



RESOLUTION 22-2025

RESOLUTION TO ADOPT CALDWELL COUNTY INVESTMENT POLICY & FUND STRATEGIES AND APPOINT INVESTMENT OFFICER

STATE OF TEXAS

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COUNTY OF CALDWELL

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CALDWELL COUNTY RESOLUTION

ADOPTION OF 2025 CALDWELL COUNTY INVESTMENT POLICY & STRATEGIES, INVESTMENT COMMITTEE AND APPOINTMENT OF AN INVESTMENT OFFICER

WHEREAS, The Texas Legislature set forth the Public Funds Investment Act in Government Code Section 2256, and

WHEREAS, compliance with the Public Funds Act requires that each county adopt by resolution a County Investment Policy & Investment Strategies and appoint a County Investment Officer.

NOW, THEREFORE, BE IT RESOLVED, the Commissioners' Court of Caldwell County, in a regular meeting duly convened and acting in its capacity as the governing body of Caldwell County, hereby affirms the attached 2025 Caldwell County Investment Policy, setting forth its investment strategies by fund type and designating the Caldwell County Investment Committee, and hereby appointing the Caldwell County Treasurer, Gloria Garcia, the Caldwell County Investment Officer to implement and carry out the stated investment policy.

IN WITNESS WHEREOF, we have hereunto set our hands this **8th day of July 2025**.

A blue ink signature of Hoppy Haden, written over a horizontal line.

Hoppy Haden
County Judge

A blue ink signature of B.J. Westmoreland, written over a horizontal line.

B.J. Westmoreland
Commissioner Precinct 1

A blue ink signature of Rusty Horne, written over a horizontal line.

Rusty Horne
Commissioner Precinct 2

A blue ink signature of Edward "Ed" Theriot, written over a horizontal line.

Edward "Ed" Theriot
Commissioner Precinct 3

A blue ink signature of Dyrall Thomas, written over a horizontal line.

Dyrall Thomas
Commissioner Precinct 4

A blue ink signature of Teresa Rodriguez, written over a horizontal line.

Attest: Teresa Rodriguez, County Clerk



CALDWELL COUNTY

Investment Policy

I. INVESTMENT AUTHORITY AND SCOPE OF POLICY

General Statement

This policy serves to satisfy the statutory requirements of the Local Government Code 116.112 and Government Code Chapter 2256 to define and adopt a formal investment policy. See Attachment "A" Resolution to Adopt Investment Policy. This policy will be reviewed and adopted by resolution at least annually according to Section 2256.005 (a).

Funds Included

This investment policy applies to all financial assets of all funds of the Caldwell County, Texas at the present time, any funds to be created in the future, and any other funds held in custody by the Caldwell County Treasurer, unless expressly prohibited by law or unless it is in the contravene of any depository contract between Caldwell County and any depository bank as directed by Commissioner's Court.

County's Investment Officer

In accordance with (IAW) Sec. 116.112(a), Local Government Code and/or Chapter 2256, Sec. 2256.005(f) and (g), Government Code, the Caldwell County Treasurer, under the direction of the Caldwell County Commissioners Court, may invest County funds that are not immediately required to pay obligations of the County. The commissioners' court shall designate by resolution one or more officers or employees as investment officers. See Attachment B. If the investment officer has personal business relationships with as defined by PFIA (Public Funds Investment Act) with an entity - or is related with the second degree of affinity or consanguinity to an individual - seeking to sell an investment to the County, the investment officer must file a statement disclosing that personal business interest - or relationship - with the Texas Ethics Commission and the Caldwell County Commissioners Court in accordance with Government Code 2256.005 (i).

Caldwell County's Investment Committee

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. These standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which 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 expected income to be derived."

