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NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value:

Equity securities, U.S. Treasury securities, domestic fixed income investment funds and commercial paper classified in Level 1, are valued using prices quoted in active markets for those securities.

Corporate notes, U.S. Agency, Treasury Securities, collateralized mortgage obligations, municipal bonds, asset-backed securities, and supranational classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities.

This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

The City does not value any of its investments using Level 3 inputs.

As of September 30, 2024, Professional/Management Retirement Plan assets are invested in insurance pooled separate accounts. As a result, all investments related to the Plan are measured at NAV:

Investments Measured at NAV	Reported Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	$ 11,550,470	$ --	Daily	1 Day
Fixed income pooled separate accounts	7,754,197	--	Daily	1 Day
Real estate pooled separate accounts	1,337,334	--	Daily	1 Day
Total investments measured at NAV	$ 20,642,001	$ --		