

Audited Financial Statements

Midland Area Community Foundation

*Years ended December 31, 2014 and 2013
with Report of Independent Auditors*



Midland Area Community Foundation

Audited Financial Statements

Years ended December 31, 2014 and 2013

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Report of Independent Auditors

Board of Trustees
Midland Area Community Foundation
Midland, Michigan

We have audited the accompanying financial statements of the Midland Area Community Foundation, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Midland Area Community Foundation as of December 31, 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Midland Area Community Foundation's 2013 financial statements, and our report dated April 17, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Andrews Hooper Pavlik PLC

Midland, Michigan
April 21, 2015

Midland Area Community Foundation

Statements of Financial Position

	December 31	
	2014	2013
Assets		
Cash and cash equivalents	\$ 2,340,305	\$ 3,532,020
Investments	83,812,096	80,700,286
Prepaid expenses and other assets	27,523	-
Parks and improvements	668,647	668,647
Office facility and equipment, net	647,326	683,227
Total assets	<u>\$ 87,495,897</u>	<u>\$ 85,584,180</u>
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 38,554	\$ 41,709
Grants payable	160,150	204,354
Restricted organizational funds	1,887,711	1,786,745
Total liabilities	<u>2,086,415</u>	<u>2,032,808</u>
Net assets:		
Unrestricted	83,162,305	81,273,593
Temporarily restricted	1,247,177	1,277,779
Permanently restricted	1,000,000	1,000,000
Total net assets	<u>85,409,482</u>	<u>83,551,372</u>
Total liabilities and net assets	<u>\$ 87,495,897</u>	<u>\$ 85,584,180</u>

See accompanying notes.

Midland Area Community Foundation

Statements of Activities

	Year ended December 31, 2014				Year ended December 31, 2013
	Unrestricted	Temporarily	Permanently	Total	Comparative Totals
		Restricted	Restricted		
Public support, revenue, and gains					
Contributions	\$ 5,524,025	\$ 5,130	\$ -	\$ 5,529,155	\$ 3,985,074
Investment income	2,571,149	74,295	-	2,645,444	12,943,834
Miscellaneous	81,487	-	-	81,487	178,682
Net assets released from restrictions	110,027	(110,027)	-	-	-
Total public support, revenue, and gains	<u>8,286,688</u>	<u>(30,602)</u>	<u>-</u>	<u>8,256,086</u>	<u>17,107,590</u>
Expenses					
Program services:					
Grant awards	3,775,730	-	-	3,775,730	3,894,828
Other program expenses	1,984,520	-	-	1,984,520	834,386
Support services:					
Management and general	472,194	-	-	472,194	393,900
Fundraising	165,532	-	-	165,532	131,558
Total expenses	<u>6,397,976</u>	<u>-</u>	<u>-</u>	<u>6,397,976</u>	<u>5,254,672</u>
Change in net assets	1,888,712	(30,602)	-	1,858,110	11,852,918
Net assets at beginning of year	81,273,593	1,277,779	1,000,000	83,551,372	71,698,454
Net assets at end of year	<u>\$ 83,162,305</u>	<u>\$ 1,247,177</u>	<u>\$ 1,000,000</u>	<u>\$ 85,409,482</u>	<u>\$ 83,551,372</u>

See accompanying notes.

Midland Area Community Foundation

Statements of Cash Flows

	Year ended December 31	
	2014	2013
Operating activities		
Change in net assets	\$ 1,858,110	\$ 11,852,918
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	46,727	44,131
Net appreciation in fair value of investments	(1,107,035)	(11,661,860)
Change in operating assets and liabilities:		
Pledges receivable	-	2,000
Prepaid expenses and other assets	(27,523)	-
Accounts payable	(3,155)	10,653
Grants payable	(44,204)	73,279
Restricted organizational funds	100,966	256,294
Net cash provided by operating activities	<u>823,886</u>	577,415
Investing activities		
Purchases of property and equipment	(10,826)	(33,625)
Proceeds from sale of investments	20,143,627	31,365,065
Purchases of investments	(22,148,402)	(31,228,333)
Net cash provided by (used in) investing activities	<u>(2,015,601)</u>	103,107
Net increase (decrease) in cash and cash equivalents	(1,191,715)	680,522
Cash and cash equivalents at beginning of year	3,532,020	2,851,498
Cash and cash equivalents at end of year	<u>\$ 2,340,305</u>	<u>\$ 3,532,020</u>

See accompanying notes.

