INVESTMENT POLICY
City of Aurora Colorado

The City of Aurora is a Colorado home rule municipality operating under its City Charter. The City functions under the direction of a City Manager who is appointed by City Council. Existing Colorado State Statutes and the City's charter provide Aurora with legal authority to promulgate and implement local standards for cash and investment management operations.

I. PURPOSE

The purpose of this Investment Policy (the Policy) is to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the City of Aurora, Colorado (the City). This Policy also defines the role and duties of the City's Investment Advisory Committee. This Policy assumes that the City uses an external investment advisor. If the City does not have an investment advisor, the City's Finance Director will notify the Management & Finance Committee and recommend a course of action.

This Policy was adopted by City Council on June 28, 2021 and last reviewed by the Management and Finance Committee on September 27, 2022. It supersedes all previous investment policies of the City.

II. SCOPE

This Policy governs all investment activities of the City with the exception of retirement and deferred compensation funds.

III. BOND PROCEEDS

Unspent bond proceeds shall be invested in accordance with applicable state and local laws, the terms of the bond indenture, requirements of rating agencies and bond insurers, and this Policy. Every effort will be made to meet Internal Revenue Service (IRS) "safe harbor" requirements for competitive transactions. The City recognizes that the investment of bond proceeds may, from time to time, be subject to the provisions of Section 148 of the Internal Revenue Code governing arbitrage and all rules and regulations adopted pursuant thereto. Due to the legal complexities of arbitrage law and the necessary immunization of yield levels to correspond to anticipated cash flow schedules, the reinvestment of such debt issuance may, upon the advice of Bond Counsel or financial advisors, deviate from the maturity limitation provisions of this Policy with the approval of City Council.

IV. AUTHORITY, PROCEDURES and CONTROLS

Section 11-10 of the City Charter and Section 2-206 of the City Code provide that the Finance Director shall have custody of public funds and investment securities. The Finance Director may delegate responsibility for investment of funds governed by this Policy. The current list of employees authorized by the Finance Director to execute investment transactions shall be maintained on file in the finance department. The Finance Director or designee shall maintain internal procedures for investing which provide appropriate investment and accounting controls which are judged adequate by the Finance Director and Controller. The investment activities and controls shall be audited by the city's Internal Auditor not less than every three years.

V. INTENT

A. **Governing Law:** This Policy is subject to all applicable provisions of state law governing the investment of public funds, as amended by Section 2-595 of the City Code.

B. **Investment Risk:** The City recognizes that: (i) all investments bear risk of various kinds, (ii) a tradeoff exists between risk and return, (iii) a security's market value fluctuates with changes in interest rates and perceived credit-worthiness, and (iv) its investment portfolio always has an unrealized gain or loss which can be substantial.

C. **Pooling of funds:** City funds available for investment shall be pooled into a single account whenever feasible so that investing may be performed as efficiently as possible.

VI. OBJECTIVES - The objectives of the City's investment program, in order of their priority, shall be:

A. Safety: Preservation of principal is the primary objective of City investment activities and is the single most important factor in making investment decisions. The two most significant risks are:

1. *Credit Risk* is the risk of loss due to failure of the security issuer or backer, or market dislocations. Credit risk shall be limited by restricting the types of securities which may be purchased, their credit ratings, and through diversification to reduce exposure to any one security type or issuer.
2. *Interest Rate Risk* is the risk that the market value of securities in the portfolio will fall due to rising market interest rates. The City will mitigate this risk by holding most investments to their maturity date, by limiting the types and maturities of permitted securities and, when feasible, by selecting maturities of investments to coincide with large cash outflows.

B. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating cash needs. This shall be accomplished by maintaining short-term investments and liquidity accounts to meet anticipated cash flow needs. Investments shall be managed to avoid the sale of securities to meet foreseeable cash disbursements.

C. Financial Management Goals: The timing and form of investment purchases and sales shall be managed in a manner consistent with the City's financial management goals.

