

**COMMUNITY FOUNDATION
OF SOUTHERN WISCONSIN, INC.**

FINANCIAL STATEMENTS

June 30, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Foundation of Southern Wisconsin, Inc.
Janesville, Wisconsin

We have audited the accompanying financial statements of Community Foundation of Southern Wisconsin, Inc., which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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 Community Foundation of Southern Wisconsin, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads 'Wegner CPAs LLP'.

Wegner CPAs, LLP
Janesville, Wisconsin
October 2, 2015

Janesville Office:
101 E. Milwaukee Street
Suite 425
Janesville, WI 53545
P: (608) 756-4020

Baraboo Office:
123 Second Street
P.O. Box 150
Baraboo, WI 53913
P: (608) 356-3966
F: (608) 356-2966

Pewaukee Office:
W239 N3490 Pewaukee Road
Suite 200
Pewaukee, WI 53072
P: (262) 522-7555
F: (262) 522-7550

Madison Office:
2110 Luann Lane
Madison, WI 53713
P: (608) 274-4020
F: (608) 274-0775

www.wegnercpas.com
info@wegnercpas.com
(888) 204-7665

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	\$ 267,969	\$ 105,791
Restricted asset - certificate of deposit	5,055	4,400
Investments	43,388,379	42,334,603
Beneficial interest in remainder trusts	24,205	33,965
Accounts receivable	-	2,204
Pledges receivable	424,941	301,770
Other assets	12,539	8,834
Equipment - net	811	4,953
Total assets	\$ 44,123,899	\$ 42,796,520
LIABILITIES		
Accounts payable	\$ 4,743	\$ 3,497
Accrued payroll and employee benefits	15,583	21,342
Grants and scholarships payable	1,579,137	1,383,092
Liability to life beneficiary	1,998	1,601
Discount for future interest	72,422	81,475
Unearned revenue	11,223	12,418
Funds held for benefit of others	2,901,291	2,765,787
Total liabilities	4,586,397	4,269,212
NET ASSETS		
Undesignated	9,125,650	8,840,110
Field of interest	2,213,740	2,229,627
Donor advised	5,280,989	5,348,744
Donor designated	22,311,165	21,622,851
Total unrestricted	38,931,544	38,041,332
Temporarily restricted	605,958	485,976
Total net assets	39,537,502	38,527,308
Total liabilities and net assets	\$ 44,123,899	\$ 42,796,520

See accompanying notes.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions	\$ 2,165,873	\$ 266,927	\$ 2,432,800	\$ 4,251,738	\$ 88,910	\$ 4,340,648
Grants from foundations	294,621	-	294,621	397,150	-	397,150
Special events	167,787	-	167,787	170,503	-	170,503
Program fees	530,506	-	530,506	442,551	-	442,551
Interest income	47,324	-	47,324	70,828	-	70,828
Dividend income	737,300	-	737,300	584,416	-	584,416
Realized gain (loss) on investments	2,069,221	-	2,069,221	1,920,929	-	1,920,929
Unrealized gain on investments	(1,678,448)	-	(1,678,448)	1,833,343	-	1,833,343
Beneficial interest in remainder trusts	-	(9,760)	(9,760)	661,172	9,824	670,996
Total support and revenue	4,334,184	257,167	4,591,351	10,332,630	98,734	10,431,364
EXPENSES						
Program services	3,161,277	-	3,161,277	2,714,267	-	2,714,267
Management and general	327,966	-	327,966	316,407	-	316,407
Fundraising	91,914	-	91,914	90,264	-	90,264
Total expenses	3,581,157	-	3,581,157	3,120,938	-	3,120,938
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of time restrictions	137,185	(137,185)	-	2,679,565	(2,679,565)	-
Change in net assets	890,212	119,982	1,010,194	9,891,257	(2,580,831)	7,310,426
Net assets - beginning of the year	38,041,332	485,976	38,527,308	28,150,075	3,066,807	31,216,882
Net assets - end of the year	\$38,931,544	\$ 605,958	\$39,537,502	\$38,041,332	\$ 485,976	\$38,527,308

See accompanying notes.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years ended June 30, 2015 and 2014