Midland Area Community Foundation

Notes to Financial Statements

December 31, 2014

1. Nature of Organization, Risks, and Uncertainties

Midland Area Community Foundation (Foundation) is organized as a not-for-profit community foundation for the purpose of promoting and enabling community-wide philanthropic giving to enrich and improve the lives of residents throughout the Michigan counties of Midland, Clare and Gladwin. In fulfilling this mission, the Foundation receives and administers gifts and bequests that are used to meet various needs.

The Foundation receives most of its contributions from numerous individuals, public and private foundations, and businesses located in Midland County. Contributions from a small number of large dollar amount donors may represent a material portion of total contribution revenue. The composition of large dollar amount donors changes each year. During the year ended December 31, 2014, contributions from the Foundation's large dollar donors represented approximately 64.82% of contribution revenue. During the year ended December 31, 2013, contributions from the Foundation's large dollar donors represented approximately 59.21% of contribution revenue.

The Foundation is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (Code). The Foundation has been classified as a publicly supported charitable organization under Section 509(a)(1) of the Code and contributions to it are tax deductible by donors within the limitations prescribed by the Code.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets, including endowment funds, are classified and reported based on the existence or absence of donor imposed restrictions. The bylaws of the Foundation include a variance provision that allows the Board of Trustees (Board) of the Foundation to vary the use of substantially all contributions received.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Midland Area Community Foundation

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various methods including market, income, and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.
- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Foundation performs a detailed analysis of the assets and liabilities that are subject to the fair value standard. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. The Foundation had no investment securities classified as level 3 as of December 31, 2014 and 2013. The Foundation had no assets classified as level 3 as of December 31, 2014 and 2013. For the years ended December 31, 2014 and 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Midland Area Community Foundation
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits held in bank demand deposit accounts and money market funds. Bank demand deposits are held by high-credit-quality financial institutions. Although such cash balances exceeded the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk. Money market funds are not federally insured. Management believes these funds are subject to minimal risk since a significant portion of securities held by money market funds consist of insured AAA rated bonds and United States Treasury bonds or notes.

Investments

The Foundation reports investments in marketable securities at their fair values in the statements of financial position. Unrealized gains and losses are included in investment income or losses in the accompanying statements of activities.

The Foundation's investment portfolio consists of long-term certificates of deposit and mutual funds including bond and equity funds. These mutual funds invest in and hold investment securities that are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

Cash Surrender Value of Life Insurance

The Foundation is the owner of certain life insurance policies on various donors who have named the Foundation as the beneficiary. These policies are valued at their cash surrender value.

Parks and Improvements

Parks and improvements consist of the Overlook Park and related improvements recorded at estimated fair value at the date of donation plus any improvements.

Office Facility and Equipment and Depreciation

The office facility and equipment are stated at cost, if purchased or at the estimated fair value at date of donation. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Depreciation is computed on the straight-line method and is based on expected useful lives ranging from 3 to 39 years.

Midland Area Community Foundation
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Restricted Organizational Funds

Restricted organizational funds are recorded as liabilities and consist of amounts received from other not-for-profit organizations that specify the donor organization or a related organization as the beneficiary. Investment earnings or losses allocated to the funds and distributions paid to the beneficiary organization are recorded as increases and decreases, respectively, to the liability. Distributions from restricted organizational funds are subject to the current spending policies of the Foundation.

Net Asset Classifications

The Foundation classifies as permanently restricted net assets a) the original value of the gifts and grants to permanent endowments, b) the original value of subsequent gifts to the permanent endowments, and c) accumulations to the permanent endowments in accordance with the applicable donor or grantor gift instrument. The remaining portion of endowment fund investments that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure for the intended purpose or, when unrestricted, reported as unrestricted and designated by management for specific purposes.

Temporarily restricted net assets consist of pledges receivable because of the inherent time restrictions on the use of the funds and the remaining portion of donor restricted endowment funds that are not classified as permanently restricted. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

The Board, on advice of legal counsel, has determined that the majority of the Foundation's net assets do not meet the definition of an endowment under the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation is governed subject to the Governing Documents for the Foundation and most contributions are subject to the terms of the Governing Documents and the related Fund or Gift Agreements. Certain contributions are received subject to other gift or grant instruments, or are subject to specific agreements with the Foundation, and may be recorded as permanently restricted, temporarily restricted, or unrestricted, depending on the specific terms of the agreements.

Midland Area Community Foundation

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Net Asset Classifications (continued)

Under the terms of the Governing Documents and the Fund or Gift Agreements, the Board has the ability to modify any restrictions or condition on the distribution of funds that becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area of service. The Board also has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions not classified as temporarily restricted or permanently restricted are classified as unrestricted net assets for financial statement purposes.