D. Yield: After the objectives of safety, liquidity and financial management goals are met, the investment portfolio shall be managed with the objective of attaining a market rate of return throughout interest rate cycles.

VII. STANDARDS OF CARE

A. Prudence: The City has a fiduciary responsibility to protect the assets of the City and to invest funds appropriately. The standard of care to be used by City officials shall be the "prudent person standard" as specified by CRS 15-1-304, which reads as follows:

"Standard for investments: In acquiring, investing, reinvesting, exchanging, retaining, selling, and managing property for the benefit of others, fiduciaries shall be required to have in mind the responsibilities which are attached to such offices and the size, nature, and needs of the estates entrusted to their care and shall exercise the judgment and care, under the circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of the property of another, not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital. Within the limitations of the foregoing standard, fiduciaries are authorized to acquire and retain every kind of property, real, personal, and mixed, and every kind of investment, specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, stocks, preferred or common, securities of any open-end or closed-end management type investment company or investment trust, and participations in common trust funds, which men of prudence, discretion, and intelligence would acquire or retain for the account of another."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is without risk and that its investment activities are a matter of public record. Accordingly, the City recognizes that losses will occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City. Therefore, investments may be sold prior to their maturity date if it is determined that it is in the best interest of the City to do so. Sales prior to maturity may also be made for financial management purposes. Sales shall not be made to speculate upon future market trends.

The Finance Director, and other authorized persons acting in accordance with established procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the Management & Finance Committee with an outline of the action taken.

B. Ethics and Conflicts of Interest: City staff authorized to execute investment transactions shall refrain from personal business activity that conflicts with, or creates the appearance of conflicting with, the proper execution and management of the City's portfolio, or that could impair their ability to make impartial decisions. They shall disclose any material interests in or involvement with financial institutions with which the City conducts investment business. Such staff shall not undertake personal investment transactions with the same individuals with whom investment transactions are made on behalf of the City and shall subordinate personal transactions to those of the City. Such staff shall be familiar with and comply with Administrative Policy Memorandum 3-22 or its successor - "Conflict of Interest, Appearance of Impropriety, and Gifts.

VIII. SELECTION OF BROKER/DEALERS

The Finance Director or designee shall develop and maintain a list of banks and securities dealers approved for securities transactions initiated by the City, and it shall be the policy of the City to purchase securities only from those authorized firms. Broker/dealers will be selected on the basis of their expertise in public investing and their ability to provide service to the City's account. To be eligible, a firm must meet <u>at least one</u> of the following criteria:

1. Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a Primary Dealer within its holding company structure,
2. Report voluntarily to the Federal Reserve Bank of New York,
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

The City may engage the services of investment advisory firms to assist in the management of the Portfolio. Such investment advisors may utilize their own list of approved broker/dealers; however, the list shall comply with the criteria listed above and shall be provided to the City on an annual basis or upon request.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria for commercial paper in the Suitable and Authorized Investments section of this Policy.

IX. SAFEKEEPING and TRANSACTION SETTLEMENT

The Finance Director or designee shall approve one or more financial institutions to provide securities safekeeping services for the City. All investment securities purchased by the City will be held in third-party safekeeping by the City's safekeeping agent. The City's safekeeping agent will be required to furnish the City a list of holdings on at least a monthly basis. The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking, and commercial practices.

X. COMPETITIVE TRANSACTIONS

Securities purchases and sales will be executed after obtaining at least two competitive bids or offerings whenever feasible. If the City is offered a security for which competitive offerings cannot be obtained, quotations for comparable securities will be documented.

XI. SUITABLE AND AUTHORIZED INVESTMENTS

It is the intent of the City that the following list of authorized securities be strictly interpreted. Any deviation from this list must be pre-approved by City Council. Maturity limits shall apply as of settlement date and shall be those specified in State statute except as modified herein and authorized by ordinance. Diversification requirements shall apply as of settlement date to the total portfolio excluding bond proceeds and shall be based upon market values. Credit criteria shall apply as of trade date. Credit ratings shall apply first to the security being purchased and second, if the security itself is unrated, to the issuer, provided the security contains no provisions subordinating it from being a senior debt obligation of the issuer. Investments downgraded below minimum ratings shall be reported to the Management & Finance Committee with an outline of the action taken.

