



Annual Report

JUNE 30, 2017
(REPORT OF INDEPENDENT AUDITORS WITHIN)

Texas CLASS Rated AAAM by S&P Global Ratings
Texas CLASS Government Rated AAAM by S&P Global Ratings

S&P Global Ratings in no way guarantee favorable performance results and should not be construed as safety in an investment.



Chairman's Letter

June 30, 2017

To the Participants of Texas CLASS:

On behalf of the eleven members of the Texas CLASS Board of Trustees and Advisory Board, and of Public Trust Advisors, LLC (Public Trust), the pool administrator and investment advisor, we are pleased to present the audited financials for the year ending June 30, 2017.

This time of year offers us an opportunity to reflect on the previous year and look forward to the year ahead. In partnership with Public Trust, the Board of Trustees and its Advisory Board are pleased to report that, in many aspects, the past fiscal year represented a year of significant growth for Texas CLASS. We note a few important highlights below:

Texas CLASS Government: After hearing that there was a demand for additional services across the state. Our team introduced the Texas CLASS Government Pool late in 2016. This new investment option utilizes only investments that are backed or collateralized with U.S. Treasury or U.S. Government Agency obligations.

Assets: Texas CLASS assets under management grew year-over-year by more than \$1.2 billion, representing a 26% increase. Assets peaked in February above \$7.5 billion.

Performance: During 2016-2017, Texas CLASS experienced an increase of 52 basis points (0.52%) as well as an increase of 55 basis points (0.55%) in yield for Texas CLASS Government.

Participation: During 2017 the number of participants in Texas CLASS grew by nearly 8%. As participation continues to grow, Texas CLASS achieves further economies of scale and greater investment buying power, both of which correspond with an even better Participant experience.

Safety: The top priority of Texas CLASS will always be the safety of the public funds we manage on our Participants' behalf. To that end, we are always working on creating more secure and efficient systems. Recently, we were pleased to introduce a new audit enhancement that notifies all authorized contacts when any account changes have been requested and processed.

As we progress through 2017, the entire team at Texas CLASS is working diligently to keep the positive momentum going. The Federal Open Market Committee (FOMC) recently increased the fed funds target rate to a new range of 1.00% - 1.25%. This recent rate hike had an almost immediate positive impact on the Texas CLASS and Texas CLASS Government daily yields. After a nearly decade long stretch of near-zero interest rates, we are pleased to offer this much needed interest income to our local government partners throughout the state of Texas.

In closing, we resolve to continue to work closely with the nearly 600 local government Texas CLASS Participants, striving to be an LGIP leader not only in the state of Texas but throughout the country. Through 21 years of successful operations, the maintenance of dozens of strategic partnerships, and the navigation of a variety of economic cycles, one thing remains abundantly clear: the Texas CLASS Participants are our greatest asset. Our sincerest thanks for your continued participation and commitment to Texas CLASS.

Respectfully,



Mr. Steve Williams
Chairman, Board of Trustees



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com**INDEPENDENT AUDITORS' REPORT**

Board of Trustees
Texas Cooperative Liquid Asset Securities System Trust
C/O Public Trust Advisors
Denver, Colorado

We have audited the accompanying financial statements of Texas Cooperative Liquid Asset Securities System Trust (Texas CLASS), which comprise the statement of net assets as of June 30, 2017, the statement of operations for the year then ended, the related statements of changes in net assets for the years ended June 30, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texas CLASS as of June 30, 2017, the results of its operations for the year then ended, and the changes in net assets for the years ended June 30, 2017 and 2016 in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial highlights included in Note 7 for the year 2013, was audited by other auditors whose report dated September 27, 2013, expressed an unmodified opinion on the financial highlights.