Contributions

Generally, contributions, including unconditional pledges to give, are recorded at fair value when received. Contributions of services, fixed assets, and other non-monetary contributions are recorded at the donor's estimated fair value. All current contributions are considered unrestricted.

Functional Classification of Expenses

The Foundation reports its expenses on the statements of activities in functional classifications based on direct identification, time studies and floor space. Each category is defined as follows:

Program Services

Program services expenses include grant awards and other significant program expenses. They also include in-kind and other expenses incurred by such programs as the Santa House, Riverdays, Midland County Youth Action Council, Midland County Violence Prevention Partnership, Whiting Overlook Park, Cultural Awareness Committee, Access to Recreation, Entranceways Initiative, Senior Christmas Dinners, Midland County Career and College Access Network, Give Local Midland and Scholarships.

Management and General

Management and general expenses include those expenses associated with the management of the Foundation.

Fundraising

Fundraising expenses include those expenses associated with promoting and raising funds for the Foundation.

Midland Area Community Foundation
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Grant Awards

Grants are recorded as expenses when approved by the Foundation's Board. Grant awards are presented on the financial statements net of grant refunds.

Comparative Financial Information

The statements of activities include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events through April 21, 2015, which is the date the financial statements were available to be issued.

3. Investments

The following summarizes the cost basis and market value (carrying value) of investments.

	December 31, 2014		December 31, 2013	
	Cost	Market	Cost	Market
Fixed income mutual funds	\$16,247,720	\$17,037,198	\$15,406,259	\$16,147,125
Equity mutual funds	38,014,611	50,446,156	35,573,897	50,146,441
Hedge funds	12,030,000	13,182,905	10,500,000	11,121,401
Real asset funds	3,667,480	3,145,837	3,267,661	3,285,319
	<u>\$69,959,811</u>	<u>\$83,812,096</u>	<u>\$64,747,817</u>	<u>\$80,700,286</u>

Midland Area Community Foundation
Notes to Financial Statements (continued)

3. Investments (continued)

Investment income (losses) for the years ended December 31, consisted of the following:

	2014	2013
Interest, dividends, and distributions	\$ 1,603,105	\$ 1,576,378
Net appreciation in fair value	1,099,606	11,661,860
Net investment income	2,702,711	13,238,238
Amounts allocated to restricted organizational funds	(57,267)	(294,404)
	\$ 2,645,444	\$ 12,943,834

The Foundation paid bank fees of \$12,092 in 2014 and \$6,598 in 2013. The Foundation paid investment management fees of \$104,699 in 2014 and \$78,844 in 2013.

4. Office Facility and Equipment

Office facility and equipment as of December 31, 2014 and 2013 consisted of the following:

	2014	2013
Land	\$ 65,000	\$ 65,000
Building and improvements	723,717	722,493
Office furniture and fixtures	111,306	111,306
Office equipment	42,141	42,141
Computer software	49,704	40,104
Total cost	991,868	981,044
Accumulated depreciation	(344,542)	(297,817)
Office facility and equipment, net	\$ 647,326	\$ 683,227

5. Endowments

Endowment Funds

The Foundation's endowment funds consist of 414 individual funds established for a variety of purposes. The endowment funds consist of both donor restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with the endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Midland Area Community Foundation

Notes to Financial Statements (continued)

5. Endowments (continued)

Interpretation of Relevant Law

The Foundation has interpreted UPMIFA as requiring preservation of the fair value of the original gift, as of the gift date, of donor restricted endowment funds absent explicit donor stipulations to the contrary. The Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds and board designated endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the Foundation and the donor restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation or depreciation of investments.
- (6) Other resources of the Foundation.
- (7) The investment policies of the Foundation.

Endowment Funds and Changes Therein

The Foundation's endowment net asset composition as of December 31, 2014 was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ -	\$ 1,247,177	\$ 1,000,000	\$ 2,247,177
Board designated endowment funds	72,693,278	-	-	72,693,278
	\$72,693,278	\$ 1,247,177	\$ 1,000,000	\$74,940,455

Changes in board designated and donor restricted endowment funds during the year ended December 31, 2014 follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, December 31, 2013	\$70,086,469	\$ 1,277,779	\$ 1,000,000	\$72,364,248
Investment income:				
Interest and dividends	1,433,662	43,056	-	1,476,718
Net appreciation of investments	976,043	31,239	-	1,007,282
Net investment income	2,409,705	74,295	-	2,484,000
Contributions	5,345,906	5,130	-	5,351,036
Grants appropriated	(2,834,492)	(59,418)	-	(2,893,910)
Fees and expenses	(2,314,310)	(50,609)	-	(2,364,919)
Balance, December 31, 2014	\$72,693,278	\$ 1,247,177	\$ 1,000,000	\$74,940,455