Except as specifically defined in this Policy, all investments of the City shall be made in accordance with the following state and local laws: C.R.S. 11-10.5-101 et seq, Public Deposit Protection Act; C.R.S. 11-47-101 et seq, Savings and Loan Association Public Deposit Protection Act; C.R.S. 24-75-601 et seq, Funds - Legal Investments; C.R.S. 24-75-701 et seq, Investment Funds - Local government Pooling; C.R.S. Section 31-25-301 et seq, Finance-Municipal Treasurer; and Section 2-595 of the City Code, as the same are from time to time amended.

As authorized by state statute or ordinance and as limited by this policy, the following types of securities and transactions are eligible for use by the City:

A. **United States Treasury Obligations:** Treasury bills, Treasury notes, Treasury bonds, and Treasury STRIPS (Separate Trading of Registered Interest and Principal Securities) with maturities not exceeding seven years.

B. **Federal Agency and Instrumentality Securities:** Excluding mortgage pass-through securities, any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: the federal farm credit bank, the federal land bank, a federal home loan bank, the federal home loan mortgage corporation, the federal national mortgage association, the export-import bank, the Tennessee Valley Authority, the government national mortgage association, the world bank, or an entity or organization that is not listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States Congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. Subordinated debt shall not be purchased. Federal Agency and Instrumentality securities shall not exceed 75% of the City's total portfolio with no more than 25% in any one issuer and are limited to a maximum maturity of seven years.

C. **Domestic Corporate Debt and Foreign Corporate Bonds:**
The following guidelines apply to investments in domestic corporate bonds, foreign corporate bonds, commercial paper and bankers acceptances:

- Securities must be dollar denominated.
- Securities shall be subject to a valid registration statement on file with the SEC or issued under section 3(a)(2) or 3(a)(3) of the Securities Act of 1933.
- The aggregate investment shall not exceed 50% of the portfolio.
- No more than 3% may be invested in any one issuer.
- Securities must be rated by at least two Nationally Recognized Statistical Rating Organizations (NRSRO). NRSROs are limited to Moody's Investors Service, Standard & Poor's and Fitch Ratings. Securities rated below the minimum required rating, at the time of purchase, are not permitted.
- Subordinated debt shall not be purchased.

Domestic corporate bonds issued by a corporation or bank organized and operating within the United States.

- Securities rated at least A- or the equivalent may be purchased for a maximum maturity of 3 years.

Foreign corporate bonds issued in Canadian and Australian markets only, as approved by Council resolution.

- No more than 10% each may be invested in obligations of Canada or Australia, for a maximum combined exposure to foreign corporate bonds of 20%.
- Securities rated at least A- or the equivalent may be purchased for a maximum maturity of 3 years.

Commercial Paper issued by domestic corporations and rated at least A-1 or the equivalent with an original maturity of 270 days or less.

Eligible Bankers Acceptances issued by FDIC insured state or national banks and rated at least A-1 or the equivalent with an original maturity of 180 days or less.

D. Repurchase Agreements with a termination date of 180 days or less collateralized by U.S. Treasury obligations, Federal Instrumentality or Federal Agency securities with a final maturity not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the Master Repurchase Agreement as modified by the City's Master Repurchase Agreement Annex. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held by the purchaser, a third-party custodian, or the purchaser's trustee or safekeeping agent, and the market value of the collateral securities shall be marked-to-market daily. Repurchase Agreements shall be entered into only with dealers that have executed a Master Repurchase Agreement with the City and have a rating of at least BBB- or the equivalent.