CliftonLarsonAllen LLP

Denver, Colorado
August 11, 2017



STATEMENT OF NET ASSETS – JUNE 30, 2017

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Texas CLASS Fair Value	Texas CLASS Government Fair Value
Overnight Repurchase Agreements (2%, 44%, respectively)*						
Bank of America/Merrill Lynch Agency Tri-Party (0%, 9% respectively)* (Collateralized by U.S. Government Agency Securities with coupon rates between 1.50% and 2.125% and maturing between 10/31/2019 and 06/10/2022.) Market value plus accrued interest: \$10,239,069	\$10,038,233	1.09%	7/3/17	1.09%	\$ -	\$10,038,233
Bank of America/Merrill Lynch Mortgage Tri-Party (0%, 9% respectively)* (Collateralized by a U.S. Government Mortgage Security with a coupon rate of 3.50% and maturing on 03/20/2047.) Market value plus accrued interest: \$10,239,254	10,038,484	1.10	7/3/17	1.10	-	10,038,484
RBC Tri-Party (0%, 21% respectively)* (Collateralized by U.S. Government Agency Securities with coupon rates between 1.834% and 4.50% and maturing between 01/01/2029 and 07/01/2047.) Market value plus accrued interest: \$25,508,459	25,008,293	1.06	7/3/17	1.06	-	25,008,293
Wells Fargo Tri-Party (0%, 5% respectively)* (Collateralized by a U.S. Government Agency Security with a coupon rate of 3.00% and maturing on 05/01/2045.) Market value plus accrued interest: \$5,864,816	5,749,820	0.67	7/3/17	0.67	-	5,749,820
RBC Tri-Party (0%, 0% respectively)* (Collateralized by U.S. Government Agency Securities with coupon rates between 3.00% and 4.00% and maturing between 02/01/2030 and 06/01/2047.) Market value plus accrued interest: \$27,865,252	27,318,875	1.06	7/3/17	1.06	27,318,875	-
Bank of America/Merrill Lynch Mortgage Tri-Party (0%, 0% respectively)* (Collateralized by a U.S. Government Mortgage Security with a coupon rate of 3.50% and maturing on 03/20/2047.) Market value plus accrued interest: \$15,372,225	15,070,809	1.10	7/3/17	1.10	15,070,809	-

* Denotes percentage of net assets

The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – JUNE 30, 2017

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Texas CLASS Fair Value	Texas CLASS Government Fair Value
JP Morgan Tri-Party (1%, 0% respectively)* (Collateralized by U.S. Government Agency Securities with coupon rates between 0.00% and 4.313% and maturing between 04/01/2034 and 07/01/2047.) Market value plus accrued interest: \$45,903,400	\$45,000,000	1.10%	7/3/17	1.10%	\$ 45,000,000	\$ -
Wells Fargo Tri-Party (1%, 0% respectively)* (Collateralized by a U.S. Government Agency Security with a coupon rate of 3.00% and maturing on 05/01/2045.) Market value plus accrued interest: \$49,406,239	48,437,489	0.67	7/3/17	0.67	48,437,489	-
Cost of (\$135,827,173, \$50,834,830 respectively)					<u>135,827,173</u>	<u>50,834,830</u>
U.S. Government Treasury Securities (1%, 23% respectively)*						
Treasury Notes/Bonds	5,000,000	0.88	8/15/17	0.88	-	4,999,219
Treasury Notes/Bonds	5,000,000	0.63	8/31/17	0.63	-	4,996,875
Treasury Notes/Bonds	5,000,000	1.19 - Var.	4/30/18	1.01	-	5,008,518
Treasury Notes/Bonds	50,000,000	0.75	10/31/17	0.75	49,937,500	-
Treasury Bills	5,000,000	Disc**	7/13/17	0.81	-	4,998,691
Treasury Bills	7,000,000	Disc**	8/3/17	0.86	-	6,994,520
Cost of (\$50,000,883, \$26,999,749 respectively)					<u>49,937,500</u>	<u>26,997,823</u>
U.S. Government Agency Securities (0%, 33% respectively)*						
Federal Home Loan Mortgage Corp.	5,000,000	1.00	7/28/17	1.00	-	4,999,050
Federal Home Loan Mortgage Corp.	10,000,000	Disc**	8/4/17	0.84	-	9,990,083
Federal Home Loan Mortgage Corp.	5,000,000	1.00	9/29/17	1.00	-	4,998,650
Federal Home Loan Mortgage Corp.	5,000,000	0.64	10/12/17	0.64	-	5,000,000
Federal Home Loan Bank	5,000,000	Disc**	7/5/17	0.64	-	4,999,466
Federal Farm Credit Bank	9,235,000	1.23 - Var.	11/27/17	1.23	-	9,241,649
Cost of (\$0, \$39,238,577 respectively)					<u>-</u>	<u>39,228,898</u>
Certificates of Deposit (0%, 0% respectively)*						
CDARS-ICS	10,070,065	0.83	07/03/17	0.83	10,070,065	-
Cost of (\$10,070,065, \$0 respectively)					<u>10,070,065</u>	<u>-</u>

* Denotes percentage of net assets ** Denotes securities purchased at a discount from par
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – JUNE 30, 2017

