

BYRON-BRENTWOOD-KNIGHTSEN UNION CEMETERY DISTRICT STATEMENT OF INVESTMENT POLICY

I. Policy.

It is the policy of the BYRON-BRENTWOOD-KNIGHTSEN UNION CEMETERY DISTRICT to invest public funds in a manner which provides for the safety of the funds on deposit, which meets the cash flow demands and liquidity needs of the District, which meets the District's long-term planning requirements, and which achieves the highest possible yield after first considering the first three objectives of safety, liquidity, and long-term planning. In addition, it is the policy to invest all funds in strict conformance with all state statutes governing the investment of public monies.

II. Scope.

This investment policy applies to all monies, funds, and financial assets of the BYRON-BRENTWOOD-KNIGHTSEN UNION CEMETERY DISTRICT, including its general fund, all enterprise funds, all developer, and capacity funds, and any and all capital project funds except for monies held in reserve funds in connection with debt issues where permitted investments for reserve funds are set forth in the trust agreement or loan contract of the debt issue.

III. Standard of Care and Objectives.

- A. Deposits and investments shall be made with the 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 probable income to be derived. District management and employees handling deposits and investments of District funds shall act pursuant to a "prudent investor" standard applied in the context of managing the entire portfolio (Govt. Code Sec. 53600.3).
- B. When depositing, investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing District funds, the District's primary goals and objectives, in priority order shall be:
 1. Safety. To safeguard the principal of the District funds. Deposits and investments of District funds, monies, and financial assets shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
 2. Liquidity. To meet the liquidity needs of the District. The District's

investment portfolio must remain sufficiently liquid to enable the District to meet all operating expenses and requirements which might be reasonably anticipated.

3. Connection to Long-Term Planning. To meet the long-term planning needs of the District. The District's investments must maintain sufficient funds to meet future capital project expense requirements.

4. Return on Investment. To achieve a return on the investment of District funds. As a final priority, the District's investment portfolio shall be designed with the objective of obtaining a fair market rate of return throughout budgetary and economic cycles and consistent with the first three priorities.

IV. Delegation of Authority.

The Board of Trustees delegates to the District Manager and Trustee/Chair, principal management responsibility for the deposit of District monies, funds, and financial assets, and safeguarding all District funds and accounts, pursuant to this statement of investment policy. The Board of Trustees authorizes the District Manager and Trustee/Chair to make deposit decisions on behalf of the District pursuant and subject to this investment policy, applicable laws, the prudent investor standard and by Board Motion.

V. Authorized Investments.

Are per as authorized by California Government Code section 53600.

District funds and monies may be deposited and invested in only one or a combination of the institutions and investment types authorized by California Government Code section 53600

VI. Safekeeping and Custody.

All District deposits and investments shall have the BYRON-BRENTWOOD-KNIGHTSEN UNION CEMETERY DISTRICT named as depositor and registered owner. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery, or by third party custodial agreement as required by Government Code Section 53601.

VII. Annual Review of Investment Policy and Quarterly Reporting and Review of Investment Report.

The District Manager on a quarterly basis shall submit to the District Board of Trustees and Investment Committee copies of the BYRON-BRENTWOOD-KNIGHTSEN UNION CEMETERY

DISTRICT Investment Report. The Investment Report shall include the following information required by Government Code section 53646:

- The BBKUCD District Manager on a quarterly basis may make available to the Board of Trustees copies of the most recent account statements received by BBKUCD from the Contra Costa County Treasurer and other institutions holding BBKUCD funds and financial assets which demonstrate the cash on hand with the respective institution.
- The BBKUCD District Manager on an annual basis may make available to the BBKUCD Board of Trustees copies of the annual report from the Contra Costa County Treasurer and/or other institutions demonstrating disbursement of interest earned and the fair market value adjustment of investments held. (Govt. Code: 53646(e))
- The BBKUCD District Manager shall annually review this statement of investment policy and request the BBKUCD Board of Trustees to either make appropriate changes or reaffirm the current policy. (Govt. Code, 53646(a))
- The type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the District (53646(b)(1));
- Whatever additional data or information may be required by the Board of Trustees(53646(c)).

VIII

Amendments.

This statement of investment policy shall take effect only upon adoption by the BBKUCD Board of Trustees. Any subsequent amendments or modifications shall not take effect unless expressly approved by the BBKUCD Board of Trustees.