E. **Reverse Repurchase Agreements** may be used in amounts up to 10% of the portfolio and maturities up to 30 days for cash management purposes. Reverse repurchase agreements for longer terms or greater amounts must be approved by resolution of City Council and shall not be used to leverage the City's investment portfolio. Reverse repurchase agreements approved by resolution of City Council to provide interim funding of capital acquisitions shall not exceed $100 million or 18 months maturity. The City considers repurchase agreements as sales and purchases of securities rather than as collateralized loans; however, securities underlying repurchase agreements are referred to as 'collateral' for the purpose of this Policy. Reverse repurchase agreements shall be entered into only with dealers that have executed a Master Repurchase Agreement with the City and have a rating of at least BBB- or the equivalent.

F. **General Obligation Bonds and Revenue Bonds** of any state of the United States, the District of Columbia, or any political subdivision, institution, department, agency, instrumentality or authority of such a governmental entity with a maximum maturity not to exceed 5 years.

- If the debt is an obligation of this state or any political subdivision of this state it must be rated at least A- or the equivalent.
- If the security is an obligation of any of other state or political subdivision of any other state it must be rated at least AA- or the equivalent, and up to 10% may be held in issues rated at least A- or the equivalent with maturities not to exceed two years.

Securities must be rated by at least two NRSROs. NRSROs are limited to Moody's Investors Service, Standard & Poor's and Fitch Ratings. Securities rated below the minimum required rating, at the time of purchase, are not permitted. The aggregate investment in municipal bonds may not exceed 30% of the City's total portfolio with no more than 3% held in the obligations of any one general obligation issuer or of any one revenue bond project.

G. **Securities of Governmental Service or Facility Providers Serving the City of Aurora or the Aurora Urban Renewal Authority:** Securities of governmental entities, including without limitation special districts organized under Article 1, Title 32, C.R.S., which entities provide facilities or services for public projects undertaken by the City or the Aurora Urban Renewal Authority, provided that:

- The aggregate amount of such investments does not exceed 5% of the City's investment portfolio.
- Exposure to any one issuer shall not exceed 5% of the City's investment portfolio.
- The combination of General Obligation and Revenue Bonds (item F) and Securities of Governmental Service or Facility Providers Serving the City of Aurora or the Aurora Urban Renewal Authority (item G) shall not exceed 30% of the investment portfolio.
- The City Manager, in consultation with City Council, certifies that the improvements or services provided by such entity benefit a public project undertaken by the City or the Aurora Urban Renewal Authority by providing street access, utility or communication service, offsite

infrastructure or other necessary amenities not being provided by the City.

H. <u>Securities of the City of Aurora and the following:</u>

- Securities of a taxing unit of the City
- Securities of a special improvement district of the City
- Certificates of participation or other securities evidencing rights in payments to be made by the City under a lease, lease-purchase agreement, or similar arrangement
- Securities of the Aurora Urban Renewal Authority

Notwithstanding anything in this Policy to the contrary, securities may be purchased pursuant to this paragraph only upon recommendation by the Finance Director, a finding by the City Manager and a resolution adopted by City Council that such purchase is:

1. financially appropriate, including liquidity considerations
2. consistent with the financial management goals of the City, including, but not limited to, managing variable rate risk; and
3. not made for the purpose of discharging such securities. Written notice of such recommendation and finding and the reasons therefore shall be provided to the City Council forthwith.

I. <u>Certificates of Deposit</u> with a maturity not exceeding five years from the date of purchase. CDs shall not exceed 25% of the portfolio. Deposits in each bank shall be limited to the lesser of one percent of the bank's assets or ten percent of its equity capital. To qualify as a depository, financial institutions must pass a credit review developed by the Finance Department, be listed as eligible depositories by the State Banking Commissioner and must collateralize these certificates of deposit in accordance with:

i. C.R.S. Section 11-10.5-101, et. seq., The "Public Deposit Protection Act of 1975"

ii. C.R.S. Section 11-47-101, et. seq., The "Savings and Loan Association Public Deposit Protection Act"

J. <u>Local Government Investment Pools</u> authorized under C.R.S. 24-75-702 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of $1.00 per share; 3) limit assets of the pool to those authorized by state statute; 4) have a rating of AAA or the equivalent by Moody's Investors Service, Standard & Poor's or Fitch Ratings. The City may invest up to 10% of its portfolio in each such pool and combined exposure to local government investment pools and money market mutual funds shall not exceed 50% of the portfolio.

