

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

FINANCIAL STATEMENTS

June 30, 2016 and 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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.

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COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
Cash	\$ 249,069	\$ 267,969
Restricted asset - certificate of deposit	5,055	5,055
Investments	44,234,523	43,388,379
Beneficial interest in remainder trusts	19,134	24,205
Accounts receivable	3,078	-
Pledges receivable	536,995	424,941
Other assets	6,947	12,539
Equipment - net	-	811
Total assets	\$ 45,054,801	\$ 44,123,899
LIABILITIES		
Accounts payable	\$ 7,927	\$ 4,743
Accrued payroll and employee benefits	20,470	15,583
Grants and scholarships payable	1,901,065	1,579,137
Liability to life beneficiary	2,855	1,998
Discount for future interest	72,422	72,422
Unearned revenue	12,522	11,223
Funds held for benefit of others	2,700,172	2,901,291
Total liabilities	4,717,433	4,586,397
NET ASSETS		
Undesignated	9,345,378	9,125,650
Field of interest	2,370,163	2,213,740
Donor advised	5,142,578	5,280,989
Donor designated	22,764,757	22,311,165
Total unrestricted	39,622,876	38,931,544
Temporarily restricted	714,492	605,958
Total net assets	40,337,368	39,537,502
Total liabilities and net assets	\$ 45,054,801	\$ 44,123,899

See accompanying notes.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions	\$ 3,666,883	\$ 459,879	\$ 4,126,762	\$ 2,165,873	\$ 266,927	\$ 2,432,800
Grants from foundations	312,544	-	312,544	294,621	-	294,621
Special events	228,226	-	228,226	167,787	-	167,787
Program fees	598,412	-	598,412	530,506	-	530,506
Interest income	40,342	-	40,342	47,324	-	47,324
Dividend income	775,613	-	775,613	737,300	-	737,300
Realized gain on investments	224,115	-	224,115	2,069,221	-	2,069,221
Unrealized loss on investments	(1,176,873)	-	(1,176,873)	(1,678,448)	-	(1,678,448)
Beneficial interest in remainder trusts	-	(5,071)	(5,071)	-	(9,760)	(9,760)
Total support and revenue	4,669,262	454,808	5,124,070	4,334,184	257,167	4,591,351
EXPENSES						
Program services	3,863,078	-	3,863,078	3,161,277	-	3,161,277
Management and general	364,143	-	364,143	327,966	-	327,966
Fundraising	96,983	-	96,983	91,914	-	91,914
Total expenses	4,324,204	-	4,324,204	3,581,157	-	3,581,157
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of time restrictions	346,274	(346,274)	-	137,185	(137,185)	-
Change in net assets	691,332	108,534	799,866	890,212	119,982	1,010,194
Net assets - beginning of the year	38,931,544	605,958	39,537,502	38,041,332	485,976	38,527,308
Net assets - end of the year	\$39,622,876	\$ 714,492	\$ 40,337,368	\$38,931,544	\$ 605,958	\$39,537,502

See accompanying notes.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years ended June 30, 2016 and 2015

2016	Program Services	Management and General	Fundraising	Total
Conference	\$ -	\$ 3,371	\$ -	\$ 3,371
Depreciation and amortization	-	811	-	811
Donor/fund expense	731,454	-	-	731,454
Organizational dues	-	3,210	-	3,210
Employee benefits	8,904	21,349	5,500	35,753
Technology costs	-	44,525	-	44,525
Executive salary	18,524	36,243	25,773	80,540
Fees	-	3,066	-	3,066
Grants to organizations	2,119,965	-	-	2,119,965
Insurance	-	4,277	-	4,277
Meeting	-	3,477	-	3,477
Occupancy	1,540	42,845	3,030	47,415
Salaries and wages	73,384	139,658	40,543	253,585
Office supplies	-	3,015	2,439	5,454
Payroll taxes	7,447	14,195	5,258	26,900
Postage and printing	1,400	9,860	8,114	19,374
Professional fees	-	21,254	-	21,254
Scholarships/tuition	893,348	-	-	893,348
Telephone	2,025	4,349	1,125	7,499
Travel	4,876	4,106	3,849	12,831
Workers' compensation	-	1,630	-	1,630
Other expenses	211	2,902	1,352	4,465
Total expenses	\$ 3,863,078	\$ 364,143	\$ 96,983	\$ 4,324,204
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

