

D. SECURITIES LENDING (section 2256.0115 of the Act)

1. Statutory Requirements

TexPool may engage in a securities lending program that complies with the following:

a. the value of the securities loaned, including accrued interest, must be fully collateralized by:

   i. government securities,
   ii. irrevocable letters of credit issued by a bank organized under U.S. or state law and continuously rated at least A or its equivalent by at least one NRSRO, or
   iii. cash invested in government securities, commercial paper, mutual funds, or investment pools authorized by the Act;

b. the loan must be terminable at any time;

c. the loan terms must require that the collateral be pledged to the investing entity, held in its name, and deposited with the investing entity or a third party selected and approved by the investing entity;

d. the loan must be placed through primary dealers or financial institutions doing business in the state; and

e. the loan agreement must have a term of one year or less.

2. Policy Guidelines

Cash received under securities lending agreements must be used to acquire obligations authorized under this investment policy, provided that the average life of the obligations cannot exceed the average life of the securities lending agreements.

[Remainder of page intentionally left blank.]

III. PROHIBITED INVESTMENTS

A. STATUTORY

As required by section 2256.009 of the Act, TexPool cannot invest in the following:

- Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

B. POLICY

1. Derivatives

TexPool will not invest in "derivatives." For the purposes of this Investment Policy, "derivatives" means instruments with embedded features that alter their characteristics or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer, or are not directly correlated on a one-to-one basis to the associated index or market. Derivatives include, but are not limited to, the following:

- Arrangements in which an investor has swapped the natural cash flows or some portion of the natural cash flows of an instrument for a different set of cash flows (i.e., interest rate swaps).
- Over-the-counter/exchange traded options or futures (i.e., option contracts, futures contracts).
- Collateralized mortgage obligations, inverse floating rate notes, range index notes, non- money market index-based notes, dual index notes, index amortizing notes, inverse multi- index bonds, stepped inverse index bonds, inverse index bonds.

In summary, pool participants should look to the Authorized Investments section of this document as all securities defined within are permissible and not deemed to be derivatives. These securities include (but are not limited to) the following:

- Treasury Bills, Treasury Notes, Treasury Bonds, Treasury Strips, repurchase agreements, reverse repurchase agreements, U.S. agency notes with a defined maturity and fixed coupon rate, U.S. agency discount notes, money market index Treasury and agency variable rate notes (i.e., floating rate notes tied to money market indices such as three and six month Treasury Bills; one, three, and six month London Interbank Offering Rate [LIBOR]; the Secured Overnight Financing Rate [SOFR]; Fed Funds; one year Constant Maturity Treasury; prime rate; and Commercial paper composite); U.S. agency step- up notes and any authorized investment that is callable prior to its final maturity.

2. Commercial Paper

While an authorized investment under the Act, TexPool will not invest in commercial paper.

3. Certificates of Deposit

While an authorized investment under the Act, TexPool will not invest in certificates of deposit.

IV. ADMINISTRATIVE GUIDELINES

A. COMPETITIVE BIDDING

TexPool trades, purchases, and sales are done on a best execution basis through a documented competitive bidding process. The broker/dealers used for TexPool are those approved by the Comptroller and the Trust Company and in compliance with the Comptroller rules.

B. SAFEKEEPING

All eligible book-entry securities whether purchased outright or under repurchase agreements, are held in a separate custodial account at the Federal Reserve Bank in the name of the TexPool Portfolios or in an independent third-party institution designated by the Investment Manager on behalf of the TexPool Portfolios. All securities not held in book entry form are held at an independent third-party institution designated by the Investment Manager on behalf of the TexPool Portfolios. Third party institutions must issue original safekeeping receipts to the Investment Manager.

C. AUTHORIZED PERSONNEL

The Investment Manager personnel authorized to buy and sell investment instruments, send and receive securities, and make fund transfers and other types of related investment transactions are directly supervised by senior investment management personnel in the Investment Manager's Investment Management Group.

D. DOCUMENTATION

Complete documentation and audit trails are maintained for all investment transactions.

