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Interest rate and credit risk

Interest rate risk exists when there is a possibility that change in interest rates could adversely affect an investment's fair value. Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfil its obligations. Information related to interest rate and credit risk for the City's fixed income investments on September 30, 2024 is summarized below:

Investment Type	S&P Rating	Fair Value	Weighted Average Duration (WAD) / Weighted Average Maturity (WAM)
Primary government			
FL SAFE Stable NAV Fund	AAAm	$ 57,618,646	WAM 37 days
U.S. Government obligations	AA+	6,925,748	WAM 15 days
General Employees' Pension Trust Fund:			
Short-term money market	AAAm	306,781	WAM 0.00 years
U.S. Government obligations	AA+	764,634	WAM 5.97 years
Mortgage/asset backed securities	Not Rated	2,263,669	WAM 24.62 years
Corporate and foreign bonds	BBB to AA-	2,160,410	WAM 6.69 years
		$ 5,495,494	
Police Officers' Pension Trust Fund:			
Short-term money market	AAAm	$ 348,876	WAD 0.00
Fixed income mutual funds:			
Baird Aggregate Bond Fund	Not Rated	2,089,907	WAD 6.20
Dodge & Cox Income Fund	Not Rated	2,267,940	WAD 6.30
		4,357,847	
		$ 4,706,723	
Firefighters' Pension Trust Fund:			
Short-term money market	AAAm	$ 310,682	WAD 0.00
Fixed income mutual funds:			
Baird Aggregate Bond Fund	Not Rated	1,121,901	WAD 6.20
Dodge & Cox Income Fund	Not Rated	1,114,950	WAD 6.30
		2,236,851	
		$ 2,547,533	

Investments – Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

At the end of the fiscal year, neither the City nor the pension trust funds had investments classified as Level 3 assets in its portfolio.