

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

**FINANCIAL STATEMENTS**

June 30, 2017 and 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Janesville, Wisconsin  
September 29, 2017

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**COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Cash	\$ 469,406	\$ 249,069
Restricted asset - certificate of deposit	5,835	5,055
Investments	49,218,246	44,234,523
Beneficial interest in remainder trusts	20,265	19,134
Accounts receivable	546	3,078
Pledges receivable	505,054	536,995
Other assets	37,703	6,947
Equipment - net	-	-
<b>Total assets</b>	<b>\$ 50,257,055</b>	<b>\$ 45,054,801</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 5,597	\$ 7,927
Accrued payroll and employee benefits	17,413	20,470
Grants and scholarships payable	1,907,284	1,901,065
Liability to life beneficiary	3,643	2,855
Discount for future interest	72,422	72,422
Unearned revenue	11,670	12,522
Funds held for benefit of others	3,032,810	2,700,172
<b>Total liabilities</b>	<b>5,050,839</b>	<b>4,717,433</b>
<b>NET ASSETS</b>		
Undesignated	10,373,464	9,345,378
Field of interest	2,794,331	2,370,163
Donor advised	5,818,788	5,142,578
Donor designated	25,548,634	22,764,757
<b>Total unrestricted</b>	<b>44,535,217</b>	<b>39,622,876</b>
Temporarily restricted	670,999	714,492
<b>Total net assets</b>	<b>45,206,216</b>	<b>40,337,368</b>
<b>Total liabilities and net assets</b>	<b>\$ 50,257,055</b>	<b>\$ 45,054,801</b>

See accompanying notes.

**COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years ended June 30, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Contributions	\$ 3,370,066	\$ 347,609	\$ 3,717,675	\$ 3,685,698	\$ 459,879	\$ 4,145,577
Less contributions from funds held for others	(121,381)	-	(121,381)	(18,815)	-	(18,815)
Grants from foundations	516,505	-	516,505	312,544	-	312,544
Special events	192,804	-	192,804	228,226	-	228,226
Program fees	630,015	-	630,015	598,412	-	598,412
Interest income	33,428	-	33,428	42,906	-	42,906
Dividend income	964,749	-	964,749	831,130	-	831,130
Realized gain on investments	2,057,013	-	2,057,013	249,483	-	249,483
Unrealized gain (loss) on investments	2,264,831	-	2,264,831	(1,275,288)	-	(1,275,288)
Less net investment activity from funds held for others	(346,119)	-	(346,119)	14,966	-	14,966
Beneficial interest in remainder trusts	-	1,131	1,131	-	(5,071)	(5,071)
<b>Total support and revenue</b>	<b>9,561,911</b>	<b>348,740</b>	<b>9,910,651</b>	<b>4,669,262</b>	<b>454,808</b>	<b>5,124,070</b>
<b>EXPENSES</b>						
Program services	4,650,586	-	4,650,586	4,063,685	-	4,063,685
Less expenses from funds held for others	(101,583)	-	(101,583)	(200,607)	-	(200,607)
Management and general	433,468	-	433,468	364,143	-	364,143
Fundraising	59,332	-	59,332	96,983	-	96,983
<b>Total expenses</b>	<b>5,041,803</b>	<b>-</b>	<b>5,041,803</b>	<b>4,324,204</b>	<b>-</b>	<b>4,324,204</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>						
Satisfaction of time restrictions	392,233	(392,233)	-	346,274	(346,274)	-
<b>Change in net assets</b>	<b>4,912,341</b>	<b>(43,493)</b>	<b>4,868,848</b>	<b>691,332</b>	<b>108,534</b>	<b>799,866</b>
Net assets - beginning of the year	39,622,876	714,492	40,337,368	38,931,544	605,958	39,537,502
<b>Net assets - end of the year</b>	<b>\$44,535,217</b>	<b>\$ 670,999</b>	<b>\$ 45,206,216</b>	<b>\$39,622,876</b>	<b>\$ 714,492</b>	<b>\$40,337,368</b>

See accompanying notes.

**COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years ended June 30, 2017 and 2016

<b>2017</b>	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 80,304	\$ 155,531	\$ 24,480	\$ 260,315
Executive salary	12,337	57,573	12,337	82,247
Employee benefits	5,968	34,101	3,077	43,146
Workers' compensation	-	1,539	-	1,539
Payroll taxes	7,548	17,360	3,000	27,908
Professional fees	-	43,404	-	43,404
Fees	-	4,100	-	4,100
Technology costs	-	40,829	-	40,829
Office supplies	-	3,193	1,569	4,762
Telephone	1,687	3,880	670	6,237
Postage and printing	-	9,922	7,502	17,424
Occupancy	1,372	41,149	3,201	45,722
Insurance	-	3,539	-	3,539
Meeting	-	4,004	-	4,004
Travel	4,428	3,730	3,496	11,654
Conference	-	1,068	-	1,068
Organizational dues	-	2,732	-	2,732
Other expenses	-	5,814	-	5,814
Donor/fund expense	795,930	-	-	795,930
Grants to organizations	2,885,629	-	-	2,885,629
Scholarships/tuition	855,383	-	-	855,383
Less expenses from funds held for others	(101,583)	-	-	(101,583)
<b>Total expenses</b>	<b>\$ 4,549,003</b>	<b>\$ 433,468</b>	<b>\$ 59,332</b>	<b>\$ 5,041,803</b>
<b>2016</b>	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 73,385	\$ 139,658	\$ 40,543	\$ 253,586
Executive salary	18,524	36,243	25,773	80,540
Employee benefits	8,904	21,349	5,500	35,753
Workers' compensation	-	1,630	-	1,630
Payroll taxes	7,447	14,195	5,258	26,900
Professional fees	-	21,254	-	21,254
Fees	-	3,066	-	3,066
Technology costs	-	44,525	-	44,525
Office supplies	-	3,015	2,439	5,454
Telephone	2,025	4,349	1,125	7,499
Postage and printing	1,400	9,860	8,114	19,374
Occupancy	1,540	42,845	3,030	47,415
Insurance	-	4,277	-	4,277
Meeting	-	3,477	-	3,477
Travel	4,876	4,106	3,849	12,831
Conference	-	3,371	-	3,371
Organizational dues	-	3,210	-	3,210
Depreciation and amortization	-	811	-	811
Other expenses	211	2,902	1,352	4,465
Donor/fund expense	778,408	-	-	778,408
Grants to organizations	2,273,617	-	-	2,273,617
Scholarships/tuition	893,348	-	-	893,348
Less expenses from funds held for others	(200,607)	-	-	(200,607)
<b>Total expenses</b>	<b>\$ 3,863,078</b>	<b>\$ 364,143</b>	<b>\$ 96,983</b>	<b>\$ 4,324,204</b>

See accompanying notes.

**COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years ended June 30, 2017 and 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,868,848	\$ 799,866
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	-	811
Unrealized (gain) loss on investments	(2,117,352)	1,176,873
Realized gain on investments	(1,922,990)	(224,115)
Change in beneficial interest in remainder trusts	(1,131)	5,071
Amortization of discount on pledges receivable	(458)	6,158
Change in assets and liabilities		
Restricted asset - certificate of deposit	(780)	-
Accounts receivable	2,532	(3,078)
Pledges receivable	32,399	(118,212)
Other assets	(30,756)	5,592
Accounts payable	(2,330)	3,184
Accrued payroll and employee benefits	(3,057)	4,887
Grants and scholarships payable	6,219	321,928
Liability to life beneficiary	788	857
Unearned revenue	(852)	1,299
<b>Net cash flows from operating activities</b>	<b>831,080</b>	<b>1,981,121</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	34,103,454	24,259,714
Purchases of investments	(35,046,835)	(26,058,616)
<b>Net cash flows from investing activities</b>	<b>(943,381)</b>	<b>(1,798,902)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Funds held for benefit of others	332,638	(201,119)
<b>Change in cash</b>	<b>220,337</b>	<b>(18,900)</b>
Cash - beginning of the year	249,069	267,969
<b>Cash - end of the year</b>	<b>\$ 469,406</b>	<b>\$ 249,069</b>

See accompanying notes.

**COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016

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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.

**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.

**Pledges Receivable**

When pledges are received, they are recorded as an asset and as temporarily restricted support 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.

**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, 2017 and 2016

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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 support 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 September 29, 2017, the date which the financial statements were available to be issued.

**COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016

NOTE 2 – PLEDGES RECEIVABLE

Pledges receivable consisted of following at June 30, 2017 and 2016:

	2017	2016
Pledges receivable	\$ 515,735	\$ 548,134
Less discount	(10,681)	(11,139)
Pledges receivable - net	\$ 505,054	\$ 536,995

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:

2018	\$ 243,016
2019	160,756
2020	81,763
2021	24,900
2022	1,050
Thereafter	4,250
Pledges receivable	\$ 515,735

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, 2017 and 2016, the balance in the assurance account was \$5,835 and \$5,055. 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 two split-interest agreements. One agreement is a charitable remainder trusts in which the Foundation recorded contributions equal to the present value of the contribution based on the donors' life expectancy. 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, 2017 and 2016) and the discount rate of future payments (4.25% and 3.5% at June 30, 2017 and 2016) and other assumptions for measuring the beneficial interest.

**COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016

NOTE 4 – SPLIT-INTEREST AGREEMENTS (continued)

The other 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, 2017 and 2016:

	<u>Useful Lives</u>	<u>2017</u>	<u>2016</u>
Office equipment and software	5- 7 years	\$ 49,379	\$ 49,379
Leasehold improvements	7 years	1,431	1,431
Less accumulated depreciation and amortization		<u>(50,810)</u>	<u>(50,810)</u>
Equipment - net		<u>\$ -</u>	<u>\$ -</u>

NOTE 6 – INVESTMENTS

Investments consisted of the following at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Money market funds	\$ 2,963,129	\$ 3,805,131
Marketable equity funds	19,027,942	21,914,717
Marketable bond funds	14,145,763	12,387,554
Marketable equity securities	1,147,880	4,713,583
Marketable debt securities	<u>11,933,532</u>	<u>1,413,538</u>
Investments	<u>\$ 49,218,246</u>	<u>\$ 44,234,523</u>

NOTE 7 – GRANTS AND SCHOLARSHIPS PAYABLE

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

2018	\$ 1,420,384
2019	238,400
2020	161,000
2021	82,500
2022	<u>5,000</u>
Grants and scholarships payable	<u>\$ 1,907,284</u>

**COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016

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**NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at June 30, 2017 and 2016:

	2017	2016
Pledges receivable	\$ 505,054	\$ 536,995
Beneficial interest in remainder trusts	20,265	19,134
Pooled-income funds	123,700	125,636
Other investment funds	21,980	32,727
Temporarily restricted net assets	\$ 670,999	\$ 714,492

**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, 2017 and 2016, the Foundation was the owner of 47 and 46 agency endowment funds with a combined fair value of \$3,032,810 and \$2,700,172. 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 – CONCENTRATIONS OF CREDIT RISK**

At June 30, 2017 and 2016, the carrying amount (book balance) of the Foundation's cash was \$469,406 and \$249,069 and the financial institutions' balance (bank statements) was \$553,850 and \$314,038, of which \$250,000 was covered by FDIC insurance each year. The Foundation also had a balance of \$2,291,492 and \$2,627,550 deposited in a money market account backed by government securities as of June 30, 2017 and 2016. 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, 2017 and 2016

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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:

2018	\$ 30,987
2019	30,987
2020	30,987
2021	<u>5,165</u>
	<u>\$ 98,126</u>

Lease expense was \$30,987 for the years ended June 30, 2017 and 2016.

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 \$11,783 and \$8,900 for the years ended June 30, 2017 and 2016.

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, 2017 and 2016

NOTE 13 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair values of assets measured on a recurring basis at June 30, 2017 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	\$ 2,963,129	\$ -	\$ 2,963,129	\$ -
Marketable equity funds	19,027,942	19,027,942	-	-
Marketable bond funds	14,145,763	14,145,763	-	-
Marketable equity securities	1,147,880	1,147,880	-	-
Marketable debt securities	11,933,532	-	11,933,532	-
<b>Total investments</b>	<b>\$ 49,218,246</b>	<b>\$ 34,321,585</b>	<b>\$ 14,896,661</b>	<b>\$ -</b>
Beneficial interest in remainder trusts	\$ 20,265	\$ -	\$ -	\$ 20,265

Fair values of assets measured on a recurring basis at June 30, 2016 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	\$ 3,805,131	\$ -	\$ 3,805,131	\$ -
Marketable equity funds	21,914,717	21,914,717	-	-
Marketable bond funds	12,387,554	12,387,554	-	-
Marketable equity securities	4,713,583	4,713,583	-	-
Marketable debt securities	1,413,538	-	1,413,538	-
<b>Total investments</b>	<b>\$ 44,234,523</b>	<b>\$ 39,015,854</b>	<b>\$ 5,218,669</b>	<b>\$ -</b>
Beneficial interest in remainder trusts	\$ 19,134	\$ -	\$ -	\$ 19,134

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.

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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:

	2017	2016
	Beneficial Interest in Remainder Trusts	
Beginning balance	\$ 19,134	\$ 24,205
Change in value of beneficial interest	1,131	(5,071)
Ending balance	\$ 20,265	\$ 19,134