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Texas CLASS Fair Value	Texas CLASS Government Fair Value
Money Market Funds						
(1%, 0% respectively)*						
RBC US Government	\$30,014,512			0.76%	\$30,014,512	\$ -
Cost of (\$30,014,512, \$0 respectively)					30,014,512	-
Commercial Paper (96%, 0% respectively)*						
Natixis NY Branch	50,000,000	Disc**	7/3/17	1.08	49,998,125	-
Caisse des Depot et Consignations	50,000,000	Disc**	7/5/17	1.13	49,992,640	-
Erste Abwicklungsanstalt	50,000,000	1.26 - Var.	7/5/17	1.26	50,000,000	-
KfW	41,000,000	Disc**	7/6/17	1.02	40,992,755	-
NRW. Bank	50,000,000	Disc**	7/6/17	1.10	49,991,165	-
Bennington Stark Capital Co.	35,000,000	Disc**	7/7/17	1.23	34,991,901	-
Nordea Bank AB	50,000,000	Disc**	7/7/17	1.19	49,989,695	-
Kells Funding LLC	50,000,000	Disc**	7/10/17	1.14	49,984,585	-
Ridgefield Funding Co. LLC	50,000,000	Disc**	7/10/17	1.25	49,983,335	-
Toyota Motor Credit Corp.	50,000,000	Disc**	7/10/17	1.28	49,983,470	-
DZ Bank AG NY	50,000,000	1.52 - Var.	7/11/17	1.52	50,000,000	-
Old Line Funding LLC	50,000,000	1.52 - Var.	7/11/17	1.52	50,000,000	-
Collateralized Commercial Paper II Co.	50,000,000	Disc**	7/12/17	1.33	49,980,000	-
Anglesea Funding LLC	30,000,000	Disc**	7/17/17	1.18	29,982,858	-
Old Line Funding LLC	50,000,000	Disc**	7/17/17	1.07	49,972,375	-
Chevron Corp.	50,000,000	Disc**	7/18/17	1.02	49,973,000	-
Coca-Cola Co.	50,000,000	Disc**	7/18/17	0.76	49,973,000	-
Alpine Securitization	25,000,000	Disc**	7/19/17	1.24	24,984,035	-
Caisse des Depot et Consignations	40,000,000	Disc**	7/20/17	1.22	39,976,000	-
Concord Minuteman Cap Co.	40,000,000	Disc**	7/20/17	1.24	39,973,112	-
Alpine Securitization	50,000,000	Disc**	7/24/17	1.24	49,959,335	-
Erste Abwicklungsanstalt	50,000,000	Disc**	7/24/17	1.16	49,963,665	-
Bedford Row Funding Corp.	50,000,000	Disc**	7/25/17	1.29	49,959,375	-
Old Line Funding LLC	25,000,000	1.35 - Var.	7/28/17	1.35	24,995,000	-
Natixis NY Branch	75,000,000	Disc**	7/31/17	1.19	74,961,893	-
Atlantic Asset Securitization LLC	50,000,000	Disc**	8/1/17	1.21	49,945,335	-
Credit Suisse New York	50,000,000	Disc**	8/1/17	1.26	49,944,890	-
HSBC Bank PLC	33,000,000	Disc**	8/1/17	1.28	32,967,439	-
Old Line Funding LLC	25,000,000	Disc**	8/1/17	1.29	24,972,445	-
Rabobank Nederland NV NY	50,000,000	Disc**	8/1/17	1.22	49,944,890	-
Toronto Dominion Holding (USA) Inc.	50,000,000	Disc**	8/1/17	1.20	49,950,665	-
Kells Funding LLC	36,747,000	Disc**	8/2/17	1.16	36,705,230	-
LMA Americas LLC	50,000,000	Disc**	8/2/17	1.28	49,943,625	-
Nieuw Amsterdam Rec. Corp.	45,000,000	Disc**	8/2/17	1.16	44,949,263	-
Atlantic Asset Securitization LLC	50,000,000	Disc**	8/3/17	1.21	49,941,915	-
Collateralized Commercial Paper II Co.	50,000,000	Disc**	8/3/17	1.32	49,941,445	-
NRW. Bank	50,000,000	Disc**	8/3/17	1.19	49,947,110	-
Versailles Com Paper LLC	25,000,000	Disc**	8/3/17	1.22	24,970,958	-
Liberty Street Funding LLC	50,000,000	Disc**	8/4/17	1.26	49,940,210	-

* Denotes percentage of net assets ** Denotes securities purchased at a discount from par
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – JUNE 30, 2017