E. MONITORING MARKET PRICE

State Street Bank and Trust, the custodian designated by the Investment Manager (the "Custodian") provides fund accounting services for TexPool and is responsible for marking-to-market the portfolio holdings of TexPool on a daily basis. The Custodian receives electronic transmissions from various pricing vendors in order to determine the individual market price of each security held in TexPool. These electronic transmissions are checked daily for current data and validity of information. The Custodian also performs a reasonability test to determine whether the prices received are within a set tolerance range. In the event that any of the prices fall outside of the range, then these prices are investigated against secondary pricing sources. As a further check, the Investment Manager also monitors the prices of securities held in TexPool, in order to independently determine reasonableness and validity.

The shadow price is the net asset value per share of TexPool, calculated using total investments measured at fair value at the calculation date. TexPool's shadow price is calculated daily.

F. PARTICIPATION AGREEMENTS

Each participant must have a fully executed participation agreement on file with the Trust Company before participating in TexPool.

G. DEPOSIT AND WITHDRAWAL DEADLINES

See separate TexPool Operating Procedures for detailed deposit and withdrawal deadlines.

H. REPORTING AND DISCLOSURE

The Act requires that public fund investment pools provide basic information regarding the pool's investments and operations. The pool is to provide the investment officer, or other authorized representative of a participating entity, disclosure information in an Information Statement. The required disclosure items are listed in the Act. This information is provided to all participants. Further, to maintain eligibility to receive funds from and invest funds on behalf of the pool's participants, TexPool must furnish investment confirmations and a monthly report disclosing certain information. Finally, the Comptroller requires that TexPool be audited annually by an independent auditor.

I. AUTHORIZED DEALERS

The Comptroller maintains a list of approved dealers and brokers (collectively, "dealers") authorized to provide investment services. All dealers who desire to become qualified bidders for investment transactions for TexPool must be on the approved list. The Comptroller annually reviews the financial condition and registration of the qualified dealers and revises the approved list as needed.

J. ETHICS AND CONFLICT OF INTEREST

The Comptroller requires the Investment Manager and its staff that are involved with making investment decisions for or executing trades on behalf of TexPool to disclose any personal or business relationship with a broker/dealer seeking to sell investments to TexPool. These employees are also required to refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. The Investment Manager's Compliance Officer is required to file a quarterly statement with the Trust Company evidencing compliance with foregoing matters by the Investment Manager and its employees.

Moreover, agents, advisors, and contractors providing services in connection with the custody, management, and investment of public funds under a contract with the Comptroller are required to at all times avoid any actual or apparent conflict of interest with respect to the custody, management, and investment of public funds. For purposes of this investment policy, a conflict of interest refers to any circumstances in which an agent, advisor, or contractor who, in the context of duties under its contract with the Comptroller, has interests that are or may become inconsistent with the interests of the agent, advisor, or contractor with respect to other duties, contractual or otherwise.

Lone Star Investment Pool

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FIRST PUBLIC®
Member FINRA/SIPC

Lone★Star™
Investment Pool

12007 Research Blvd.
Austin, Texas 78759
800.558.8875 • firstpublic.com

February 7, 2023

Jesse Wyse
Director of Budget & Finance
Little Elm Independent School District
PO Box 6000
Denton, TX 75068

Dear Mr. Wyse:

I am an Investment Officer of the Lone Star Investment Pool (the "Pool"). In that capacity I am responding to your request regarding the investment policy certification required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The Pool meets all of the requirements of the Act for an eligible investment pool and, as such, is an authorized investment option for local governments and state agencies in Texas.

In my capacity as an Investment Officer of the Pool, I hereby certify to Little Elm Independent School District (the "Investor") as follows:

1) An Investment Officer of the Pool has received and reviewed Investor's investment policy and a copy of a resolution adopted by Investor wherein Investor (a) authorized participation in the Pool and (b) adopted the investment policy of the Pool as an investment policy of the Investor with respect to Investor monies invested in the Pool; and

2) With respect to the Investor's investment in the Pool, the Pool has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between Investors and the Pool that are not authorized by the Investors investment policy, except to the extent that such authorization is dependent on an analysis of the makeup of the Investor's entire portfolio or requires an interpretation of subjective investment standards.

In addition, I have enclosed a copy of the Pool's legal opinion, which states the Pool complies with the Act.

Thank you for your participation in the Lone Star Investment Pool. Please feel free to contact me at 800-580-8272 if you have questions or need additional information.