Limitation of Personal Liability

The Investment Officers and those delegated investment authority under this policy, when acting in accordance with the written procedures and this policy and in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

The Commissioner's Court will appoint a committee of experts to advise the court and the Caldwell County Treasurer on investment policy. All members of the committee will have a strong background in the financial industry. The County Treasurer will serve as the Chairman of the Investment Committee. The Committee will adhere to the following procedures:

- x On a quarterly basis a member of the committee will inform the Caldwell County Commissioner's Court of the county's posture; x Annually the Investment Policy will be reaffirmed or updated to the Commissioners Court; and x In making such reports and recommendations to the Court, the Committee shall be governed by the following guidelines
 - o Investing by the Investment Officer is not to be viewed as a profit center, but rather as a timely return on principal.
 - o No mortgage-backed or collateralized mortgage obligations of any type will be permitted.
- x The Investment Officer will purchase securities only from brokers who meet the following requirements:
 - o Approval by the Investment Committee

II. INVESTMENT POLICY

It is the policy of the Caldwell County that the administration of its funds and the investments of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of Caldwell County and conforming to all applicable federal and state laws Caldwell County statutes governing the investment of public funds. The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the Caldwell County to be in complete compliance with local law and the Texas Public Funds Investment Act. The earnings from investment will be used in a manner that best serves the public trust and interest of Caldwell County.

III. INVESTMENT OBJECTIVES AND STRATEGIES

General Statement

Caldwell County funds will be invested in accordance with (IAW) federal and state laws, this investment policy and written administrative procedures. The County will invest according to investment strategies for each fund as are adopted by commissioners' court resolution IAW the PFIA, Section 2256 of the Texas Government Code.

Safety and Maintenance of Adequate Liquidity

Caldwell County is concerned about the return of its principal; *therefore*, **safety of principal is the primary objective in any investment transaction.** The County's investment portfolio must be structured in conformance with an asset/liability management plan that provides for liquidity necessary to pay obligations as they become due.

Diversification

It will be the policy of Caldwell County to diversify its portfolio to eliminate the risk of loss resulting from overconcentration of assets in a specific maturity, a specific issuer or a specific class of investments. Investments of the county shall always be selected that provide protection of principal, for stability of income and reasonable liquidity. No more than twenty-five percent (25%) of the funds as determined from the County's total available cash balance on November 30th will be invested in maturities of 24 to 36 months. The period from 24 to 36 months will be committed after the Commissioner's Court assures the Treasurer that the funds will not be needed during the term of the investment. The remaining funds will be invested in maturities of up to 24 months.

Yield

It will be the objective of Caldwell County to earn the maximum rate of return allowed on its investments within the policies imposed by its safety and liquidity objectives, investment strategies for each fund, and state and federal law governing investment of public funds.

Maturity

Portfolio maturities will be structured to meet the obligations of the County first and then achieve the highest rate of return of interest. When the County has funds that will not be needed to meet current year obligations, maturity restraints will be imposed based upon the investment strategy for each fund. The maximum allowable stated maturity of any individual investment owned by the county is thirty-six (36) months. The County Treasurer will invest funds with maturities less than twenty-four (24) months and can invest funds, not to exceed a cumulative total of \$5,000,000.00, with maturities between 25 and 36 months. These investments will be brought to the attention of the Commissioners' Court with next quarter's Treasurer's Quarterly Report.

It is Caldwell County's policy to provide training required by the Public Funds Act, Sec. 2256.08 and periodic training in investments for the County Investment Officer through courses and seminars offered by professional organizations and associations in order to insure the quality, capability and currency of Caldwell County's Investment Officer in making investment decisions. The Investment Officer and designee(s) shall attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the Investment officer and designee(s) responsibilities within 12 months after taking office or assuming duties; and have on file with the Texas Ethics Commission appropriate paperwork, if pertinent.

Attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this chapter.

Investment Strategies

IAW the PFIA, Section 2256.005(d), a separate written investment strategy will be developed for each of the funds under Caldwell County's control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities of importance:

- Understanding of the suitability of the investment to the financial requirements of the entity;
- Preservation an safety of principal;
- Liquidity;
- Marketability of the investment if the need arises to liquidate the investment before maturity;
- Diversification of the investment portfolio;
- Yield; ○ Maturity restrictions.