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Texas CLASS Fair Value	Texas CLASS Government Fair Value
LMA Americas LLC	\$25,000,000	Disc**	8/4/17	1.36%	\$24,970,105	\$ -
Collateralized Commercial Paper II Co.	50,000,000	1.49 - Var.	8/7/17	1.40	50,000,000	-
LMA Americas LLC	40,000,000	Disc**	8/7/17	1.19	39,947,644	-
Natixis NY Branch	50,000,000	Disc**	8/7/17	1.19	49,967,280	-
NRW. Bank	50,000,000	Disc**	8/7/17	1.15	49,939,835	-
Atlantic Asset Securitization LLC	42,725,000	Disc**	8/8/17	1.23	42,667,608	-
Jupiter Securitization Co.	50,000,000	1.55 - Var.	8/8/17	1.55	50,000,000	-
Lexington Parker Capital	35,000,000	Disc**	8/9/17	1.35	34,951,777	-
Thunder Bay Funding LLC	50,000,000	1.40 - Var.	8/9/17	1.40	50,000,000	-
Liberty Street Funding LLC	50,000,000	Disc**	8/10/17	1.18	49,929,390	-
Mitsubishi UFJ Trust & Banking Corp.	35,000,000	Disc**	8/10/17	1.21	34,950,174	-
Versailles Com Paper LLC	25,000,000	Disc**	8/11/17	1.23	24,963,833	-
Caisse des Depot et Consignations	50,000,000	Disc**	8/14/17	1.15	49,926,250	-
Jupiter Securitization Co.	40,000,000	1.64 - Var.	8/14/17	1.64	40,000,000	-
Svenska Handelsbanken AB	50,000,000	Disc**	8/14/17	1.29	49,926,250	-
Albion Capital LLC	33,163,000	Disc**	8/15/17	1.35	33,110,032	-
Kells Funding LLC	50,000,000	Disc**	8/15/17	1.16	49,923,335	-
Nordea Bank AB	50,000,000	Disc**	8/15/17	1.12	49,923,970	-
Collateralized Commercial Paper Co.	50,000,000	Disc**	8/16/17	1.31	49,918,405	-
Alpine Securitization	50,000,000	Disc**	8/17/17	1.23	49,916,665	-
Ontario Teachers' Finance Trust	30,000,000	Disc**	8/18/17	1.34	29,951,817	-
Alpine Securitization	45,000,000	Disc**	8/21/17	1.30	44,918,748	-
Caisse des Depot et Consignations	50,000,000	Disc**	8/21/17	1.18	49,915,500	-
Old Line Funding LLC	30,000,000	Disc**	8/22/17	1.22	29,947,884	-
Old Line Funding LLC	25,000,000	1.49 - Var.	8/24/17	1.49	25,000,000	-
Collateralized Commercial Paper II Co.	50,000,000	Disc**	8/30/17	1.34	49,892,405	-
ABN AMRO Funding USA LLC	25,000,000	Disc**	8/31/17	1.24	24,945,320	-
Bank Nederlandse Gemeent	50,000,000	Disc**	8/31/17	1.23	49,900,970	-
Societe Generale SA	35,000,000	Disc**	8/31/17	1.41	34,956,600	-
Rabobank Nederland NV NY	50,000,000	Disc**	9/1/17	1.13	49,888,875	-
DZ Bank AG NY	50,000,000	1.28 - Var.	9/5/17	1.28	50,000,000	-
Manhattan Asset Funding Co.	50,000,000	1.13 - Var.	9/5/17	1.13	50,000,000	-
Starbird Funding Corp.	50,000,000	Disc**	9/5/17	1.32	49,881,820	-
Toronto Dominion Holding (USA) Inc.	50,000,000	Disc**	9/5/17	1.19	49,892,055	-
Collateralized Commercial Paper Co.	30,000,000	1.39 - Var.	9/6/17	1.39	30,000,000	-
Kells Funding LLC	50,000,000	Disc**	9/6/17	1.18	49,892,335	-
Liberty Street Funding LLC	50,000,000	Disc**	9/6/17	1.27	49,880,055	-
Atlantic Asset Securitization LLC	40,000,000	Disc**	9/7/17	1.28	39,902,632	-
Bedford Row Funding Corp.	45,000,000	Disc**	9/8/17	1.30	44,898,624	-
Concord Minuteman Cap Co.	50,000,000	Disc**	9/8/17	1.33	49,876,530	-
Macquarie Bank Ltd.	41,100,000	Disc**	9/8/17	1.33	40,998,508	-
Ontario Teachers' Finance Trust	30,000,000	Disc**	9/8/17	1.26	29,932,332	-
Starbird Funding Corp.	50,000,000	Disc**	9/8/17	1.32	49,876,530	-
Gotham Funding Corp.	50,000,000	Disc**	9/11/17	1.33	49,871,235	-
KfW	50,000,000	Disc**	9/12/17	1.30	49,879,750	-
Lexington Parker Capital	40,000,000	Disc**	9/12/17	1.36	39,894,756	-
Nordea Bank AB	50,000,000	Disc**	9/12/17	1.32	49,879,750	-
Ridgefield Funding Co. LLC	50,000,000	Disc**	9/12/17	1.36	49,868,445	-

* Denotes percentage of net assets ** Denotes securities purchased at a discount from par
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – JUNE 30, 2017

