COMMUNITY FOUNDATION FOR THE FOX VALLEY REGION, INC.
AND SUPPORTING ORGANIZATIONS

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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AND SUPPORTING ORGANIZATIONS
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Foundation for the Fox Valley Region, Inc. and Supporting Organizations
Appleton, Wisconsin

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Community Foundation for the Fox Valley Region, Inc. and Supporting Organizations (the Foundation), which comprises the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation for the Fox Valley Region, Inc. and Supporting Organizations as of December 31, 2023, and the change in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Community Foundation for the Fox Valley Region, Inc. and Supporting Organizations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Foundation for the Fox Valley Region, Inc. and Supporting Organizations' ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Community Foundation for the Fox Valley Region, Inc. and Supporting Organizations' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Foundation for the Fox Valley Region, Inc. and Supporting Organizations' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises financial summaries and highlights of the Foundation but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the Community Foundation for the Fox Valley Region, Inc. and Supporting Organizations' 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 13, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Appleton, Wisconsin
June 13, 2024

COMMUNITY FOUNDATION FOR THE FOX VALLEY REGION, INC.
AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE INFORMATION AS OF DECEMBER 31, 2022)

	2023	2022
ASSETS		
Cash and Cash Equivalents	$ 5,722,537	$ 6,989,159
Contributions Receivable	14,579,793	3,392,518
Beneficial Interests in Charitable Trusts	3,434,289	2,677,768
Investments	517,304,202	461,432,315
Cash Value of Life Insurance	1,096,256	1,137,108
Property and Equipment, Net	7,084,107	5,838,376
Other Assets	96,589	161,799
Total Assets	$ 549,317,773	$ 481,629,043
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants Payable	$ 11,538,710	$ 14,807,254
Note Payable	933,999	-
Charitable Gift Annuity Payable	1,086,716	1,060,706
Other Liabilities	1,496,233	1,342,627
Funds Held for Others	60,662,595	56,974,220
Total Liabilities	75,718,253	74,184,807
NET ASSETS		
Without Donor Restrictions	454,827,298	400,709,785
With Donor Restrictions	18,772,222	6,734,451
Total Net Assets	473,599,520	407,444,236
Total Liabilities and Net Assets	$ 549,317,773	$ 481,629,043

See accompanying Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION FOR THE FOX VALLEY REGION, INC.
AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals 2023	Totals 2022
SUPPORT AND OTHER REVENUE				
Total Cash and Other Financial Contributions Raised	$ 22,487,337	$ 15,969,747	$ 38,457,084	$ 44,471,797
Contributed Nonfinancial Assets	518,098	-	518,098	$ 19,032
Less: Contributions Received on Behalf of Others	(1,283,843)	-	(1,283,843)	(3,310,995)
Contributions, Net	21,721,592	15,969,747	37,691,339	41,179,834
Investment Return	59,323,114	335,724	59,658,838	(74,946,015)
Winagamie Income	1,475,523	-	1,475,523	1,294,287
Administrative Fee Income from Funds Held for Others	276,043	-	276,043	280,388
Net Assets Released from Restrictions	4,267,700	(4,267,700)	-	-
Total Support and Other Revenue	87,063,972	12,037,771	99,101,743	(32,191,506)
GRANTS AND EXPENSES				
Program Services:				
Total Grants Made	31,683,128	-	31,683,128	40,229,885
Less: Grants Made on Behalf of Others	(4,979,064)	-	(4,979,064)	(3,410,052)
Grants Expense, Net	26,704,064	-	26,704,064	36,819,833
Other Program Expenses	2,519,465	-	2,519,465	2,468,318
Management and General:				
Administrative Expenses	2,098,738	-	2,098,738	2,596,171
Winagamie Expenses	1,052,292	-	1,052,292	1,037,835
Fundraising Expenses	571,900	-	571,900	576,922
Total Grants and Expenses	32,946,459	-	32,946,459	43,499,079
CHANGE IN NET ASSETS	54,117,513	12,037,771	66,155,284	(75,690,585)
Net Assets - Beginning of Year	400,709,785	6,734,451	407,444,236	483,134,821
NET ASSETS - END OF YEAR	$ 454,827,298	$ 18,772,222	$ 473,599,520	$ 407,444,236