K. <u>Money Market Mutual Funds</u> registered under the Investment Company Act of 1940 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of $1.00 per share; 3) limit assets of the fund to those authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAA or the equivalent by Moody's Investors Service, Standard & Poor's or Fitch Ratings. The City may invest up to 10% of its portfolio in each such fund and combined exposure to money market mutual funds and local government investment pools shall not exceed 50% of the portfolio.

XII. INTER-FUND LOANS

The City may enter into an inter-fund loan arrangement in accordance with the interfund loan policies and with prior approval of City Council. In such event, the City shall document all terms of the inter-fund loan, including maturity, par value, interest rate, and coupon payment dates. The interest rate shall be determined within the context of current market conditions.

XIII. INVESTMENT LIMITATIONS

A. Diversification

The City will seek to maintain an investment portfolio which is diversified by maturity, type of security, corporate industry and, except for US government obligations, by issuer. The following maximum percentages of the portfolio devoted to each security type and to each obligor summarize, but do not modify, the investment restrictions which appear above. Diversification guidelines for the portfolio are as follows:

Instruments:	Maximum % of Portfolio	Maximum % Per Issuer
U.S. Treasury Obligations	100%	None
Federal Agency and Instrumentality Securities	75%	25%
Foreign Corporate Bonds	20%	3%
Domestic Corporate Bonds, Foreign Corporate Bonds, Commercial Paper and Bankers Acceptances	50%	3%
Repurchase Agreements	None	None
Reverse Repurchase Agreements	None	None
General and Revenue Obligations	30%	3%
Securities of Governmental Service or Facility Providers Serving the City of Aurora or the Aurora Urban Renewal Authority	5%	5%
General and Revenue Obligations and Securities of Governmental Service or Facility Providers Serving the City of Aurora or the Aurora Urban Renewal Authority in the aggregate	30%	3%/5%
Securities of the City of Aurora	None	None
Time Certificates of Deposit	25%	None
Local Government Investment Pools	50% (with MMMFs)	10%
Money Market Mutual Funds	50% (with LGIPs)	10%

B. Maturity

Unless matched to a specific cash flow requirement or approved by City Council, the City will not invest in securities maturing more than seven years from the date of trade settlement. The weighted average final maturity of the portfolio, exclusive of flex repos maturing in more than one year and investments funded by specifically identified sources having a term greater than five years, shall not exceed three years.

C. Liquidity

To the extent possible, investments shall be matched with anticipated cash flows and known future liabilities.

XIV. PERFORMANCE BENCHMARKS

The portfolio shall seek to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints and cash flow requirements. The Finance Department shall develop and maintain appropriate portfolio performance benchmarks, which may include the 1-3 Year

Treasury Index for total return performance comparisons.

XV. INVESTMENT ADVISORY COMMITTEE

The City shall maintain an Investment Advisory Committee that consists of the Finance Director, City Treasurer, a member of the City's Internal Audit staff, a City Manager appointee, and volunteers not employed by the City who are or have been investment professionals. This Committee shall meet at least quarterly to review and advise on investment portfolio composition, strategies, performance, and the current and future investment environment. The committee may also assist in the selection and performance review of investment advisors or managers used by the City.

Committee volunteers shall be appointed for staggered three-year terms and may be reappointed. The Finance Director or designee shall solicit Committee nominees and may accept unsolicited nominees as well. The Finance Director shall recommend nominees to the Management and Finance Committee, which shall make the final selection.

XVI. INVESTMENT ADVISORS AND MANAGERS

The Finance Director may use investment advisors or managers who may be delegated non-discretionary authority to advise on or manage all or any portion of the investment portfolio. Investment advisors shall serve at the pleasure of the Finance Director. If the Finance Director decides not to use an investment advisor or manager, the Management and Finance Committee must be informed in a timely manner. Corporate and foreign securities and municipal obligations may be purchased only when an external advisor is engaged to provide credit advice on such debt.

