

### **Financial Statement Disclosures for December 31, 2023**

The following is the Public Trust Advisors, LLC (Fund Administrator) interpretation of your disclosure responsibilities related to your participation in the Texas CLASS local government investment pools. The information provided may be required for the financial reporting of Participants in Texas CLASS. Participants should consult their auditing and accounting professionals regarding their specific reporting requirements.

#### **GASB 79 Disclosure**

According to the Governmental Accounting Standards Board (GASB), in order for an investment pool to qualify for the use of amortized cost accounting for financial reporting purposes, it must meet all of the criteria listed in GASB Statement No. 79. Texas CLASS and Texas CLASS Government are managed as stable value NAV pools but do not meet all of the specific criteria outlined in GASB 79 Paragraph 4, therefore Texas CLASS Participants should report their investments in the pools at fair value. The value of your investment in Texas CLASS as stated on your December 31, 2023 statement should be used as the fair value of your investment.

#### **GASB 72 Fair Value Hierarchy Reporting for Texas CLASS**

Texas CLASS measures its investments at fair value and therefore a Participant's investment in the pools are not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72\*.

\*Source: GASB Implementation Guide No 2017-1 April 2017

#### **GASB 40 Note Disclosure Requirement for Texas CLASS**

##### **Credit Risk Disclosure**

Texas CLASS and Texas CLASS Government are rated by S&P Global Ratings. The current ratings are 'AAAm.'

##### **Custodial Credit Risk Disclosure**

Texas CLASS and Texas CLASS Government are external investment pools and therefore are not subject to custodial credit risk; your investment in the pools is exempt from the reporting requirement.

##### **Interest Rate Risk Disclosure**

The dollar weighted average days to maturity (WAM) of Texas CLASS at December 31, 2023, was 50 days and the weighted average life (WAL) was 74 days. The WAM of Texas CLASS Government at December 31, 2023, was 21 days and the WAL was 71 days.

This document is for informational purposes only. All information is assumed to be correct but the accuracy has not been confirmed and therefore is not guaranteed to be correct. Information is obtained from third party sources that may or may not be verified. The information presented should not be used in making any investment decisions. It is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. All comments and discussion presented are purely based

on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. **Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.**

A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. Ratings are subject to change and do not remove credit risk. [Click here](#) for more information.

Weighted Average Maturity (WAM) calculates the average number of days until maturity for a portfolio of securities. WAM uses the next interest rate reset date, call date or put date in the calculation and therefore should always be less than or equal to weighted average life (WAL).

Weighted Average Life (WAL) calculates the average number of days until maturity for a portfolio of securities using the stated maturity date for all securities, including variable rate, callable or puttable securities.