2015	Program Services	Management and General	Fundraising	Total
Conference	\$ -	\$ 4,727	\$ -	\$ 4,727
Depreciation and amortization	-	4,142	-	4,142
Donor/fund expense	662,407	-	-	662,407
Organizational dues	-	1,170	-	1,170
Employee benefits	4,539	13,658	4,769	22,966
Technology costs	-	40,445	-	40,445
Executive salary	18,934	37,044	26,342	82,320
Fees	-	2,657	-	2,657
Grants to organizations	1,706,951	-	-	1,706,951
Insurance	-	4,579	-	4,579
Meeting	-	5,004	-	5,004
Occupancy	1,540	39,461	3,030	44,031
Salaries and wages	62,208	120,674	37,759	220,641
Office supplies	-	2,422	2,439	4,861
Payroll taxes	6,317	11,949	5,210	23,476
Postage and printing	1,046	10,739	6,168	17,953
Professional fees	-	16,901	-	16,901
Scholarships/tuition	690,635	-	-	690,635
Telephone	1,460	3,136	811	5,407
Travel	3,423	2,882	2,702	9,007
Workers' compensation	-	1,404	-	1,404
Other expenses	1,817	4,972	2,684	9,473
Total expenses	\$ 3,161,277	\$ 327,966	\$ 91,914	\$ 3,581,157

2014	Program Services	Management and General	Fundraising	Total
Conference	\$ -	\$ 1,095	\$ -	\$ 1,095
Depreciation and amortization	-	4,142	-	4,142
Donor/fund expense	550,021	-	-	550,021
Organizational dues	-	1,088	-	1,088
Employee benefits	4,150	11,397	4,607	20,154
Technology costs	-	32,180	-	32,180
Executive salary	20,930	40,950	29,120	91,000
Fees	-	2,625	-	2,625
Grants to organizations	1,405,248	-	-	1,405,248
Insurance	-	4,205	-	4,205
Meeting	-	7,340	-	7,340
Occupancy	1,540	41,056	3,030	45,626
Salaries and wages	59,047	113,922	35,228	208,197
Office supplies	-	3,236	619	3,855
Payroll taxes	6,074	11,236	4,862	22,172
Postage and printing	1,310	9,701	6,717	17,728
Professional fees	-	12,439	-	12,439
Scholarships/tuition	660,152	-	-	660,152
Telephone	1,390	2,986	772	5,148
Travel	3,062	2,579	2,418	8,059
Workers' compensation	-	1,258	-	1,258
Other expenses	1,343	12,972	2,891	17,206
Total expenses	\$ 2,714,267	\$ 316,407	\$ 90,264	\$ 3,120,938

See accompanying notes.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,010,194	\$ 7,310,426
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	4,142	4,142
Unrealized (gain) loss on investments	1,678,448	(1,833,343)
Realized gain on investments	(2,069,221)	(1,920,929)
Change in beneficial interest in remainder trusts	9,760	(670,996)
Donated stock	(202,446)	(243,604)
Amortization of discount on pledges receivable	(720)	(2,935)
Change in assets and liabilities		
Restricted asset - certificate of deposit	(655)	-
Accounts receivable	2,204	(2,204)
Pledges receivable	(122,451)	28,343
Other assets	(3,705)	1,488
Accounts payable	1,246	391
Accrued payroll and employee benefits	(5,759)	6,567
Grants and scholarships payable	196,045	5,286
Liability to life beneficiary	397	(6,269)
Discount for future interest	(9,053)	-
Unearned revenue	(1,195)	(1,477)
Net cash flows from operating activities	487,231	2,674,886
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	21,924,267	22,570,729
Purchases of investments	(22,384,824)	(28,635,396)
Distribution of beneficial interest in remainder trust	-	3,136,417
Net cash flows from investing activities	(460,557)	(2,928,250)
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds held for benefit of others	135,504	261,432
Change in cash	162,178	8,068
Cash - beginning of the year	105,791	97,723
Cash - end of the year	\$ 267,969	\$ 105,791
SUPPLEMENTAL DISCLOSURES		
Noncash investing and financing transactions		
Donated stock	\$ 202,446	\$ 243,604

See accompanying notes.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Community Foundation of Southern Wisconsin, Inc. (Foundation) is a tax-exempt, not-for-profit, autonomous, publicly supported, philanthropic institution comprised primarily of funds donated by many separate donors for the long-term benefit of the residents of Crawford, Green, Iowa, Lafayette, Grant, Rock, Sauk, Vernon, and Walworth Counties of Wisconsin.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

Permanently restricted net assets—Net assets that have been restricted by donors to be maintained by the Foundation in perpetuity.

Pledges Receivable

When pledges are received, they are recorded as an asset and as temporarily restricted income due to the restriction of receipt in the future. Upon receipt of funds in fulfillment of the pledge, net assets are released from temporarily restricted to unrestricted. No allowance for doubtful pledges is considered necessary.

Investments

Investments are carried at fair value as quoted on major stock exchanges. Investments with limited marketability are recorded at their estimated realizable value. The Foundation records donated securities at their fair value at the date of donation. Realized and unrealized investment gains or losses are determined by comparison of specific costs of acquisition to net proceeds received at the time of disposal or changes in the difference between fair value and cost.

