



KELLER ISD ANNUAL INVESTMENT REPORT

For the period ended June 30, 2026

Presented on October 29, 2026

EXECUTIVE SUMMARY

Board Policy CDA (Local) requires an annual review by the Board of the investment policy and investment strategies. All investments made by the District shall comply with the Public Funds Investment Act. This report is a review of the investment activities from July 1, 2025 through June 30, 2026.

Investment Strategy

The investment strategy focuses on safety, liquidity, yield and diversification. Investments are to ensure the preservation of capital in the overall portfolio. The District's investments are liquid to meet anticipated cash flow needs and are diversified to reduce the risk of any one investment type.

Investment strategy is applied to each major fund type.

General Fund

Preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

Debt Service Fund

Investment of property tax receipts to provide sufficient liquidity to meet debt service payment obligations.

Capital Projects Fund

Sufficient liquidity to meet capital project obligations. Estimated cash flow spend-down schedules govern the utilization and investment of the Capital Project Funds.

All funds may be invested in instruments whose maturities do not exceed five years from the time of purchase, however the District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements, projected on a weekly, monthly, and annual basis.

For the 2025-26 fiscal year, investments were diversified among three public funds investment pools (Logic, Texas Class and TexPool) and Certificates of Deposit.

Investment Authority

Designated by a Board resolution, the Director of Finance serves as the investment officer of the District. The investment officer oversees the investment function of the District and presents quarterly and annual reports to the Board. The investment officer will maintain the required hours of investment training from an independent source approved by the Board. In addition, the district's investment committee consists of the Superintendent, Deputy Superintendent, Chief Financial Officer, Director of Finance and Assistant Director Treasury Services. The investment committee shall review and recommend appropriate legally authorized and adequately secured investments and shall invest District funds as directed by the Board and in accordance with the District's investment policy.

Market Overview

During the 2025-26 fiscal year, the investing environment slowed as interest rates fell starting in September of 2025. Rates are expected to fall again before the end of 2026.

The District's investment pool portfolio had an average annual earnings rate of 3.97%, down from the 2024-25 rate of 4.74%. The District had \$4,700,724 of interest earnings in all funds for 2025-26 compared to \$5,451,941 in 2024-25 as a result of a decrease in invested bond funds as construction/bond projects reach completion, as well as decreased interest rates.

Policy Review and Recommendations

In addition to reviewing the Annual Investment Report, we are recommending the Board approve the investment policy and strategy of the District. There have been no changes to the policy (CDA Local) since the previous year.

KELLER ISD
QUARTERLY INVESTMENT REPORT
AS OF JUNE 30, 2026

Investment Accounts	Type of Account	Maturity Date															
			Average Interest Rate	YTD Earned Interest	3/31/26 Book Value	3/31/26 Market Value	Quarterly Activity			6/30/26 Book Value	6/30/26 Market Value	Ending Balance By Fund					
							Deposits	Withdrawals	Interest			199 General Fund	240 Child Nutrition	511 Debt Service	665 Misc Projects	Capital Projects Bond Funds	Internal Service Funds
TexasCLASS- Local Maintenance	Investment Pool	Various	3.76%	1,415,124	60,986,283	60,986,283	14,155,203	54,949,179	399,411	20,591,718	20,591,718	20,591,718					
LOGIC- Local Maintenance	Investment Pool		3.76%	1,618	40,806	40,806	0	0	384	41,190	41,190	41,190					
TexPool- Local Maintenance	Investment Pool		3.64%	724	18,796	18,796	0	0	171	18,967	18,967	18,967					
First Financial Equity Corp - Local Maintenance	Certificates of Deposit		Various	127,538	3,047,865	3,047,865	0	745,000	25,042	2,327,907	2,327,907	2,327,907					
TexasCLASS- Child Nutrition	Investment Pool		3.76%	285,183	6,420,419	6,420,419	1,250,000	1,357,133	64,951	6,378,237	6,378,237		6,378,237				
LOGIC- Child Nutrition	Investment Pool		3.76%	64	1,608	1,608	0	0	16	1,624	1,624		1,624				
TexasCLASS- Interest and Sinking	Investment Pool		3.76%	2,215,763	75,837,732	75,837,732	1,017,751	0	722,254	77,577,737	77,577,737			77,577,737			
LOGIC- Interest and Sinking	Investment Pool		3.76%	0	3	3	0	0	0	3	3			3			
TexPool- Interest and Sinking	Investment Pool		3.64%	15,237	395,116	395,116	0	0	3,599	398,715	398,715			398,715			
TexasCLASS- Miscellaneous Projects	Investment Pool		3.76%	341,383	6,325,896	6,325,896	0	2,035,253	46,541	4,337,184	4,337,184				4,337,184		
LOGIC- Miscellaneous Projects	Investment Pool		3.76%	8	180	180	0	0	2	182	182				182		
TexasCLASS- Capital Projects	Investment Pool		3.76%	137,924	3,139,529	3,139,529	0	138,951	28,780	3,029,358	3,029,358					3,029,358	
LOGIC- Capital Projects	Investment Pool		3.76%	3	54	54	0	0	0	54	54					54	
TexPool- Capital Projects	Investment Pool		3.64%	5	144	144	0	0	0	144	144					144	
TexasCLASS- Internal Service Funds	Investment Pool		3.76%	150,859	4,340,011	4,340,011	1,511,428	1,281,308	42,633	4,612,764	4,612,764						4,612,764
LOGIC- Workers Compensation Fund	Investment Pool		3.76%	9,291	232,507	232,507	0	0	2,187	234,694	234,694						234,694
Total				4,700,724	160,786,949	160,786,949	17,934,382	60,506,824	1,335,971	119,550,478	119,550,478	22,979,782	6,379,861	77,976,455	4,337,366	3,029,556	4,847,458