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Texas CLASS Fair Value	Texas CLASS Government Fair Value
Toronto Dominion Holding (USA) Inc.	\$50,000,000	Disc**	9/12/17	1.24%	\$49,879,750	\$ -
Coca-Cola Co.	50,000,000	Disc**	9/13/17	1.13	49,878,125	-
LMA Americas LLC	20,000,000	Disc**	9/13/17	1.38	19,946,666	-
Erste Abwicklungsanstalt	50,000,000	Disc**	9/15/17	1.23	49,874,875	-
Manhattan Asset Funding Co.	50,000,000	Disc**	9/15/17	1.40	49,863,110	-
Fairway Finance Corp.	25,000,000	Disc**	9/18/17	1.37	24,928,890	-
Ridgefield Funding Co. LLC	45,000,000	Disc**	9/18/17	1.44	44,872,002	-
Toronto Dominion Holding (USA) Inc.	50,000,000	Disc**	9/18/17	1.41	49,870,000	-
Macquarie Bank Ltd.	50,000,000	Disc**	9/19/17	1.48	49,856,000	-
Toronto Dominion Holding (USA) Inc.	50,000,000	Disc**	9/19/17	1.35	49,867,250	-
NRW. Bank	50,000,000	Disc**	9/20/17	1.45	49,865,610	-
Ridgefield Funding Co. LLC	50,000,000	Disc**	9/20/17	1.46	49,853,085	-
Nieuw Amsterdam Rec. Corp.	50,000,000	Disc**	9/21/17	1.41	49,851,290	-
ING (US) Funding LLC	34,040,000	Disc**	9/22/17	1.28	33,938,333	-
Victory Receivables Corp.	45,000,000	Disc**	9/25/17	1.79	44,859,713	-
Toyota Motor Credit Corp.	50,000,000	1.19 - Var.	10/2/17	1.34	50,000,000	-
Bedford Row Funding Corp.	43,000,000	Disc**	10/3/17	1.28	42,859,295	-
Ontario Teachers' Finance Trust	37,500,000	Disc**	10/4/17	1.27	37,380,000	-
Toyota Motor Credit Corp.	50,000,000	1.20 - Var.	10/4/17	1.20	50,000,000	-
Commonwealth Bank of Australia	40,000,000	Disc**	10/12/17	1.22	39,860,176	-
Ontario Teachers' Finance Trust	40,000,000	Disc**	10/16/17	1.30	39,854,800	-
Commonwealth Bank of Australia	54,000,000	Disc**	10/18/17	1.23	53,800,351	-
LMA Americas LLC	47,000,000	Disc**	10/20/17	1.49	46,805,523	-
Old Line Funding LLC	50,000,000	Disc**	10/20/17	1.45	49,799,335	-
Nordea Bank AB	50,000,000	Disc**	10/23/17	1.24	49,805,140	-
JP Morgan Securities	35,000,000	1.19 - Var.	11/6/17	1.19	35,000,000	-
Ontario Teachers' Finance Trust	50,000,000	Disc**	11/6/17	1.40	49,777,835	-
Svenska Handelsbanken AB	50,000,000	Disc**	11/6/17	1.28	49,777,835	-
Toyota Motor Credit Corp.	50,000,000	1.54 - Var.	11/17/17	1.54	50,000,000	-
Bedford Row Funding Corp.	50,000,000	Disc**	11/27/17	1.39	49,718,750	-
Collateralized Commercial Paper Co.	50,000,000	1.36 - Var.	11/27/17	1.36	50,000,000	-
Ontario Teachers' Finance Trust	35,000,000	Disc**	11/29/17	1.41	34,812,323	-
Dexia Credit Local SA NY	50,000,000	Disc**	12/6/17	1.39	49,717,335	-
Bedford Row Funding Corp.	30,000,000	1.37 - Var.	12/8/17	1.37	30,000,000	-
Toyota Motor Credit Corp.	55,000,000	1.43 - Var.	12/18/17	1.43	55,000,000	-
Collateralized Commercial Paper II Co.	50,000,000	1.39 - Var.	12/21/17	1.39	50,000,000	-
Anglesea Funding LLC	45,000,000	1.43 - Var.	12/29/17	1.43	45,000,000	-
Anglesea Funding LLC	50,000,000	1.42 - Var.	1/31/18	1.42	50,000,000	-
Crown Point Capital Co.	50,000,000	1.42 - Var.	2/16/18	1.28	50,000,000	-
Anglesea Funding LLC	50,000,000	1.38 - Var.	2/26/18	1.56	50,000,000	-
Crown Point Capital Co.	50,000,000	1.49 - Var.	3/20/18	1.49	50,000,000	-
Anglesea Funding LLC	50,000,000	1.55 - Var.	3/23/18	1.55	49,995,000	-
Cost of (\$5,789,460,571, \$0 respectively)					<u>5,789,471,165</u>	-

* Denotes percentage of net assets ** Denotes securities purchased at a discount from par
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – JUNE 30, 2017