See accompanying Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION FOR THE FOX VALLEY REGION, INC.
AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Program Services	Management and General	Fundraising	Totals 2023	Totals 2022
Foundation Expenses:					
Wages and Benefits	$ 1,844,644	$ 1,235,843	$ 330,652	$ 3,411,139	$ 3,311,198
Payroll Taxes	92,537	69,745	16,713	178,995	182,223
Professional Fees	38,334	401,473	-	439,807	827,832
Technology	185,746	138,074	33,332	357,152	433,756
Travel and Meetings	32,967	15,317	4,184	52,468	42,886
Office Expenses	57,528	29,985	8,766	96,279	136,081
Promotion	15,650	-	130,604	146,254	233,380
Education	17,196	11,227	3,181	31,604	30,503
Insurance	23,843	27,071	4,813	55,727	76,846
Occupancy	51,818	80,224	13,696	145,738	106,965
Depreciation	121,411	89,779	25,959	237,149	202,437
Miscellaneous	37,791	-	-	37,791	57,304
Total Foundation Expenses	2,519,465	2,098,738	571,900	5,190,103	5,641,411
Winagamie Expenses:					
Wages and Benefits	-	338,142	-	338,142	323,022
Grounds, Greens, and Office	-	447,208	-	447,208	495,553
Cost of Goods Sold	-	142,813	-	142,813	121,780
Depreciation	-	123,039	-	123,039	95,326
Interest	-	1,090	-	1,090	2,154
Total Winagamie Expenses	-	1,052,292	-	1,052,292	1,037,835
Grants Expense, Net	26,704,064	-	-	26,704,064	36,819,833
Total Expenses by Function	$ 29,223,529	$ 3,151,030	$ 571,900	$ 32,946,459	$ 43,499,079

See accompanying Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION FOR THE FOX VALLEY REGION, INC.
AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 66,155,284	$ (75,690,585)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
(Gain) Loss on Investments	(53,965,052)	79,962,539
Gain on Disposal of Property and Equipment	(163,228)	(53,601)
Change in Value of Beneficial Interests in Charitable Trusts	(273,444)	-
Depreciation	360,188	297,763
Contributed Property and Equipment	(417,300)	-
(Increase) Decrease in:		
Contributions Receivable	(11,187,275)	1,558,137
Beneficial Interests in Charitable Trusts	(483,077)	-
Other Assets	65,210	(44,605)
Increase (Decrease) in:		
Grants Payable	(3,268,544)	2,726,750
Charitable Gift Annuity Payable	26,010	(147,551)
Other Liabilities	153,606	(33,273)
Funds Held for Others	3,688,375	(10,012,640)
Net Cash Provided (Used) by Operating Activities	690,753	(1,437,066)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(218,499)	(166,652)
Proceeds from Sale of Property and Equipment	184,000	54,000
Proceeds from Sale of Investments	237,804,054	132,239,986
Purchases of Investments	(239,660,929)	(126,124,514)
Net Cash Provided (Used) by Investing Activities	(1,891,374)	6,002,820
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Note Payable	(66,001)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,266,622)	4,565,754
Cash and Cash Equivalents - Beginning of Year	6,989,159	2,423,405
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 5,722,537	$ 6,989,159
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Contributed Property and Equipment	$ 417,300	$ -
Loan for Purchase of Property and Equipment	$ 1,000,000	$ -

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Foundation for the Fox Valley Region, Inc. and Supporting Organizations (the Foundation) is a nonprofit organization consisting of a community foundation and eight supporting organizations. The Foundation's stated purpose is to serve a broad range of philanthropic interests benefiting the communities in the Fox Valley and surrounding area. The Foundation is supported primarily through donor contributions.

The Community Foundation was established in 1986 to enhance the quality of life for all citizens of the Fox Valley region by using funds entrusted to the Foundation's stewardship to address community problems and opportunities. Its mission, therefore, is:

- To act as a vehicle to receive and manage philanthropic assets created by charitable gifts and bequests from individuals, foundations and corporations;
- To make prudent, sensitive and creative grants, both restricted and unrestricted, to address the changing needs of the communities which it serves;
- To exercise leadership and act as a catalyst in the identification and the sharing of information with other foundations, corporations and organizations in the nonprofit and public sectors regarding important community problems and opportunities.