Submitted by:


John Allison
Deputy Superintendent

8/21/26
Date


Kristin Williams
Director of Finance

8/21/26
Date

It is the policy of the District to invest public funds in a manner that assures the safety of invested funds, maintains sufficient liquidity to provide for the daily needs of the District, and provide the highest investment return

*For comparison, current US Treasury rates are:
3 months 3.75%
6 months 3.86%
1 year 3.90%

Keller Independent School District
Schedule of Investments - Local Government Investment Pool Accounts
Summary 2025-2026 Quarterly Investment Reports

	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026
<u>LOGIC - AAAm*</u>	<u>Avg Yield 4.3313%</u>	<u>Avg Yield 3.9516%</u>	<u>Avg Yield 3.7875%</u>	<u>Avg Yield 3.7528%</u>
Capital Projects (Bond Funds)	52.01	52.76	53.51	54.26
Child Nutrition	1,577.03	1,593.37	1,608.57	1,623.86
Miscellaneous Projects	176.30	178.14	179.93	181.72
Debt Service Fund	2.50	2.50	2.50	2.50
General Operating Fund	40,009.91	40,424.22	40,806.11	41,189.81
Internal Service Funds	227,971.16	230,331.84	232,507.72	234,694.16
TOTAL LOGIC	269,788.91	272,582.83	275,158.34	277,746.31
<u>Texas CLASS - AAAm*</u>	<u>Avg Yield 4.3496%</u>	<u>Avg Yield 3.9690%</u>	<u>Avg Yield 3.7762%</u>	<u>Avg Yield 3.7666%</u>
Capital Projects (Bond Funds)	3,425,371.34	3,220,971.38	3,139,529.71	3,029,357.50
Child Nutrition	7,551,018.91	6,360,374.94	6,420,418.45	6,378,236.93
Debt Service	24,335,823.85	41,119,927.49	75,837,732.03	77,577,736.84
General Operating Fund	13,507,054.66	29,765,802.10	60,986,283.79	20,591,718.95
Internal Service Funds	3,146,857.52	2,802,550.57	4,340,011.25	4,612,764.16
Miscellaneous Projects	8,639,073.95	8,165,101.78	6,325,895.30	4,337,183.23
TOTAL Texas CLASS	60,605,200.23	91,434,728.26	157,049,870.53	116,526,997.61
<u>TexPool - AAAm*</u>	<u>Avg Yield 4.2520%</u>	<u>Avg Yield 3.8270%</u>	<u>Avg Yield 3.6724%</u>	<u>Avg Yield 3.6469%</u>
Capital Projects (Bond Funds)	141.02	142.65	143.55	144.46
Debt Service Fund	387,637.19	391,544.58	395,115.85	398,715.32
General Operating Fund	18,440.30	18,626.23	18,796.20	18,967.43
TOTAL TexPool	406,218.51	410,313.46	414,055.60	417,827.21
TOTAL INVESTMENT POOLS	61,281,207.65	92,117,624.55	157,739,084.47	117,222,571.13
*Standard & Poor's Current Rating				
<u>Consolidated Balances</u>	<u>September 30, 2025</u>	<u>December 31, 2025</u>	<u>March 31, 2026</u>	<u>June 30, 2026</u>
Capital Projects (Bond Funds)	3,425,564.37	3,221,166.79	3,139,726.77	3,029,556.22
Child Nutrition	7,552,595.94	6,361,968.31	6,422,027.02	6,379,860.79
Miscellaneous Projects	8,639,250.25	8,165,279.92	6,326,075.23	4,337,364.95
Debt Service Fund	24,723,463.54	41,511,474.57	76,232,850.38	77,976,454.66
General Operating Fund	13,565,504.87	29,824,852.55	61,045,886.10	20,651,876.19
Internal Service Funds	3,374,828.68	3,032,882.41	4,572,518.97	4,847,458.32
Total Pool Balances	61,281,207.65	92,117,624.55	157,739,084.47	117,222,571.13