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Texas CLASS Fair Value	Texas CLASS Government Fair Value
Total Investments in Securities						
Cost of (\$6,015,373,204, \$117,073,156 respectively)					\$6,015,320,415	\$117,061,551
Other Assets						
Accrued Interest Receivable					893,708	80,613
Total Assets					6,016,214,123	117,142,164
Less Liabilities						
Administration and Investment Advisory Fees					509,708	-
Total Liabilities					509,708	-
Net Assets					<u>\$6,015,704,415</u>	<u>\$117,142,164</u>
Components of Capital						
Capital (Par Value)					\$6,015,757,204	\$117,153,769
Unrealized Depreciation on Investments					(52,789)	(11,605)
Net Assets					<u>\$6,015,704,415</u>	<u>\$117,142,164</u>
Outstanding Participant Shares					6,015,757,204	117,153,769
Net Asset Value per Share					<u>\$1.00</u>	<u>\$1.00</u>

* Denotes percentage of net assets

The accompanying notes are an integral part of these financial statements

STATEMENT OF OPERATIONS

(YEAR ENDED JUNE 30, 2017)

	Texas CLASS	Texas CLASS Government
Investment Income	\$58,618,418	\$416,872
Expenses:		
Administration and Investment Advisory Fees	5,744,220	79,265
Administration and Investment Advisory Fees Waived	(24,454)	(79,265)
Administration and Investment Advisory Fees Net	5,719,766	-
Net Investment Income	52,898,652	416,872
Net Realized Gain on Investments	53,556	-
Change in Net Unrealized Depreciation on Investments	(1,458,905)	(11,605)
Net Realized Loss and Unrealized Loss on Investments	(1,405,349)	(11,605)
Net Increase in Net Assets Resulting from Operations	\$51,493,303	\$405,267

STATEMENT OF CHANGES IN NET ASSETS

(YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016)

	Texas CLASS		Texas CLASS Government	
	2017	2016	2017	2016
From Investment Activities:				
Net Investment Income	\$ 52,898,652	\$ 16,233,088	\$ 416,872	\$ -
Net Change in Unrealized Appreciation/(Depreciation) on Investments	(1,458,905)	1,202,325	(11,605)	-
Realized Gain on Investments	53,556	2,569	-	-
Net Increase in Net Assets Resulting from Operations	51,493,303	17,437,982	405,267	-
Distributions to Participants from Net Investment Income	(52,898,652)	(16,233,088)	(416,872)	-
Distributions to Participants from Net Realized Gain	(53,556)	(2,569)	-	-
Net Increase in Net Assets from Share Transactions	1,237,114,093	1,715,066,720	117,153,769	-
Net Increase in Net Assets	1,235,655,188	1,716,269,045	117,142,164	-
Net Assets:				
Beginning of Period	4,780,049,227	3,063,780,182	-	-
End of Period	\$6,015,704,415	\$4,780,049,227	\$117,142,164	\$ -

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS — JUNE 30, 2017

Note 1. Description of Texas CLASS

Texas Cooperative Liquid Assets Securities System Trust ("the Trust") is a Participant controlled trust created in accordance with the Texas Public Funds Investment Act, Section 2256.0017 and was established for participating Texas municipalities on January 1, 1996 under the trust agreement (the "Trust Agreement"). Texas CLASS commenced operations on April 12, 1996 and Texas CLASS Government commenced operations on December 1, 2016. Both portfolios in the Trust are available for investment by Texas municipalities, school districts and public agencies. The purpose of the Trust is to enable such entities to cooperate in the investment of their available funds. The Trust operates like a money market mutual fund with each share valued at \$1.00.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following significant accounting policies are also in conformity with accounting principles generally accepted in the United States of America for investment companies. Such policies are consistently followed by the Trust in the preparation of the financial statements.

Texas CLASS and Texas CLASS Government are both rated AAAM by Standard and Poor's.

Securities Valuation

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates market value.

Securities Transactions and Investment Income

Securities transactions are accounted for on a trade date basis. Realized gains and losses from securities transactions are recorded on a specific identification basis. Interest income is recognized on the accrual basis and includes amortization of premiums and accretion of discounts. The amortization of premium and accretion of discount accrual method utilized is straight line and it is deemed that there is no significant difference compared to the effective interest method.

Derivative Instruments

The Trust's investment policies do not allow for investments in derivatives and, for the period ended June 30, 2017, the Trust held no financial instruments which meet the definition of a derivative according to Financial Accounting Standards Board ("FASB") Accounting Standards Topic (ASC) 815 "Derivative Instruments and Hedging Activities".

Dividends to Participants

Distributions from net investment income are declared and paid daily. The Trust's policy is to distribute net realized capital gains, if any, in a reasonable time frame after the gain is realized.

Income Taxes

The Trust is not subject to federal, state or local income taxes, and accordingly no tax provision has been made.

The Trust files tax returns annually. The Trust is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. The Trust's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

Note 2. Fair Value Measurements

In accordance with FASB guidance, the Trust utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. The standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of the Trust's portfolio investments defined pursuant to this standard.