Attachment C includes investment strategies for all funds. IAW the Public Funds Investment Section 2256.005(e), investment strategies will be reviewed and adopted by resolution at least annually.

IV. INVESTMENT TYPES

Authorized Investments:

The Caldwell County Investment Officers shall use any or all of the following authorized investment instruments consistent with governing laws and the PFIA contained in Texas Government Code 2256;

- (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) Other obligations, the principal and interest 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; and
- (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 and Share Certificates are investment if the certificate is issued by a depository institution that has its main office or a branch office in this state and is:
 - (a) Guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or its successor, or the National Credit Union Share Insurance Fund ("NCUSIF") or its successor; or
 - (b) Secured in any other manner and amount provided by law for deposits of the county.
- (6) In addition to the authority to invest funds in certificates of deposit as detailed in (5) above, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment if:
 - (a) The funds are invested by the county through a depository institution that has its main office or a branch office in Texas and that is selected by Caldwell County;
 - (b) The depository institution selected by the county 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 Caldwell County;
 - (c) The full amount of the principal and accrued interest of each of certificates of deposit is insured by the United States or an instrumentality of the United States;

- (d) The depository institution selected by the county acts as custodian for the county with respect to the certificates of deposit issued for the account of Caldwell County; and
 - (e) At the same time that the funds are deposited and at the certificates of deposit are issued for the account of the county, the depository institution selected by the county receives an amount of deposits from customers other federally insured depository institutions, wherever located, that is equal to or greater than the amount of the funds invested by the county through the deposited institution selected.
- (7) A fully collateralized repurchase agreement, as defined in the Public Funds Investment Act, if it:
- (a) Has a defined termination date;
 - (b) Is secured by obligations described by Section 2256.009(a)(1) of the Public Funds Investment Act; and
 - (c) Requires the securities being purchased by the county, held in the county's name, and deposited at the time the investment is made with the county_or with a third party selected and approved by the county; and
 - (d) Is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.
 - (e) Notwithstanding any law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered.
 - (f) Money received by a county 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.
- (8) A bankers' acceptance if it:
- (a) Has a stated maturity of 270 days or fewer from the date of its issuance;
 - (b) Will be, IAW its terms, liquidated in full at maturity;
 - (c) Is eligible for collateral for borrowing from a Federal Reserve Bank; and
 - (d) 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 a 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 one nationally recognized credit rating agency

(9) Mutual funds and Money Market Funds with limitations as described below:

(a) No-Load Money Market Mutual Fund is authorized if it:

1. Is registered with and regulated by the Securities and Exchange Commission;
2. Has a dollar-weighted average stated maturity of 90 days or fewer;
3. Includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share; AND,
4. Provides Investment Officer with an annual prospectus IAW Section 2256.014. AND

(b) NO-LOAD MUTUAL FUND is authorized if it:

1. Is registered with the Securities and Exchange Commission;
2. Has an average weighted maturity of less than two years;
3. Is invested exclusively in obligation approved by this subchapter;
4. Is continuously rated as to investment quality by at least one national recognized investment rating firm of not less than AAA or its equivalent; AND
5. Conforms to the requirements set forth in PFIA Sections 2256.016 (b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities such as Caldwell County.

Relative to mutual funds and money market mutual funds, Caldwell County is not authorized by this section 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 no-load mutual funds.
2. Invest any portion of bond proceeds, reserves and funds held for debt service, in no-load mutual funds; 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 money market mutual fund or no-load mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

Authorized Investments: Investment Pools

An entity may invest its funds and funds under its control through an eligible investment pool if the governing body of the entity by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by this subchapter. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with this subchapter and the investment policies and objectives adopted by the investment pool.