Equipment, Depreciation, and Amortization

Equipment and software are stated at cost when acquired. Equipment acquired by gift is carried at the fair value at the date of contribution. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated assets are placed in service. Major expenditures for equipment and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income where appropriate.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Funds Held for Benefit of Others

The Foundation records the receipt of an asset from a resource provider for the benefit of the resource provider or its affiliate as a liability and not a contribution. The Foundation has variance power over the assets, but due to the reciprocal nature of the transaction, the receipt is recorded as a liability called funds held for others in the statement of financial position.

Grants

Unconditional grants are recorded as expense when approved by the Foundation's Board of Directors. Grants which are subject to conditions are recorded when the conditions have been substantially met.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Expense Allocations

The costs of providing programs and activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Date of Management's Review

Management has evaluated subsequent events through October 2, 2015, the date which the financial statements were available to be issued.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 2 – PLEDGES RECEIVABLE

Pledges receivable consist of following at June 30, 2015 and 2014:

	2015	2014
Pledges receivable	\$ 429,922	\$ 307,471
Less discount	(4,981)	(5,701)
Pledges receivable - net	\$ 424,941	\$ 301,770

Pledges receivable are reflected at present value of estimated future cash flows using a discount rate of 2%. Pledges to be received are as follows for the years ending June 30:

2016	\$ 266,002
2017	94,349
2018	40,439
2019	22,877
2020	1,274
Pledges receivable	\$ 424,941

NOTE 3 – RESTRICTED ASSET – CERTIFICATE OF DEPOSIT

The Foundation has elected to use the reimbursement method for financing possible state of Wisconsin unemployment benefit cost. Under this method, the Foundation reimburses the state for benefits paid on its behalf. In addition, the Foundation is responsible for maintaining an assurance of reimbursement account equal to 4% of defined payroll. A certificate of deposit has been established in the assurance amount. As of June 30, 2015 and 2014, the balance in the assurance account was \$5,055 and \$4,400. At this time however, no estimate can be made of any possible future liability. In the event the Foundation revokes its election to use the reimbursement method of financing possible state of Wisconsin unemployment benefit costs, it would have a right to the balance in the assurance account two years after the year of revocation.

NOTE 4 – SPLIT-INTEREST AGREEMENTS

The Foundation is the beneficiary of three split-interest agreement. Two agreements are charitable remainder trusts in which the Foundation recorded contributions equal to the present value of the contribution based on the donors' life expectancies. The amounts are shown as beneficial interest in remainder trusts in the statements of financial position. The Foundation annually evaluates the expected trust income return (6% at June 30, 2015 and 2014) and the discount rate of future payments (3.25% at June 30, 2015 and 2014) and other assumptions for measuring the beneficial interest.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 4 – SPLIT-INTEREST AGREEMENTS (continued)

The final agreement is a pooled-income fund in which the Foundation recorded a contribution for the present value of the contribution based on the donor's life expectancy. In addition, the Foundation has recorded a discount for future interests that will be amortized over the life of the donor and a liability to life beneficiary account to reflect earnings on the fund that will be paid to the beneficiary in future periods.

NOTE 5 – EQUIPMENT

Equipment consisted of the following at June 30, 2015 and 2014:

	<u>Useful Lives</u>	<u>2015</u>	<u>2014</u>
Office equipment and software	5- 7 years	\$ 49,379	\$ 49,509
Leasehold improvements	7 years	1,431	1,431
Less accumulated depreciation and amortization		<u>(49,999)</u>	<u>(45,987)</u>
Equipment - net		<u>\$ 811</u>	<u>\$ 4,953</u>

NOTE 6 – INVESTMENTS

Investments consisted of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Money market funds	\$ 2,557,911	\$ 3,134,367
Marketable equity funds	22,367,751	17,510,534
Marketable bond funds	12,352,571	11,517,356
Marketable equity securities	4,085,316	7,645,155
Marketable debt securities	<u>2,024,830</u>	<u>2,527,191</u>
Investments	<u>\$ 43,388,379</u>	<u>\$ 42,334,603</u>

NOTE 7 – GRANTS AND SCHOLARSHIPS PAYABLE

Grants and scholarships payable are to be paid as follows during the years ending June 30:

2016	\$ 1,112,987
2017	227,250
2018	139,200
2019	<u>99,700</u>
Grants and scholarships payable	<u>\$ 1,579,137</u>

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of pledges receivable of \$424,941 and \$301,770, beneficial interest in remainder trusts of \$24,205 and \$33,965, pooled-income funds of \$123,492 and \$117,511, and other investment funds of \$33,319 and \$32,730 at June 30, 2015 and 2014, which are restricted due to receipt in a future period.

NOTE 9 – FUNDS HELD FOR BENEFIT OF OTHERS

The Foundation has adopted accounting standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. Accounting standards specifically require that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency endowments.

