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NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Contributions and Reserves − Continued

Fair Value Measurements – The Town has the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2024:

		Fair Value Hierarchy		
Investment	Fair Value	Level 1	Level 2	Level 3
Fixed income securities:				
U.S. government and agency securities	$ 6,924,343	$ -	$ 6,924,343	$ -
Corporate Bonds	4,475,433	-	4,475,433	-
Mutual Fund	213,060	213,060	-	-
Total fixed income securities	11,612,836	213,060	11,399,776	-
Equity investments:				
Common stock - domestic	13,097,639	13,005,892	-	91,747
Common stock - foreign	7,232,454	7,232,454	-	-
Real estate investment trusts	89,566	89,566	-	-
Call options	(30,984)	(30,984)	-	-
Mutual/hedge funds	14,907,207	11,622,840	-	3,284,367
Total equity investments	35,295,882	31,919,768	-	3,376,114
Money market funds	1,505,813	105	1,505,708	-
Total investments at fair value level	$48,414,531	$32,132,933	$12,905,484	$ 3,376,114

Fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 of the fair value hierarchy are valued using significant unobservable inputs (including the Fund's own assumptions in determining the fair value of the investments).

Deferred Retirement Option Program (DROP) − The Consolidated Retirement System no longer provides a DROP feature after February 1, 2014, for Police members; or after September 30, 2013, for Firefighter and General Employee members.

Net Pension Liability of the Town

The Town's net pension liability for the plan was measured as of September 30, 2023. The components of the net pension liability of the Town at September 30, 2024 were as follows:

	General Employees	Police Officers	Firefighters	Total
Total pension liability	$ 14,169,960	$ 11,958,756	$ 33,421,817	$ 59,550,533
Plan fiduciary net position	(11,426,456)	(8,105,004)	(22,580,059)	(42,111,519)
Town's net pension liability	$ 2,743,504	$ 3,853,752	$ 10,841,758	$ 17,439,014
Plan fiduciary net position as a percentage of net pension liability	80.64%	67.77%	67.56%	70.72%