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NOTE 3. DEPOSITS AND INVESTMENTS

Deposit policies – The City's cash and cash equivalents (including restricted assets) include cash on hand, demand deposits, short-term highly liquid debt instruments with original maturities of three months or less from the date of acquisition, pooled investments and money market funds.

Deposits

Custodial credit risk – There is a risk that in the event of failure of a depository financial institution, the government will not be able to recover their deposits. It is the City's policy to maintain its deposits only with qualified public depositories as defined in Chapter 280, Florida Statutes. The provisions of this statute allow qualified public depositories to participate in a multiple financial institution collateral pool to ensure security for public deposits. All qualified public depositories must place with or in the name of the Chief Financial Officer of the State of Florida, collateral in the amount of the average daily balance of public deposits multiplied by the average monthly balance of public deposits or 125% of the average daily balance of public deposits greater than capital. In the event of default by a qualified public depository, excess losses over insurance and collateral will be recovered through assessments from all qualified public depositories of the same type as the depository in default. Under this method, all City's deposits are considered fully insured. The City has no further custodial credit risk policy.

At September 30, 2024, the carrying amount of the City's checking accounts was $10,820,173 and the bank balance was $10,736,423. The City also held $1,475 in petty cash.

Pension Trust Fund Investments

As of September 30, 2024, the City's pension trust fund had the following investments:

Pension Trust Fund Investments	Fair Value
Broad Market HQ Bond Fund	$ 415,693
Core Plus Fixed Income	430,127
Diversified Large Cap	718,803
Diversified Small to Mid Cap	418,580
International Equity	591,785
Core Real Estate	271,355
	$ 2,846,343

Fair Value Measurements

The City categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principles. 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 for similar assets, and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2024:

Pension Trust Fund Investments	Level 1	Level 2	Level 3	Fair Value
Broad Market HQ Bond Fund	$ -	$ 415,693	$ -	$ 415,693
Core Plus Fixed Income	-	-	430,127	430,127
Diversified Large Cap	-	718,803	-	718,803
Diversified Small to Mid Cap	-	418,580	-	418,580
International Equity	-	591,785	-	591,785
Core Real Estate	-	-	271,355	271,355
	$ -	$ 2,144,861	$ 701,482	$ 2,846,343