The Foundation maintains variance power and legal ownership of agency endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with accounting standards, a liability has been established for the present value of the future payments expected to be made to the not-for-profit organizations, which is generally equivalent to the fair value of the funds.

At June 30, 2015 and 2014, the Foundation was the owner of 45 and 48 agency endowment funds with a combined fair value of \$2,901,291 and \$2,765,787. All financial activity for the years then ended related to these funds is segregated in the statements of activities and has been classified as a liability in the statements of financial position.

NOTE 10 – CONCENTRATION OF CREDIT RISK

At June 30, 2015 and 2014, the carrying amount (book balance) of the Foundation's cash was \$267,969 and \$105,791 and the financial institutions' balance (bank statements) was \$281,777 and \$118,122, which is fully covered by FDIC insurance. The financial institution also had a balance of \$1,707,078 and \$1,323,125 deposited in a money market account backed by government securities as of June 30, 2015 and 2014. This account is not covered by FDIC insurance. This amount is included in the Foundation's investments.

Financial instruments that potentially subject the Foundation to credit risk consist of cash, accounts receivable, investments, and pledges receivable.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 11 – LEASE COMMITMENT

The Foundation leases office space that requires monthly payments of \$2,582 under a five year operating lease that expires August 2020. Minimum future rent payments are as follows for the years ending June 30:

2016	\$ 25,823
2017	30,987
2018	30,987
2019	30,987
2020	30,987
Thereafter	<u>5,165</u>
	<u>\$ 154,935</u>

Lease expense for the years ended June 30, 2015 and 2014 was \$30,987.

NOTE 12 – PENSION PLAN

The Foundation sponsors a defined contribution pension plan covering employees with three years of service. Contributions are 6% of each covered employee's salary. Contributions to the plan were \$9,179 and \$12,489 for the years ended June 30, 2015 and 2014.

NOTE 13 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value is the 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 valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible the Foundation attempts to utilize valuation methods that maximize the use of observable inputs and minimizes the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods 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 value. Assets and liabilities measured, reported, and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 13 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair values of assets measured on a recurring basis at June 30, 2015 are as follows:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 2,557,911	\$ -	\$ 2,557,911	\$ -
Marketable equity funds	22,367,751	22,367,751	-	-
Marketable bond funds	12,352,571	12,352,571	-	-
Marketable equity securities	4,085,316	4,085,316	-	-
Marketable debt securities	2,024,830	-	2,024,830	-
Total investments	\$ 43,388,379	\$ 38,805,638	\$ 4,582,741	\$ -
Beneficial interest in remainder trusts	\$ 24,205	\$ -	\$ -	\$ 24,205

Fair values of assets measured on a recurring basis at June 30, 2014 are as follows:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 3,134,367	\$ -	\$ 3,134,367	\$ -
Marketable equity funds	17,510,534	17,510,534	-	-
Marketable bond funds	11,517,356	11,517,356	-	-
Marketable equity securities	7,645,155	7,643,355	1,800	-
Marketable debt securities	2,527,191	-	2,527,191	-
Total investments	\$ 42,334,603	\$ 36,671,245	\$ 5,663,358	\$ -
Beneficial interest in remainder trusts	\$ 33,965	\$ -	\$ -	\$ 33,965

The following assumptions were used to estimate the fair value of each class of financial instruments:

Money market funds – are highly liquid debt instruments purchased with original maturities of three months or less.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 13 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Marketable equity securities and marketable debt securities – These investments consist entirely of publicly-traded securities that are priced by an investment manager with reference to available quotations for identical assets.

Marketable equity funds and marketable bond funds – These investments hold traded securities priced by independent sources and the investment manager provides a high level of transparency into those funds. The Foundation is able to test and verify much of that pricing which provides the basis for the net asset valuation (NAV) calculation for each fund. The NAV is used to provide the valuation for these funds. The Foundation and the investment manager have had investments in to and redemptions out of these funds on a regular basis throughout the year, and at the June 30 measurement date.

The Foundation's beneficial interest in remainder trusts represents the present value of the beneficial interest described in Note 4. The beneficial interest is not actively traded and significant other observable inputs are not available. The present value of the estimated future benefits is calculated using the applicable discount rates and estimated investment return. The estimated value does not necessarily represent the amount that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

The following table presents additional information about assets measured at fair value on a recurring basis using significant unobservable inputs:

	2015	2014
	Beneficial Interest in Remainder Trusts	Beneficial Interest in Remainder Trusts
Beginning balance	\$ 33,965	\$ 2,499,386
Change in value of beneficial interest	(9,760)	670,996
Distribution	-	(3,136,417)
Ending balance	\$ 24,205	\$ 33,965