To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:

- (1) the types of investments in which money is allowed to be invested;
- (2) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
- (3) the maximum stated maturity date any investment security within the portfolio has;
- (4) the objectives of the pool;
- (5) the size of the pool;
- (6) the names of the members of the advisory board of the pool and the dates their terms expire;
- (7) the custodian bank that will safekeep the pool's assets;
- (8) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
- (9) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
- (10) the name and address of the independent auditor of the pool;

- (11) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
 - (12) the performance history of the pool, including yield, average dollar- weighted maturities, and expense ratios.
 - (13) the pool's policy regarding holding deposits in cash.
- (c) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity:
- (1) investment transaction confirmations; and
 - (2) a monthly report that contains, at a minimum, the following information:
 - A. the types and percentage breakdown of securities in which the pool is invested;
 - B. the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 - C. the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - D. the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - E. the size of the pool;
 - F. the number of participants in the pool;
 - G. the custodian bank that is safekeeping the assets of the pool;
 - H. a listing of daily transaction activity of the entity participating in the pool;
 - I. the yield and expense ratio of the pool, including a statement regarding how yield is calculated;
 - J. the portfolio managers of the pool; and
 - K. any changes or addenda to the offering circular.
- (d) An entity by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

(e) In this section, "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.

(f) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. 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, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005. In addition to the requirements of its investment policy and any other forms of reporting, a public funds investment pool created to function as a money market mutual fund shall report yield to its investors in accordance with regulations of the federal Securities and Exchange Commission applicable to reporting by money market funds.

(g) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool must have an advisory board composed:

- (1) equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 and managed by a state agency; or
- (2) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

(h) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

(i) If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Subsections, (b), (c) (2), and (f) must be posted on the website.

(j) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.

(k) If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

Prohibited Investments

The Caldwell County Investment Officer will not invest any funds in any type or form of collateralized mortgage obligation of any description.

V. INVESTMENT RESPONSIBILITY AND CONTROL

Investment Institutions Defined

The Caldwell County Investment Officer shall invest Caldwell County funds with any or all of the following institutions or groups consistent with federal and state law and the current Depository Bank contract:

1. Depository bank
2. Other state or national banks domiciled in Texas that are insured by the FDIC or NCUSIF, or their successors.
3. Public funds investment pools
4. Government securities broker and dealers.

Qualifications for Approval of Broker/Dealers

IAW Section 2256.005(k), a written copy of this investment policy shall be presented to any person seeking to sell to Caldwell County an authorized investment. The qualified representative of the business organization offering to engage in an investment transaction with Caldwell County shall execute a written instrument substantially to the effect that the business organization has;

1. Received and thoroughly reviewed the investment policy of the Caldwell County;
2. Acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities IAW with current Caldwell County Investment Policy arising out investment transactions conducted between Caldwell County and the organization; and
3. IAW PFIA Section 2256.025 the broker must be deemed by the Caldwell County Investment Committee as qualified and authorized to engage in investment transactions with Caldwell County.

Standards of Operation

The County Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program consistent with this investment policy.

Delivery vs. Payment

IAW Gov't Code Sec. 2256.005(b)(4)(e), it will be the policy of Caldwell County that all Treasury Bills, Notes and Bonds and Government Agencies' securities shall be purchased using the "Delivery vs. Payment" (DVP) method through the Federal Reserve System. By so doing, County funds are not released until the County has received, through the Federal Reserve wire, the securities purchased.

Audit Control

The Caldwell County Investment Officer will establish liaison with the Caldwell County Auditor in preparing investment forms to assist the County Auditor for accounting and auditing control. The Investment Officer is subject to audit by the County Auditor. In addition, the Caldwell County Commissioners Court, at a minimum, will have an annual financial audit of all Caldwell County funds by an independent auditing firm, as well as an annual compliance audit of management controls on investments and adherence to the entity's established investment policies in accordance with PFIA Section 2256.005(m).

Standard of Care

1. IAW with Section 2256.006, investments shall be made with judgment and care, under prevailing circumstance, 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 probable income to be derived, Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of; principal; liquidity; and yield.

2. In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

the investment of all funds, or funds under the Caldwell County's control, over which the officer has the responsibility rather than a consideration as to the prudence of a single investment; whether the investment decision was consistent with the written investment policy of the Caldwell County.