These inputs are summarized into three broad levels:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others. Debt securities are valued in

accordance with the evaluated bid price supplied by the pricing service and are generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S government agency securities, corporate securities and commercial paper.

- Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs are inputs that reflect the reporting entities own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

There have been no significant changes in valuation techniques used in valuing any such positions held by the Trust since the beginning of the fiscal year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of June 30, 2017 to value the Trust's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" and "Level 3 Valuation Reconciliation of Assets" (if applicable) as noted below.

Valuation Inputs Summary (for the fiscal period ended June 30, 2017)

Texas CLASS Portfolio

Investments in Securities at Value*	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Repurchase Agreements	\$ -	\$ 135,827,173	\$ -	\$ 135,827,173
Certificate of Deposits	-	10,070,065	-	10,070,065
US Government Treasury Securities	-	49,937,500	-	49,937,500
Money Market Funds	30,014,512	-	-	30,014,512
Commercial Paper	-	5,789,471,165	-	5,789,471,165
Total	\$30,014,512	\$5,985,305,903	\$ -	\$6,015,320,415

Texas CLASS Government Portfolio

Investments in Securities at Value*	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Repurchase Agreements	\$ -	\$ 50,834,830	\$ -	\$ 50,834,830
US Government Agency Securities	-	39,228,898	-	39,228,898
US Government Treasury Securities	-	26,997,823	-	26,997,823
Total	\$ -	\$ 117,061,551	\$ -	\$ 117,061,551

* For the year June 30, 2017, the Texas CLASS and Texas CLASS Government Portfolios did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

Note 3. Investments

Custodian

Wells Fargo Bank, N.A. serves as the custodian for the Trust portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolio and provides services as the depository in connection with direct investment and withdrawals. The custodian's internal records segregate investments owned by the Trust.

Risk Disclosure

The portfolios are subject to the following risks:

- Counterparty Risk – Counterparty risk is the risk that the counterparty or a third party will not fulfill its obligation to the Trust.
- Interest Rate Risk – Interest rate risk is the risk that the value of fixed-income securities will generally decline as prevailing interest rates rise, which may cause a Trust's NAV to likewise decrease, and vice versa.
- Market Risk – Market risk is the daily potential for an investor to experience losses from fluctuations in securities prices. Market risk cannot be diversified away.
- Credit Risk - Credit Risk is the risk an issuer will be unable to make principal and interest payments when due, or will default on its obligations.

The Trust attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques. The Trust limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The Trust's policy is to limit its exposure to any non-government issuer to 5% of net assets.

Investment in Securities

Texas statutes specify investments meeting defined rating and risk criteria in which local government investment pools may invest as noted in Chapter 2256 (Investment Act), Texas Government Code. The Board of Trustees has further limited investment instruments for the Trust portfolio.

Texas CLASS may invest in:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities 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 shall be invested in term repurchase agreements and no more than 5% of the portfolio 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:
 - a. the value of securities loaned under the program is not less than 100 percent collateralized, including accrued income;
 - b. a loan made under the program allows for termination at any time;
 - c. 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
 - d. 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;
 - e. 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
 - f. 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 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 must 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.

Texas CLASS Government may invest in:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities 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 5(d) below;
2. Repurchase agreements that comply with the Investment Act. No more than 25% of the portfolio shall be invested in term repurchase agreements and no more than 5% of the portfolio 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 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.
 - e. the maximum maturity for variable rate securities issued by the United States treasury or agencies or instrumentalities is 762 days.

Investments may be categorized as follows: (1) insured or registered or for which the securities are held by the Trust or the custodian bank in the Trust's name (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the Trust's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer or by its trust department or agent but not in the Trust's name.

All investments fall under the categorization of (3) as mentioned in the preceding paragraph.

Note 4. Repurchase Agreements

Funds are released from the Trust's portfolios for repurchase agreements only when collateral has been wired to the custodian bank, and for the period ended June 30, 2017, the Trust held no uncollateralized repurchase agreements. The custodian bank reports the market value of the collateral securities to the Trust at least on a weekly basis. If the seller of the agreement defaults and the value of the collateral declines, the immediate realization of the full amount of the agreement by the Trust may be limited. Interest earned on repurchase agreements as a percentage of total interest earned accounted for 3% on the Texas CLASS portfolio and 30% on the Texas CLASS Government portfolio for the year ending June 30, 2017.