Keller Independent School District
Schedule of Investments - Public Fund Money Market Investments
Summary 2025-2026 Quarterly Investment Reports

	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026
<u>Cetera Advisors</u>	<u>Avg Yield 0.00%</u>	<u>Avg Yield 0.00%</u>	<u>Avg Yield 0.00%</u>	<u>Avg Yield 0.00%</u>
General Fund (Money Market)	253,341.78	285,843.38	317,865.30	342,906.87
TOTAL CETERA ADVISORS	253,341.78	285,843.38	317,865.30	342,906.87
<u>UBS Bank</u>	<u>Avg Yield 0.95%</u>	<u>Avg Yield 0.95%</u>	<u>Avg Yield 0.95%</u>	<u>Avg Yield 0.95%</u>
General Fund (Certificate of Deposit)	249,000.00	249,000.00	249,000.00	249,000.00
TOTAL UBS BANK	249,000.00	249,000.00	249,000.00	249,000.00
<u>Goldman Sachs Bank</u>	<u>Avg Yield 1.050%</u>	<u>Avg Yield 1.050%</u>	<u>Avg Yield 1.050%</u>	<u>Avg Yield 1.050%</u>
General Fund (Certificate of Deposit)	248,000.00	248,000.00	248,000.00	248,000.00
TOTAL GOLDMAN SACHS BANK	248,000.00	248,000.00	248,000.00	248,000.00
<u>Institution for Savings Bank</u>	<u>Avg Yield 0.85%</u>	<u>Avg Yield 0.00%</u>	<u>Avg Yield 0.00%</u>	<u>Avg Yield 0.00%</u>
General Fund (Certificate of Deposit)	249,000.00	0.00	0.00	0.00
TOTAL Institution for Savings	249,000.00	0.00	0.00	0.00
<u>Sharonview Federal Credit Union</u>	<u>Avg Yield 5.00%</u>	<u>Avg Yield 0.00%</u>	<u>Avg Yield 0.00%</u>	<u>Avg Yield 0.00%</u>
General Fund (Certificate of Deposit)	249,000.00	0.00	0.00	0.00
TOTAL SHARONVIEW FEDERAL CU	249,000.00	0.00	0.00	0.00
<u>City National Bank</u>	<u>Avg Yield 4.85%</u>	<u>Avg Yield 0.00%</u>	<u>Avg Yield 0.00%</u>	<u>Avg Yield 0.00%</u>
General Fund (Certificate of Deposit)	244,000.00	0.00	0.00	0.00
TOTAL CITY NATIONAL BANK	244,000.00	0.00	0.00	0.00
<u>Baxter Credit Union</u>	<u>Avg Yield 5.00%</u>	<u>Avg Yield 5.00%</u>	<u>Avg Yield 5.00%</u>	<u>Avg Yield 5.00%</u>
General Fund (Certificate of Deposit)	249,000.00	249,000.00	249,000.00	249,000.00
TOTAL BAXTER CREDIT UNION	249,000.00	249,000.00	249,000.00	249,000.00
<u>Austin Telco Federal Credit Union</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>
General Fund (Certificate of Deposit)	249,000.00	249,000.00	249,000.00	249,000.00
TOTAL AUSTIN TELCO FCU	249,000.00	249,000.00	249,000.00	249,000.00
<u>Greenstate Credit Union</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 0.00%</u>
General Fund (Certificate of Deposit)	249,000.00	249,000.00	249,000.00	0.00
TOTAL GREENSTATE CREDIT UNION	249,000.00	249,000.00	249,000.00	0.00
<u>Alabama Credit Union</u>	<u>Avg Yield 5.00%</u>	<u>Avg Yield 5.00%</u>	<u>Avg Yield 5.00%</u>	<u>Avg Yield 0.00%</u>
General Fund (Certificate of Deposit)	248,000.00	248,000.00	248,000.00	0.00
TOTAL ALABAMA CREDIT UNION	248,000.00	248,000.00	248,000.00	0.00
<u>Solarity Credit Union</u>	<u>Avg Yield 5.05%</u>	<u>Avg Yield 5.05%</u>	<u>Avg Yield 5.05%</u>	<u>Avg Yield 0.00%</u>
General Fund (Certificate of Deposit)	248,000.00	248,000.00	248,000.00	0.00
TOTAL SOLARITY CREDIT UNION	248,000.00	248,000.00	248,000.00	0.00
<u>Maine Savings Federal Credit Union</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>
General Fund (Certificate of Deposit)	249,000.00	249,000.00	249,000.00	249,000.00
TOTAL MAINE SAVINGS FEDERAL CU	249,000.00	249,000.00	249,000.00	249,000.00
<u>Numerica Credit Union</u>	<u>Avg Yield 5.10%</u>	<u>Avg Yield 5.10%</u>	<u>Avg Yield 5.10%</u>	<u>Avg Yield 5.10%</u>
General Fund (Certificate of Deposit)	248,000.00	248,000.00	248,000.00	248,000.00