The supporting organizations are:

Appleton Education Foundation, Inc. (AEF), established in 1997 by parents and community leaders to improve the well-being of children, teachers, and the community by enhancing the quality of education. Grants support creative projects in reading, science, math, fine arts and more that would not otherwise be possible because of district budget limitations. In December 2013, AEF received a gift of all of the stock of Winagamie Golf Course and made the entity a wholly owned (for profit) subsidiary. The golf course continues to operate as a public golf course and is also used as a hands-on learning facility for hundreds of local students through classes provided by the Appleton Area School District and Fox Valley Technical College.

Community Real Estate and Personal Property Foundation, Inc., established in 2004 to promote philanthropy by the acceptance and disposition of real estate and personal property for charitable purposes.

Robert & Patricia Endries Family Foundation, Ltd., established in 2005 to benefit their family's charitable interests.

Mielke Family Foundation, Inc., established in 1963 by Dr. Edward F. Mielke and his wife, Beula, and his sisters, Ruth and Sarah Mielke to support the arts, health, youth, and aging populations in Appleton and Shawano through education. In 1996, it reorganized to become a supporting organization within the Community Foundation for the Fox Valley Region, Inc.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities (Continued)

Doug & Carla Salmon Foundation, Inc., established in 2002 to support the couple's charitable interests, which include educational scholarships and nonprofit organizations that serve needy residents in the Fox Valley.

William & Barbara Schmidt Family Foundation, Inc., established in 1997 to benefit their family's charitable interests.

Women's Fund for the Fox Valley Region, Inc., established in 2005 to create, promote, and support programs that help women and girls manage and enhance their lives.

The Boldt Family Fund, Inc., established in 2015 to benefit their family's charitable interests.

Consolidated Financial Statements

The consolidated financial statements include the accounts of the Community Foundation for the Fox Valley Region, Inc., the supporting organizations listed above, and AEF's wholly owned subsidiary. The supporting organizations are separately incorporated charitable organizations that are administered by the Foundation. AEF's wholly owned subsidiary is separately incorporated as a taxable entity and is administered independently with AEF's oversight. The financial statements are consolidated since the Community Foundation has both an economic interest in the supporting organizations and control of the supporting organizations through a majority voting interest in their governing boards. All significant inter-organizational transactions and accounts have been eliminated.

Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Foundation is required to report information regarding its financial position and its activities in the following two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not restricted by donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets that result from contributions whose use by the Foundation is limited by donor-imposed stipulations. Some are temporary in nature and can either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. Other donor-imposed stipulations are perpetual in nature and cannot expire by passage of time nor can be fulfilled and removed by actions of the Foundation. The Foundation had no restrictions that were perpetual in nature at December 31, 2023 as discussed below.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Accounting principles generally accepted in the United States of America provide that, if a governing body of an organization has the unilateral power to redirect the use of a donor's contribution to another beneficiary, such contributions must be classified as net assets without donor restrictions. The board of directors of the Foundation has that ability (variance power); however, they would intend to exercise this authority only if the stated purpose of a contribution becomes no longer applicable and incapable of fulfillment. Accordingly, the Foundation's consolidated financial statements classify substantially all funds, including the principal of endowment funds, as net assets without donor restrictions, but segregate for internal management and endowment recordkeeping the portion that is held as endowment from the funds that are currently available for grants. In addition, to ensure that the Foundation observes the limitations and restrictions placed on the funds by the donors, the accounts of the Foundation are managed as individual charitable funds.

Estimates

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

Cash Equivalents

For purposes of the consolidated statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less, except those held by investment managers, to be cash equivalents.

Contributions Receivable

Unconditional promises to give are recognized as revenue and as assets in the period the promise is received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Intentions to give are not recognized as revenue unless they are legally enforceable.

Beneficial Interests in Charitable Trusts

The Foundation has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, the Foundation has neither possession nor control over the assets of the trusts. At the date the Foundation receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the consolidated statement of activities, and a beneficial interest in charitable trusts is recorded in the consolidated statement of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the consolidated statement of financial position, with changes in fair value recognized in the consolidated statement of activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interests in Charitable Trusts (Continued)

Upon receipt of trust distributions, net assets with donor-imposed time restrictions are released to net assets without donor restrictions.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are recorded at their fair values in the consolidated statement of financial position. Quoted market prices in active markets are used as the basis for measurement.