Sincerely,

Bill Mastrodicasa

William Mastrodicasa
Investment Officer

Enclosures
WM/mg

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Lone★Star™
Investment Pool

12007 Research Blvd. • Austin, Texas 78759 • 800.758.3927

February 7, 2023

Jesse Wyse
Director of Budget & Finance
Little Elm Independent School District
PO Box 6000
Denton, TX 75068

Dear Mr. Wyse:

I am the Chief Compliance Officer of First Public, LLC ("First Public"). In that capacity I am responding to your request regarding the investment policy certification required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act").

I hereby certify to Little Elm Independent School District (the "Investor") as follows:

1) I have received and reviewed Investor's investment policy; and

2) First Public has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between Investor and First Public that are not authorized by the Investor's investment policy, except to the extent that such authorization is dependent on an analysis of the makeup of the Investor's entire portfolio or requires an interpretation of subjective investment standards.

Thank you for your continued support and business. Please feel free to contact me at 800-558-8875 if you have questions or need additional information.

Sincerely,

Tammy Davis

Tammy Davis
Chief Compliance Officer

Enclosures
TD/mg

Orrick, Herrington & Sutcliffe LLP
300 West 6th Street
Suite 1850
Austin, TX 78701

+1 512 582 6950
orrick.com

Jerry V. Kyle, Jr.

E jkyle@orrick.com
D +1 512 582 6951
F +1 512 582 6949

December 10, 2019

Lone Star Investment Pool
c/o First Public, LLC,
as Administrator
12007 Research Boulevard
Austin, Texas 78759

Re: Lone Star Investment Pool

Ladies and Gentlemen,

In our capacity as legal counsel to the above-captioned investment pool (the "Pool"), you have asked us to review various documents relating to the operation of the Pool, including:

1. Form of Investment Agreement;
2. Bylaws of the Pool;
3. Information Statement and Enrollment Book for the Pool;
4. Investment Policy for the Pool;
5. Copies of recent quarterly position reports prepared for Pool participants;
6. Copies of the monthly fund performance update prepared for Pool participants;
7. Lone Star Investment Pool Investment Officers Resolution; and
8. Rating letters from Standard & Poor's Rating Services assigning a "AAA" or equivalent rating to each of the Pool's funds.

Based upon our review of those documents and applicable legal authorities, we believe that the Pool is operated in compliance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, and is therefore an authorized investment option for local governments and state agencies in Texas.

Please call me at 512-582-6951 if you have any questions.

Very truly yours,

Jerry V. Kyle, Jr.

cc: Taylor Raymond [Firm]

4161-0055-6827.1

Lone★Star™ Investment Pool

Lone Star Investment Pool Investment Policy

The purpose of this Investment Policy is to set forth the policies which are to be followed in managing and operating the Lone Star Investment Pool.

Overview

The purpose of this Investment Policy is to set forth the policies which are to be followed in managing and operating the Lone Star Investment Pool (the "Pool"). Policies presented in this document have been developed based on the advice and recommendations of consultants and professionals who serve the Pool. The Board of Trustees of the Pool (the "Board") has approved these policies. All actions with respect to the Pool, including the establishment and implementation of this Investment Policy, shall be made solely for the interest of the Participants in the Pool. Capitalized terms used herein and not otherwise defined have the same meanings assigned to them in the Investment Agreement creating the Pool.

Identification of Pool

The investment objectives of the Pool, in order of priority, are preservation and safety of principal, liquidity, and yield.

The Pool is a public funds investment pool, designed to invest in certain fixed income securities, and is created under the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Investment Act").

Investment Policy objective

The primary objective of this Investment Policy is to emphasize the importance of safety of principal and liquidity of Pool assets. The policy also addresses other key elements, including but not limited to investment diversification, maturity, quality and capability of investment management, and yield.

Communication objective

This document is intended to serve as a guide to improve communication between the Board and:

The Advisory Board;

The Investment Officer(s);

The Investment Advisor(s);

The Custodian;

The Administrator;

The Investment Consultant;

New Board members;

Current and potential Participants.

Investment strategy and guidelines

Pursuant to the Agreement and applicable law, the Pool's investments are limited to those permitted under the Investment Act. Further restrictions on eligible investments for each of the Pool's funds are set forth below.