TOTAL NUMERICA CREDIT UNION	248,000.00	248,000.00	248,000.00	248,000.00
PIMA Federal Credit Union	<u>Avg Yield 5.15%</u>	<u>Avg Yield 5.15%</u>	<u>Avg Yield 5.15%</u>	<u>Avg Yield 5.15%</u>
General Fund (Certificate of Deposit)	248,000.00	248,000.00	248,000.00	248,000.00
TOTAL PIMA FEDERAL CREDIT UNION	248,000.00	248,000.00	248,000.00	248,000.00
Bank of New York Mellon	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>	<u>Avg Yield 4.80%</u>
General Fund (Certificate of Deposit)	245,000.00	245,000.00	245,000.00	245,000.00
TOTAL BANK OF NEW YORK MELLON	245,000.00	245,000.00	245,000.00	245,000.00

TOTAL MONEY MARKET & CD'S	<u>3,725,341.78</u>	<u>3,015,843.38</u>	<u>3,047,865.30</u>	<u>2,327,906.87</u>
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<u>Consolidated Balances</u>	<u>September 30, 2025</u>	<u>December 31, 2025</u>	<u>March 31, 2026</u>	<u>June 30, 2026</u>
General Fund	3,725,341.78	3,015,843.38	3,047,865.30	2,327,906.87
Total Balances	<u>3,725,341.78</u>	<u>3,015,843.38</u>	<u>3,047,865.30</u>	<u>2,327,906.87</u>

Keller Independent School District
Report of Cash and Investments
Annual Portfolio Review
July 2025 - June 2026

Fiscal Year 2026 Investment Portfolio Return Rate Comparison

Investment Pool Month/Year	LOGIC Mthly Avg	Texas CLASS Mthly Avg	TexPool Mthly Avg	Net KISD Pool Avg	90 Day T-Bill Bond Equiv	Rate Difference
Jul-25	4.4096%	4.4066%	4.3120%	4.3761%	4.36%	0.02%
Aug-25	4.3944%	4.3904%	4.3052%	4.3633%	4.22%	0.14%
Sep-25	4.3313%	4.3496%	4.2520%	4.3110%	4.01%	0.30%
Oct-25	4.2418%	4.2753%	4.1418%	4.2196%	3.91%	0.31%
Nov-25	4.0904%	4.1069%	3.9885%	4.0619%	3.87%	0.19%
Dec-25	3.9516%	3.9690%	3.8270%	3.9159%	3.67%	0.25%
Jan-26	3.8627%	3.8546%	3.7098%	3.8090%	3.65%	0.16%
Feb-26	3.8076%	3.8020%	3.6806%	3.7634%	3.68%	0.08%
Mar-26	3.7875%	3.7762%	3.6724%	3.7454%	3.69%	0.06%
Apr-26	3.7798%	3.7747%	3.6586%	3.7377%	3.69%	0.05%
May-26	3.7476%	3.7477%	3.6241%	3.7065%	3.68%	0.03%
Jun-26	3.7528%	3.7666%	3.6469%	3.7221%	3.75%	-0.03%
Yearly Avg	4.0131%	4.0183%	3.9016%	3.9777%	3.85%	0.13%

OTHER REVENUES
INVESTMENTS

CDA
(LOCAL)

**Investment
Objectives**

The investment policy of the District shall:

1. Ensure the safety of the invested funds of the District;
2. Maintain sufficient liquidity to provide adequate and timely working funds;
3. Attain the highest possible rate of return while providing necessary protection of principal consistent with District operating requirements as determined by the Board;
4. Compare the returns on its investment portfolio with the average return (bond equivalent basis) on the 90 day U.S. Treasury bill. The investment program shall seek returns at or above this threshold, consistent with risk limitations identified herein and prudent investment principles.
5. Match the maturity of investments to the daily cash flow requirements;
6. Diversify investments as to maturity, instruments, and financial institutions as permitted under state law;
7. Actively pursue portfolio management techniques; and
8. Make no investment for speculation.