See accompanying notes.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 799,866	\$ 1,010,194
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	811	4,142
Unrealized loss on investments	1,176,873	1,678,448
Realized gain on investments	(224,115)	(2,069,221)
Change in beneficial interest in remainder trusts	5,071	9,759
Amortization of discount on pledges receivable	6,158	(720)
Change in assets and liabilities		
Restricted asset - certificate of deposit	-	(655)
Accounts receivable	(3,078)	2,204
Pledges receivable	(118,212)	(122,451)
Other assets	5,592	(3,705)
Accounts payable	3,184	1,246
Accrued payroll and employee benefits	4,887	(5,759)
Grants and scholarships payable	321,928	196,045
Liability to life beneficiary	857	397
Discount for future interest	-	(9,053)
Unearned revenue	1,299	(1,195)
Net cash flows from operating activities	1,981,121	689,676
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	24,259,714	21,924,268
Purchases of investments	(26,058,616)	(22,587,270)
Net cash flows from investing activities	(1,798,902)	(663,002)
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds held for benefit of others	(201,119)	135,504
Change in cash	(18,900)	162,178
Cash - beginning of the year	267,969	105,791
Cash - end of the year	\$ 249,069	\$ 267,969

See accompanying notes.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

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 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.

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, 2016 and 2015

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 September 30, 2016, the date which the financial statements were available to be issued.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 2 – PLEDGES RECEIVABLE

Pledges receivable consisted of following at June 30, 2016 and 2015:

	2016	2015
Pledges receivable	\$ 548,134	\$ 429,922
Less discount	(11,139)	(4,981)
Pledges receivable - net	\$ 536,995	\$ 424,941

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:

2017	\$ 255,591
2018	121,766
2019	92,394
2020	63,149
2021	4,095
Pledges receivable	\$ 536,995

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, 2016 and 2015, the balance in the assurance account was \$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 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, 2016 and 2015) and the discount rate of future payments (3.5% at June 30, 2016 and 2015) and other assumptions for measuring the beneficial interest.

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

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, 2016 and 2015:

	<u>Useful Lives</u>	<u>2016</u>	<u>2015</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>(49,999)</u>
Equipment - net		<u>\$ -</u>	<u>\$ 811</u>

NOTE 6 – INVESTMENTS

Investments consisted of the following at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Money market funds	\$ 3,805,131	\$ 2,557,911
Marketable equity funds	21,914,717	22,367,751
Marketable bond funds	12,387,554	12,352,571
Marketable equity securities	4,713,583	4,085,316
Marketable debt securities	<u>1,413,538</u>	<u>2,024,830</u>
Investments	<u>\$ 44,234,523</u>	<u>\$ 43,388,379</u>

NOTE 7 – GRANTS AND SCHOLARSHIPS PAYABLE

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

2017	\$ 1,387,565
2018	254,300
2019	161,700
2020	82,500
2021	<u>15,000</u>
Grants and scholarships payable	<u>\$ 1,901,065</u>

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2016 and 2015:

	2016	2015
Pledges receivable	\$ 536,995	\$ 424,941
Beneficial interest in remainder trusts	19,134	24,205
Pooled-income funds	125,636	123,492
Other investment funds	32,727	33,320
	\$ 714,492	\$ 605,958

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, 2016 and 2015, the Foundation was the owner of 46 and 45 agency endowment funds with a combined fair value of \$2,700,172 and \$2,901,291. 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, 2016 and 2015, the carrying amount (book balance) of the Foundation's cash was \$249,069 and \$267,969 and the financial institutions' balance (bank statements) was \$314,038 and \$281,777, of which \$250,000 was covered by FDIC insurance each year. The financial institution also had a balance of \$2,627,550 and \$1,707,078 deposited in a money market account backed by government securities as of June 30, 2016 and 2015. 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, 2016 and 2015

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:

2017	\$ 30,987
2018	30,987
2019	30,987
2020	30,987
2021	<u>5,165</u>
	<u>\$ 129,113</u>

Lease expense was \$30,987 for the years ended June 30, 2016 and 2015.

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 \$8,900 and \$9,179 for the years ended June 30, 2016 and 2015.

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, 2016 and 2015

NOTE 13 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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	-
Total investments	\$ 44,234,523	\$ 39,015,854	\$ 5,218,669	\$ -
Beneficial interest in remainder trusts	\$ 19,134	\$ -	\$ -	\$ 19,134

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

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, 2016 and 2015

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:

	2016	2015
	Beneficial Interest in Remainder Trusts	
Beginning balance	\$ 24,205	\$ 33,965
Change in value of beneficial interest	(5,071)	(9,760)
Ending balance	\$ 19,134	\$ 24,205