Government Overnight Fund

The Government Overnight Fund is designed for funds that may be required for immediate expenditure. The objectives of the Government Overnight Fund are, in order of importance:

1. an understanding of the suitability of the investment to the financial requirements of the Government Overnight Fund;
2. preservation and safety of principal;
3. liquidity;
4. marketability of each investment if the need arises to liquidate the investment before maturity;

5. diversification of the investment portfolio;
6. and yield.

The Government Overnight Fund seeks to offer daily liquidity and to maintain a net asset value of one dollar. The net asset value of the Government Overnight Fund is determined daily to ensure that the market value of the Fund's assets is maintained at one dollar. The dollar-weighted average maturity of the Government Overnight Fund is 60 days or fewer. The maximum stated maturity of each security acquired by the Government Overnight Fund is 13 months for fixed rate securities and 24 months for variable rate securities. Because of their short maturities, high quality, and minimal price fluctuations, securities in which the Government Overnight Fund invests are generally considered to be marketable and very liquid. Though the Government Overnight Fund may hold investments until they mature, it may periodically trade securities to take advantage of perceived disparities between markets for various categories of investments in an effort to increase returns. The Government Overnight Fund may not invest more than one-third of the value of its assets (determined as of the date of investment) in the securities of any single issuer, except for direct obligations of the U.S. Government.

Though the Pool has the authority to invest in all securities authorized under the Investment Act, it is the Board's policy that only the following of such authorized investments will be eligible as Government Overnight Fund investments:

Obligations of the United States or its agencies and instrumentalities

Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the United States or its agencies and instrumentalities

Fully collateralized repurchase agreements that meet the following criteria: (1) have a defined termination date; (2) are secured by obligations of the United States or its agencies and instrumentalities; (3) require the securities being purchased by the Government Overnight Fund to be pledged to the Government Overnight Fund, held in the Government Overnight Fund's name, and deposited at the time the investment is made with the Government Overnight Fund or with a third party selected and approved by the Government Overnight Fund; and (4) are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state. The market value of repurchase agreement collateral is required to initially be 102 percent of the principal amount of such repurchase agreement. Thereafter, the market value of such collateral will be determined (marked-to-market) daily and reset to 102 percent of the principal amount if it falls below 100 percent.

The Government Overnight Fund may lend up to 25 percent of its securities pursuant to a reverse repurchase agreement authorized under the Investment Act. Any funds obtained

pursuant to a reverse repurchase agreement must be invested in authorized Government Overnight Fund investments and match the term of the reverse repurchase agreement. The term of any reverse repurchase agreement may not exceed 90 days.

No-Load money market mutual funds regulated by the Securities and Exchange Commission ("SEC"), that invest exclusively in authorized Government Overnight Fund investments, provided the Government Overnight Fund shall not invest its funds in any one money market mutual fund in an amount that exceeds (i) 25 percent of the Government Overnight Fund's total assets or (ii) 10 percent of the total assets of such money market mutual fund.

Corporate Overnight Fund

The Corporate Overnight Fund is designed for funds that may be required for immediate expenditure. The objectives of the Corporate Overnight Fund are, in order of importance:

1. an understanding of the suitability of the investment to the financial requirements of the Government Overnight Fund;
2. preservation and safety of principal;
3. liquidity;
4. marketability of each investment if the need arises to liquidate the investment before maturity;
5. diversification of the investment portfolio;
6. and yield.

The Corporate Overnight Fund seeks to offer daily liquidity and to maintain a net asset value of one dollar. The net asset value of the Corporate Overnight Fund is determined daily to ensure that the market value of the Fund's assets is maintained at one dollar. The dollar-weighted average maturity of the Corporate Overnight Fund is 60 days or fewer. The maximum stated maturity of each security acquired by the Corporate Overnight Fund is 13 months for fixed rate securities and 24 months for variable rate securities. Because of their short maturities, high quality, and minimal price fluctuations, securities in which the Corporate Overnight Fund invests are generally considered to be marketable and very liquid. Though the Corporate Overnight Fund may hold investments until they mature, it may periodically trade securities to take advantage of perceived disparities between markets for various categories of investments in an effort to increase returns.