VI. INVESTMENT REPORTING AND PERFORMANCE EVALUATION

Quarterly Report

IAW with PFIA Section 2256.023, not less than quarterly, the investment officer shall prepare and submit to the Caldwell County Commissioners Court written report of investment transactions for all funds for the preceding reporting period within a reasonable time after the end of the period. The report must;

1. Describe in detail the investment position of the county on the date of the report;
2. Be prepared jointly by all investment officers of the county;
3. Be signed by each investment officer of the county;
4. Contain a summary statement of each pooled fund group that states the;
x Beginning market value for the reporting period;

x Additions and changes to the market value during the reporting period;
x Ending market value for the period; and x Fully accrued interest for the reporting period

5. 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.
6. State the maturity date of each separately invested assets that has a maturity date;
7. State the account or fund or pooled group fund in the county for which each individual investment was acquired; and
8. State the compliance of the investment portfolio of the Caldwell County as it relates

to: x The investment strategy expressed in the Caldwell County's investment policy;

and x Relevant provisions of the PFIA **Methods to Monitor Market Value:**

The County Investment officer will obtain the market value from each security held in all portfolios at least on a monthly basis. On a monthly basis the collateral pledged to Caldwell County for bank deposits shall be valued from recognized market pricing sources.

Notification of Investment Changes

It shall be the duty of the County Investment Officer of Caldwell County, Texas to notify the Caldwell County Commissioners Court of any significant changes in current investment methods and procedures prior to their implementation, regardless of whether they are authorized by this policy.

VIII. INVESTMENT COLLATERAL AND SAFEKEEPING

Collateral or Insurance

The Caldwell County Investment Officer shall ensure that all county funds are fully collateralized or insured consistent with federal and state laws and the current Bank Depository Contract in one or more of the following manners:

1. FDIC insurance coverage
2. Obligations of the United States or its agencies and instrumentalities.

Safekeeping

1. All purchased securities shall be held in safekeeping by the County, or a County account in a third-party financial institution, or with the Federal Reserve Bank.
2. All certificates of deposit, insured by the FDIC, or share certificates insured by the NCUSIF, purchased outside the Depository Bank shall be held in safekeeping by the County or a County account in a third-party financial institution.

3. All pledged securities by the Depository Bank shall be held in safekeeping by the Caldwell County or with a Federal Reserve Bank.

Attachment B: APPOINTMENT TO CALDWELL COUNTY INVESTMENT POLICY COMMITTEE

The following people were appointed to the Caldwell County Investment Policy Committee:

County Treasurer

County Chief Treasurer

County Auditor

County 1st Assistant Auditor

County Judge

Attachment C: INVESTMENT STRATEGIES BY FUND TYPE

1. Funds of the General Operating Fund may be invested in the following types of instruments

1. Investment Pools IAW policy
2. Money Market Funds IAW policy
3. Certificates of Deposit, including the Certificates of Deposit Account Registry Service (CDARS)
IAW policy.

2. Fund of the Facilities Fund may be invested in the following types of instruments.

1. Investment Pools IAW policy
2. Money Market Funds IAW policy
3. Certificates of Deposit, including the Certificates of Deposit Account Registry Service (CDARS)
IAW policy.

Attachment D

SECURITIES BROKER/ DEALER ACKNOWLEDGMENT & CERTIFICATION

I hereby certify that I have received and thoroughly reviewed the investment policy of Caldwell County. I have implemented reasonable procedures and controls designed to preclude imprudent investment activities arising out of invest transaction conducted between this firm and the Caldwell County. Further, transactions between this firm and Caldwell County will be directed toward protecting the Caldwell County form credit and market risk.

All sales personnel of this firm dealing with the Caldwell County account have been informed and will be routinely informed of the Caldwell County's investment horizons, limitations, strategy and risk constraints, whenever we are informed.

This firm pledges due diligence in informing the Caldwell County of foreseeable risks associated with financial transactions connected to this firm.

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