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NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Fair value hierarchy - GASB Statement No. 72, Fair Value Measurement and Application, establishes a hierarchy disclosure framework which prioritizes and ranks the level of market price observability used in measuring investment at fair value. Various inputs are used in determining the fair value of investments. These inputs are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

- Level 1 - inputs are quoted prices (unadjusted) in active markets for identical investments that the Plan has the ability to access at the measurement date.
- Level 2 - inputs are inputs other than quoted prices included with Level 1 that are observable for the investments, either directly or indirectly. (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices).
- Level 3 - inputs are unobservable inputs for the investments. (e.g., information about assumptions, including risk, market participants would use in pricing a security).

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The Town categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. Investments are recorded at fair value, and primarily uses the market approach to valuing each security. Security pricing is provided by a third-party, and is reported daily to the Plan of the Town by its custodians.

Investments – Pension Plan (Continued)

Fair values of investments held by the Town's Fiduciary Investment Funds are classified at September 30, 2024 as follows:

		Fair Value Measurements Using		
	9/30/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. government obligations	$ 2,512,285	$ -	$ 2,512,285	$ -
Corporate bonds	1,615,360	-	1,615,360	-
Total debt securities	4,127,645	-	4,127,645	-
Equity securities:				
Common stock	10,284,514	10,284,514	-	-
Alternate investments	43,900	-	-	43,900
Mutual fund equities	860,099	860,099	-	-
Total equity securities	11,188,513	11,144,613	-	43,900
Total investments at fair value	15,316,158			
Investment Measured at Net Asset Value (NAV)*				
Core real estate fund	1,081,297			
Total investments	$ 16,397,455			