Investment Authority

The Superintendent or other person or persons designated by Board resolution shall serve as the investment officer of the District. The Board shall also appoint an investment committee consisting of at least three individuals: the Superintendent, the designated investment officer, and at least one additional person as designated by the Board annually. The investment officer and the investment committee shall recommend appropriate legally authorized and adequately secured investments 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. The investment officer shall be bonded or shall be covered under a fidelity insurance policy. All investment transactions except investment pool funds and mutual funds shall be settled only upon majority consent and shall be settled on a delivery versus payment basis.

**Authorized
Investments**

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:

OTHER REVENUES
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CDA
(LOCAL)

1. Obligations of the U.S. or Texas or its agencies and instrumentalities and political subdivisions include collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States 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. Banker's acceptances as permitted by Government Code 2256.012 and with the approval of the Board.
5. Commercial paper as permitted by Government Code 2256.013.
6. Public funds investment pools as permitted by Government Code 2256.016–019.
7. No-load money market mutual funds as permitted by Government Code 2256.014.

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. The investment officer shall observe financial market indicators, study finance trends, and utilize available educational tools in order to maintain appropriate investment managerial expertise. 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 fluctuations 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**

Assets of the District shall be invested in instruments whose maturities do not exceed five years from the time of purchase, subject to the following:

1. A shorter maturity is required by law [see CDA(LEGAL)].
2. A longer maturity may be specifically authorized by the Board for a given investment, provided legal limits are not exceeded.

OTHER REVENUES
INVESTMENTS

CDA
(LOCAL)

3. Any internally created pool fund group of the District shall have a maximum dollar weighted maturity not to exceed three years.
4. In keeping with the concept of minimizing risk, bond proceeds may be invested at a maturity range not to exceed five years for individual securities and not to exceed three years for weighted average maturity, consistent with maximization of yield with consideration of cash flow needs and subject to possible limitations contained within the bond documents.

The District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements, projected on a weekly, monthly, and annual basis. The District shall have procedures to determine cash flow requirements according to generally accepted accounting procedures.

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

Appropriate investments for each fund shall include only the securities described in this policy as authorized and suitable investments.

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.

OTHER REVENUES
INVESTMENTS

CDA
(LOCAL)

General Funds	Investment strategies for general funds (including any commingled pools containing general funds) shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Special Revenue Funds	Investment strategies for special revenue funds (including any commingled pools containing special revenue funds) shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Trust and Custodial Funds	Investment strategies for trust and 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 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. If the District has funds from bond proceeds, they shall be invested in accordance with provisions in the bond documents to the extent permitted by law. Maturities longer than one year are authorized provided legal limits are not exceeded.
Safekeeping and Custody	The cash, collateral, and investments of the District shall be held by an independent third party with whom the District has a current custodial agreement. The District shall retain clearly marked receipts providing proof of the District's ownership, or the District may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with District funds.
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 and representatives with distributors of investment pools 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). Distributors of investment pools shall also be a registrant in good standing with the Municipal Securities Rulemaking Board (MSRB).

OTHER REVENUES
INVESTMENTS

CDA
(LOCAL)

**Soliciting Bids for
CDs**

In order to get the best return on its investments, the District may solicit bids and/or offers in writing, by telephone, or electronically.

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.

KELLER INDEPENDENT SCHOOL DISTRICT
RESOLUTION REVIEWING INVESTMENT POLICY AND STRATEGY

WHEREAS, Section 2256.005(e) of the Public Funds Investment Act (Texas Government Code Chapter 2256) requires the Board of Trustees of the Keller Independent School District to review the District's investment policy and strategies not less than annually; and

WHEREAS, the District's Board of Trustees has reviewed the Investment Policy and decided to make no changes as the policy was reviewed and approved on October 29, 2026; and

WHEREAS, the District's Board of Trustees has reviewed the Investment Strategies contained within the Investment Policy and decided to make no changes as reviewed and approved on October 29, 2026.

NOW, THEREFORE, BE IT RESOLVED the District has complied with the requirements of the Public Funds Investment Act and the District's Investment Policy and adopts the Investment Policy and Investment Strategies, with no changes, as the Investment Policy and Strategies of the District.

**APPROVED BY THE KELLER ISD BOARD OF TRUSTEES ON THE
29th DAY OF OCTOBER, 2026.**

President, Board of Trustees

Secretary, Board of Trustees