Midland Area Community Foundation

Notes to Financial Statements (continued)

5. Endowments (continued)

Endowment Funds and Changes Therein (continued)

The Foundation's endowment net asset composition as of December 31, 2013 was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ -	\$ 1,277,779	\$ 1,000,000	\$ 2,277,779
Board designated endowment funds	70,086,469	-	-	70,086,469
	<u>\$70,086,469</u>	<u>\$ 1,277,779</u>	<u>\$ 1,000,000</u>	<u>\$72,364,248</u>

Changes in board designated and donor restricted endowment funds during the year ended December 31, 2013 follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, December 31, 2012	\$59,124,488	\$ 1,002,083	\$ 1,000,000	\$61,126,571
Investment income:				
Interest and dividends	1,322,905	45,811	-	1,368,716
Net appreciation of investments	9,983,973	332,793	-	10,316,766
Net investment income	11,306,878	378,604	-	11,685,482
Contributions	3,731,468	7,285	-	3,738,753
Grants appropriated	(2,281,737)	(53,850)	-	(2,335,587)
Fees and expenses	(1,794,628)	(56,343)	-	(1,850,971)
Balance, December 31, 2013	<u>\$70,086,469</u>	<u>\$ 1,277,779</u>	<u>\$ 1,000,000</u>	<u>\$72,364,248</u>

Funds with Deficiencies

From time to time, the fair value of investment assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. The fair value of the Foundation's investment assets at December 31, 2014 and 2013, associated with the endowment portion of its funds exceeded the level required by the donor or UPMIFA to be retained as a fund of perpetual duration.

Midland Area Community Foundation

Notes to Financial Statements (continued)

5. Endowments (continued)

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for its investment portfolio that attempt to provide a predictable stream of funding to programs supported by the investment portfolio while seeking to maintain the purchasing power of the endowment investments. Endowment assets include those assets of donor restricted funds that the Foundation must hold in perpetuity or for a donor specified period and board designated funds. As approved by the Foundation's Investment Committee, the investments are invested in a manner that is intended to achieve a target rate of return that exceeds the consumer price index by at least 5.50% on a net-of-fees basis over a five-year rolling average. The portfolio is also expected to outperform a weighted benchmark index without exceeding a standard deviation of 1.2 times the weighted benchmark index on a total return basis over the full market cycle. The benchmark index is comprised of each asset class index weighted by its target allocation. Actual returns in any given year may vary from target amounts.

Strategies Employed for Achieving Objectives

The Foundation's investment portfolio is expected to endure into perpetuity. The Foundation invests a significant portion of assets in equity or equity-like securities to meet performance objectives. Management believes the long-term risk of not investing in growth securities outweighs the short-term volatility risk of such securities. As a result, fixed income securities will be used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Cash is not viewed as a strategic asset of the portfolio, but instead is used to meet short-term liquidity needs. Other asset classes are included to provide diversification (e.g., international equities) and incremental return (e.g., small cap equities).

6. Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's spending policy annually calculates the amount of money available for distribution from the various endowed funds for grant making and administration. The maximum spending policy is to distribute 5.00% of the average fair value over the prior 20 quarters determined as of September 30 of the year preceding the planned distributions. If the market value of an endowment fund on September 30 exceeds the fund's historic dollar value, then the maximum allowable spending from that endowment fund shall be 5.00% of the previous 20 quarter moving average of the fund's market value. If the market value of an endowment fund on September 30 is less than the fund's historic dollar value, then the maximum allowable spending from that endowment fund shall be the lesser of 1) 5.00% of the previous 20 quarter moving average of the fund's market value, or 2) the ordinary income earned on that fund during the previous four calendar quarters. Accordingly, over the long term, the Foundation expects current spending policy to allow its endowment assets to grow at an average rate of 3.00% annually. This is consistent with the Foundation's objectives to maintain the purchasing power of the endowment assets and to provide additional real growth through new gifts and investment return.

Midland Area Community Foundation

Notes to Financial Statements (continued)

7. Fair Value Measurements

Fair value measurements for assets carried at fair value on a recurring basis as of December 31, 2014 and 2013 were as follows:

December 31, 2014				
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 652,030	\$ 652,030	\$ -	\$ -
Investment securities	83,812,096	70,629,191	13,182,905	-
	\$ 84,464,126	\$ 71,281,221	\$ 13,182,905	\$ -

December 31, 2013				
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 1,067,403	\$ 1,067,403	\$ -	\$ -
Investment securities	80,700,286	70,574,043	10,126,243	-
	\$ 81,767,689	\$ 71,641,446	\$ 10,126,243	\$ -