The Corporate Overnight Fund has the authority to invest in all securities authorized under the Investment Act. However, it is the Board's policy to also have the following restrictions:

Except for money market mutual funds regulated by the SEC, the Corporate Overnight Fund shall not invest its assets in the securities of any one nongovernmental issuer in an amount that exceeds 5 percent of the Corporate Overnight Fund's total assets at cost.

Fully collateralized repurchase agreements that meet the following criteria: (1) have a defined termination date; (2) are secured by obligations authorized under the Investment Act; (3) require the securities being purchased by the Corporate Overnight Fund to be pledged to the Corporate Overnight Fund, held in the Corporate Overnight Fund's name, and deposited at the time the investment is made with the Corporate Overnight Fund or with a third party selected and approved by the Corporate Overnight Fund; and (4) are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state. The market value of repurchase agreement collateral is required to initially be 102 percent of the principal amount of such repurchase agreement. Thereafter, the market value of such collateral will be determined (marked-to-market) daily and reset to 102 percent of the principal amount if it falls below 100 percent.

If an A-1 or P-1 investment is placed on the watch list with negative implications by Standard & Poor's or Moody's Investor Services, the Investment Advisor must notify the Investment Consultant and Administrator that same day and if a ready market exists for that security, sell the investment within one week.

The Corporate Overnight Fund shall not invest its funds in any one money market mutual fund in an amount that exceeds (i) 25 percent of the Corporate Overnight Fund's total assets or (ii) 10 percent of the total assets of such money market mutual fund.

Corporate Overnight Plus Fund

The Corporate Overnight Plus Fund is designed for funds that may be required for immediate expenditure. The objectives of the Corporate Overnight Fund are, in order of importance:

1. an understanding of the suitability of the investment to the financial requirements of the Government Overnight Fund;
2. preservation and safety of principal;
3. liquidity;
4. marketability of each investment if the need arises to liquidate the investment before maturity;
5. diversification of the investment portfolio;
6. and yield.

The Corporate Overnight Plus Fund has longer maturities than those of the Corporate Overnight Fund and Government Overnight Fund. The Corporate Overnight Plus Fund seeks to offer daily liquidity and to maintain a net asset value of one dollar. The net asset value of the Corporate Overnight Plus Fund will be determined daily to ensure that the fair value of the fund's assets is maintained at one dollar. The dollar-weighted average maturity of the Corporate Overnight Plus Fund is 120 days or fewer. The maximum stated maturity of each security acquired by the Corporate Overnight Plus Fund is two years from date of purchase unless otherwise restricted by the Investment Act. Because of their short maturities, high quality, and minimal price fluctuations, securities in which the Corporate Overnight Plus Fund invests are generally considered to be marketable and very liquid. Though the Corporate Overnight Plus Fund may hold investments until they mature, it may periodically trade securities to take advantage of perceived disparities between markets for various categories of investments in an effort to increase returns.

The Corporate Overnight Plus Fund has the authority to invest in all securities authorized under the Investment Act. However, it is the Board's policy to also have the following restrictions:

> Except for money market mutual funds regulated by the SEC, the Corporate Overnight Plus Fund shall not invest its assets in the securities of any one nongovernmental issuer in an amount that exceeds 5 percent of the Corporate Overnight Plus Fund's total assets at cost.
>
> Fully collateralized repurchase agreements that meet the following criteria: (1) have a defined termination date; (2) are secured by obligations authorized under the Investment Act; (3) require the securities being purchased by the Corporate Overnight Plus Fund to be pledged to the Corporate Overnight Plus Fund, held in the Corporate Overnight Plus Fund's name, and deposited at the time the investment is made with the Corporate Overnight Plus Fund or with a third party selected and approved by the Corporate Overnight Plus Fund; and (4) are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state. The market value of repurchase agreement collateral is required to initially be 102 percent of the principal amount of such repurchase agreement. Thereafter, the market value of such collateral will be determined (marked-to-market) daily and reset to 102 percent of the principal amount if it falls below 100 percent.
>
> If an A-1 or P-1 investment is placed on the watch list with negative implications by Standard & Poor's or Moody's Investor Services, the Investment Advisor must notify the Investment Consultant and Administrator that same day, and if a ready market exists for that security, sell the investment within one week.
>
> The Corporate Overnight Plus Fund shall not invest its funds in any one money market mutual fund in an amount that exceeds (i) 25 percent of the Corporate Overnight Plus Fund's total assets or (ii) 10 percent of the total assets of such money market mutual fund.