Note 5. Administration and Investment Advisory Fees

Investment advisory services and administration and marketing services are provided by Public Trust Advisors, LLC (PTA). The Trust's fees are calculated daily and paid monthly. The Daily Fee shall be calculated as follows: The Investment Property Value is multiplied by the Applicable Fee Rate and is divided by 365 or 366 days in the event of a leap year to equal the Daily Fee accrual. The Investment Property Value shall be based on

the current day's shares outstanding. For weekend days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of fees. The Applicable Fee Rate shall be determined monthly on the first business day of each month and shall be as follows:

Texas CLASS:

	Current Day's Shares Outstanding Balance	Fee %
First	\$1,000,000,000	.120%
Next	\$1,000,000,000	.110%
Next	\$1,000,000,000	.100%
Over	\$3,000,000,000	.090%

Texas CLASS Government:

	Current Day's Shares Outstanding Balance	Fee %
First	\$1,000,000,000	.120%
Next	\$1,000,000,000	.110%
Next	\$1,000,000,000	.100%
Over	\$3,000,000,000	.090%

Fees may be waived or abated at any time, or from time to time, at the sole discretion of the Program Administrator. Any such waived fees may be restored by the written agreement of the Board of Trustees in its sole discretion.

In the event that the Investment Property Value declines at any time to a level that would cause the Program Administrator's fee to equal an amount equal to or in excess of the remaining Investment Property Value, the fee shall be reduced to zero.

The blended fee shall never be greater than the yield to the Participants.

The fees are collected by PTA and used to pay all expenses related to the Trust.

Note 6. Share Transactions

Transactions in shares during the twelve months ended June 30, 2017 and 2016 for Texas CLASS were as follows:

	2017	2016
Shares sold	8,919,701,070	6,624,731,856
Shares issued on reinvestment of distributions	52,900,272	16,235,454
Shares redeemed	(7,735,487,249)	(4,925,900,590)
Net increase	<u>1,237,114,093</u>	<u>1,715,066,720</u>

At June 30, 2017, one participant held more than a 5% participation interest in Texas CLASS. The holdings of this participant is approximately 5% of the portfolio at June 30, 2017. Investment activities of this participant could have a material impact on the portfolio.

Transactions in shares during the seven months ended June 30, 2017 for Texas CLASS Government were as follows:

	2017
Shares sold	160,130,213
Shares issued on reinvestment of distributions	416,872
Shares redeemed	(43,393,316)
Net increase	<u>117,153,769</u>

At June 30, 2017, seven participants held more than a 5% participation interest in the Texas CLASS Government portfolio. The holdings of these seven participants is approximately 91% of the portfolio at June 30, 2017. Investment activities of these participants could have a material impact on the portfolio.

Note 7. Financial Highlights for a Share Outstanding Throughout Each Period

Texas CLASS

	2017	2016	Years Ended June 30,		2013
			2015	2014	
Per Share Data					
Net Asset Value - Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Net Investment Income Earned and Distributed to Shareholders	\$0.009	\$0.004	\$0.001	\$0.001	\$0.002
Net Asset Value - End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
TOTAL RETURN	0.906%	0.373%	0.110%	0.099%	0.194%
RATIOS					
Net Assets - End of period (\$000 Omitted)	\$6,015,704	\$4,780,049	\$3,063,780	\$2,786,240	\$3,101,128
Ratio of Expenses to Average Net Assets Gross	0.100%	0.105%	0.110%	0.109%	0.116%
Ratio of Expenses to Average Net Assets Waived	0.000%	0.000%	0.004%	0.020%	0.035%
Ratio of Expenses to Average Net Assets	0.100%	0.105%	0.106%	0.089%	0.081%
Ratio of Net Investment Income to Average Net Assets	0.925%	0.418%	0.112%	0.100%	0.188%

Texas CLASS Government

	Year Ended June 30, 2017
Per Share Data	
Net Asset Value - Beginning of Period	\$1.00
Net Investment Income Earned and Distributed to Shareholders	\$0.006
Net Asset Value - End of Period	\$1.00
TOTAL RETURN	0.362%
RATIOS	
Net Assets - End of period (\$000 Omitted)	\$117,142
Ratio of Expenses to Average Net Assets Gross	0.120%
Ratio of Expenses to Average Net Assets Waived	0.120%
Ratio of Expenses to Average Net Assets	0.000%
Ratio of Net Investment Income to Average Net Assets	0.631%

Note 8. Subsequent Events

In accordance with the provisions set forth in ASC 855-10, Subsequent Events, Management has evaluated the possibility of subsequent events existing in the Trust's financial statements. Management has determined that there were no material events that would require disclosure in the Trust's financial statements as of August 11, 2017.

Note 9. Related Parties

All trustees of the Trust are officers of participating governments.

Board of Trustees

Ms. Monika Arris
Collin County

Ms. Cindy Brown
Denton County

Mr. Mike Hagar
Alamo Heights ISD

Ms. Amy Perez
Harris County

Mr. Roger Roecker
City of Friendswood

Mr. Steve Williams
City of Conroe

Advisory Board

Mr. Mark Burton
Municipal Accounts & Consulting, L.P.

Mr. Arthur Martin
Qualified Non-Participant

Mr. Rodney Rhoades
Qualified Non-Participant