XVII. REPORTING

The Finance Director or designee shall submit an investment report to the City Council and City Manager at least quarterly. This report shall include a list of all City investments, summary information including total face and book values of investments, weighted average maturity and yield, the benchmark's yield, realized and unrealized gain or loss, the percentage of the total face value invested in each security type compared to limits established herein, and a summary discussion of recent market conditions and investment strategy.

XVIII. POLICY UPDATES

The Management and Finance Committee of Council shall review this Policy at least every other year.

XIX. INSURANCE COVERAGE OR BONDING OF STAFF

The City shall obtain bonding or scheduled insurance coverage for staff having authority to draw upon City bank accounts, initiate wire transfers of funds, or execute investment transactions.

APPENDIX I

DEFINITIONS OF INVESTMENTS

United States Treasury Obligations - Interest-bearing, stripped, or discount debt securities issued by the U.S. government. They are direct obligations of the U.S. government with the highest degree of liquidity and are considered free from credit risk. Stripped principal or interest securities have no interest payments, so their only payment is return of face value at maturity.

Government Agency Obligations - Interest-bearing, stripped, or discount debt securities issued by agencies of the U.S. government. Most are direct obligations of the U.S. government and carry its "full faith and credit guarantee". These include GNMA, TVA, and SBA.

Government Instrumentality Obligations - Interest-bearing, stripped, or discount debt securities issued by agencies of the U.S. government which are not direct obligations of the U.S. government and do not carry its full faith and credit guarantee. However, the federal government has previously demonstrated it will support its agencies in times of stress. These include FHLB, FFCB, FNMA, FHLMC, and FAMCA.

Certificates of Deposit - Interest bearing deposits in financial institutions. Maturities range from seven days to several years. The interest rate is established at issuance and is usually paid semi-annually. Compounding terms differ at each bank.

Corporate Securities - debt securities issued by private corporations which obligate a corporate issuer to repay the face amount of the bond plus interest.

Commercial Paper - Unsecured promissory notes issued for a specific amount to mature in 270 days or less. It is issued by corporations, financial institutions and other issuers, usually sold at a discount and can be purchased directly or through dealers.

Bankers Acceptances - Short-term discount instruments used to finance the import, export or domestic shipment of goods or the storage of readily marketable staples. They are issued by U.S. and foreign banks and sold at a discount. They are secured by the issuing bank, the company shipping the goods, and the goods themselves.

Repurchase Agreements (Repos) - A transaction between a securities dealer and an investor in which a dealer sells the security to an investor with an agreement to buy the security back from the investor at a price that will result in a predetermined yield to the investor. The investor is providing the dealer short-term funds, while the dealer is providing the investor with securities as collateral. Repurchase agreements are done overnight, for a specified number of days, or as a continuing open contract.

Reverse Repurchase Agreements (mirror image of repos) - An investor holding securities in its portfolio sells them to a dealer with an agreement to buy them back at a specific time and price. Reverse repurchase agreements are done overnight, for a specified number of days, or as a continuing open contract. In a cash emergency, this transaction would provide the City with cash for the duration of the transaction and would eliminate the need to sell securities in possibly unfavorable market conditions.

Municipal General Obligations - Securities issued by state and local governments or their agencies which carry the full faith credit, and taxing power of the issuing entity securing the payment of principal and interest. These securities are backed by the issuer's resources and its ability to levy taxes.

NRSRO Nationally Recognized Statistical Rating Organization or credit rating agencies

Money Market Mutual Funds - Professionally managed portfolios of short-term money-market securities with daily liquidity which are subject to the SEC's rule 2a-7.

Local Government Investment Pools - Professionally managed funds designed to meet municipal regulations. They hold short-term money-market securities with daily liquidity.

Primary Dealer – A securities dealer authorized to trade directly with the Federal Reserve Bank of New York.