Pool administration

The Board has appointed Investment Officers and entered into a service agreement with the Administrator. The respective authority and responsibilities of the Board, the Investment Officers, and the Administrator are listed below. It should be noted that some of these responsibilities may overlap, and further that the Investment Officers and the Administrator shall at all times be subject to the Board's direction.

Authority and responsibilities of the Board

Adopt this Investment Policy.

Appoint one or more Investment Officers.

Oversee selection of Investment Advisor, Custodian, Investment Consultant, and other service providers.

Monitor compliance with this Investment Policy, the Investment Act, and other law governing the Pool.

Monitor performance of the Pool.

Consider revisions to this Investment Policy to reflect changing conditions affecting the Pool or the needs of the Participants.

Authority and responsibilities of the Investment Officers

Invest or oversee the investment of Pool assets.

Execute contracts on behalf of the Pool, including contracts with the Investment Advisor and other service providers.

Oversee the daily operations of the Pool.

Monitor performance of the Pool.

Monitor the selection and performance of the Investment Advisor and other service providers.

Monitor compliance with this Investment Policy, the Investment Act, and other law governing the Pool.

Report at least quarterly to the Board.

Obtain training required under the Investment Act and report training status to the Board not less than annually.

Authority and responsibilities of the Administrator

Conduct search for and negotiate contracts with Investment Advisor, Custodian, Investment Consultant, and other service providers, subject to the direction and oversight of the Board and Investment Officers.

Market program to Local Governments.

Service Participants on an ongoing basis.

Meet monthly with Investment Officers and Investment Consultant to review Pool performance.

Monitor compliance with this Investment Policy, the Investment Act, and other law governing the Pool.

Report at least quarterly to the Board.

Prepare and distribute the Information Statement.

Additional guidelines and restrictions

Standard of care

Investments of Pool assets shall be made with judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Liquidity needs

The liquidity needs of the Pool shall be determined from its operating history and with a general awareness of the needs of Participants. The Pool's investments and operations shall be managed consistently with such liquidity needs.

Cash holdings

For liquidity purposes or to respond to unusual market conditions, the Pool may hold some or all of its total assets in cash as a temporary defensive measure, for purposes of assuring sufficient liquidity, or due to the lack of eligible investment securities.

Operational guidelines

Each fund within the Pool is designed and shall be managed to ensure it is continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

Each fund within the Pool will be marked-to-market daily.

The Custodian may register or transfer assets of the Pool into its own name or the name of one or more nominees, provided its books and records at all times show that such assets are part of the Pool.

Total administrative and operating expenses of the Pool are not to exceed 0.06 percent per year based on the daily average assets.

The Investment Officers may prepare and transmit additional written guidelines and expectations for the Pool or for any Fund within the Pool, provided they do not exceed the parameters set forth in this Investment Policy. The Investment Officers will provide a copy of any such transmission to the Board at its next Board meeting.

If the Corporate Overnight Fund or the Government Overnight Fund's amortized cost is above or below the market value by more than one-half of one percent, the Investment Officer will take such action as the Investment Officer deems appropriate to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing participants, including a sale of portfolio holdings to attempt to maintain the ratio between 0.995 and 1.005.

If the Corporate Overnight Plus Fund's book value of units outstanding is above or below market value by more than one-half of 1 percent, the Investment Officer will take such action as the Investment Officer deems appropriate to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing participants, including a sale of portfolio holdings to attempt to maintain the ratio between 0.995 and 1.005.

If the Weighted Average Maturity ("WAM") of the Corporate Overnight Plus Fund exceeds 90 days, the Investment Advisor must file a report with the Investment Consultant and Administrator detailing why they have the fund positioned beyond 90 days. The report is due the Monday following any week in which the fund's WAM exceeded 90 days.

The Corporate Overnight Plus Fund will be evaluated on a "total rate of return" basis for the purpose of this Investment Policy; "total rate of return" is defined as interest plus appreciation or depreciation of market value.

The Investment Advisor(s) shall monitor rating changes in investments acquired by the Pool and shall take all prudent measures that are consistent with this Investment Policy

to liquidate an investment that no longer has the minimum rating required under the Investment Act.

In connection with Chapter 2270 of the Texas Government Code ("Chapter 2270"), the Investment Advisor(s) shall monitor the list of scrutinized companies maintained by the Texas Comptroller of Public Accounts, shall take all prudent measures to avoid investing in scrutinized companies, and shall divest from scrutinized companies in accordance with Chapter 2270. When applicable, the Administrator will facilitate all required notifications pursuant to Chapter 2270.

Securities transactions

All securities transactions are required to be affected through licensed broker-dealer firms, in accordance with all applicable laws and selected on the basis of reasonableness of brokerage commissions and provision of other services, if any, to the Pool. A detailed list shall be maintained showing all commissions paid by the Pool and the identity of and amount paid to each broker-dealer firm executing orders for the Pool.

The Investment Advisor shall not order the purchase of investments in mutual funds, or other similar pooled investment vehicles, that are managed by the Investment Advisor or affiliates of the Investment Advisor.

Evaluation and review

Frequency of meetings and reports

The Administrator, Investment Officers, and Investment Consultant will meet at least monthly to review the market, the Pool's investment portfolio, and other issues related to the Pool. The Investment Officers and the Administrator will provide a written investment report to the Board at least quarterly.

Quality and capability of investment management

The Pool and the Investment Advisor shall be carefully monitored on the basis of several key indicators to ensure a consistent and high quality investment approach is being followed. Such indicators include:

Changes in the Advisor personnel, ownership or fees;

Compliance with investment guidelines included in this Investment Policy;

Advisor's current investment outlook for the next six to 12 months and policy developed in response to such outlook;

Consistency of Pool's performance with the Advisor's investment style;

Consistency of Pool's performance with the Advisor's style peer group. See "Performance Goals."

Performance goals

Although the primary emphasis of this Investment Policy is safety of principal and liquidity, the Board expects the Pool to perform credibly within a peer group of other funds or pools with similar investment structures. The performance of each fund may vary. The following standards, established as benchmarks only, will apply:

Government Overnight Fund

The Government Overnight Fund should outperform the 91-day U.S. Treasury Bill.

The Government Overnight Fund's return should be in the upper one-half of comparably managed funds selected by the Investment Consultant.

Corporate Overnight Fund

The Corporate Overnight Fund should outperform the 91-day U.S. Treasury Bill. The Corporate Overnight Fund's return should be in the upper one-half of comparably managed funds selected by the Investment Consultant.

Corporate Overnight Plus Fund

The Corporate Overnight Plus Fund should outperform the 91-day U.S. Treasury Bill.

The Corporate Overnight Plus Fund's return should be in the upper one-half of comparably managed funds selected by the Investment Consultant.

If the dollar-weighted average maturity of the Corporate Overnight Plus Fund is greater than 60 days for the period, the Corporate Overnight Plus Fund should outperform the Corporate Overnight Fund.

Policy review and amendment

The Investment Officers and the Administrator will use each of their quarterly investment performance evaluations as an opportunity to also consider recommending whether any elements of the existing Investment Policy should be modified.

The Board and Advisory Board shall review this Investment Policy and investment strategies not less than annually. Possible reasons for policy modification include, but are not limited to, the following:

- A rationale for change presented by the Investment Consultant or other industry specialist that has merit
- New areas found to be important that are not covered in this Investment Policy
- Impractical time horizon for the Pool's portfolio

The Board considers this Investment Policy to be a basic tool for the implementation of a long-range investment program for Participants but also as a dynamic document that is responsive to the need for any fundamental changes. The Board recognizes that a potentially damaging inconsistency would occur if policies were to undergo substantial change over relatively short periods, or if policy changes were implemented as a "reaction" to current short-term market conditions.

Adopted: 7/18/2019 / Effective 9/1/2019
LoneStar-703, Investment Policy

OUR SITES

First Public

Lone Star Investment Pool

TASB Benefits Cooperative

CONNECT WITH US

512.467.3655 or 800.558.8875

customer.service@firstpublic.com

customer.service@lonestarinvestmentpool.com

Contact Us

12007 Research Blvd.
Austin, TX 78759

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