Investments in funds that do not have readily determinable fair values including private investment funds, hedge funds, real estate funds and venture capital funds are recorded at their net asset value as provided by the external investment managers. The valuations for these investments necessarily involve estimates, appraisal, assumptions, and methods which are reviewed by management.

Other investments, such as investments in real estate and closely held partnerships, are recorded at their cost (the fair value of the investment as of the date it was donated to the Foundation) less impairment, adjusted for observable price changes in orderly transactions for the identical or similar investments of the same issue. There were no adjustments for impairment or observable price changes during the year ended December 31, 2023.

Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statement of activities.

Derivative Financial Instruments

The Foundation owns derivative instruments in its portfolio in an indirect way through investments in commingled pools. The underlying portfolio managers of these pools may use derivative instruments to gain financial exposure to individual commodities or to manage currency or duration risk of an actual portfolio of stocks or bonds owned in the respective portfolios they manage. The use of derivative instruments allows the Foundation's portfolio to be fully invested with no more risk than if the cash were actually invested in physical commodities, stocks, or bonds.

Property, Equipment, and Depreciation

All acquisitions and improvements of property and equipment in excess of $5,000 are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funds Held for Others

In accordance with accounting standards, if a nonprofit organization establishes a fund at the Foundation with its own funds and specifies itself as the beneficiary of that fund, the Foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency funds.

The Foundation maintains legal ownership of agency funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with this standard, a liability has been established for the fair market value of the funds.

Contribution Recognition

Unconditional contributions are recognized as revenue when they are promised or received, as applicable, and are available for general use unless specifically restricted by the donor. All donor-restricted contributions are reported as increases in net assets with donor restrictions. If a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Foundation.

Lease Revenue

Revenue from lease payments is recognized under the accrual method. Lease payments are included in income as rents become due. Lease payments received in advance are deferred until earned. At the commencement of an operating lease, no revenue is recognized; subsequently, lease payments received are recognized in revenue on the straight-line basis. Lease revenue is included in investment return on the consolidated statement of activities.

Lessor costs such as property taxes, insurance and maintenance paid directly by a lessee to third parties on the lessor's behalf are excluded from variable lease payments. Reimbursements paid by lessees to the Foundation are included in variable lease payments.

The Foundation has elected to apply the practical expedient to combine lease and nonlease components identified in lease contracts. Revenue from lease payments includes consideration received for common area maintenance services provided by the Foundation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Spending Policy

The Community Foundation for the Fox Valley Region, Inc. has adopted a spending policy for the endowment funds. There are certain funds that, based upon the donor's intent, are not subject to this spending policy. Under the spending policy, the amounts distributed for grants are determined independent of the cash yield and appreciation of investments in that year. The Community Foundation has adopted this spending policy to stabilize annual spending levels and to preserve the real value of the fund portfolio over time. Currently, the spending policy calls for distributions to be 4.5% of the market value of the fund, which is based on the average balance for the most recent rolling twelve quarters ended June 30. Amounts not distributed during the current year are carried forward and added to the next year's amount available for distribution.

Some of the supporting organizations have adopted their own spending policies. These policies are similar to the Community Foundation's policy.

Promotion Costs

Promotion costs are charged to activities when incurred. Promotion expense for the year ended December 31, 2023, was approximately $146,000.

Functional Allocation of Expenses

The cost of providing various program and supporting services have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by functions. These consolidated statements report expenses that are attributed to program and supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Wages and benefits are allocated on the basis of estimates of time and effort. Payroll taxes, technology, travel and meetings, office expenses, education, insurance, occupancy, depreciation, and miscellaneous are allocated on the basis of the related wages.

Income Tax Status

The Community Foundation for the Fox Valley Region, Inc. and the Supporting Organizations are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Organizations qualify for the charitable contribution deduction and have been classified as organizations other than private foundations. All of the Organizations are also exempt from Wisconsin income taxes. However, the Organizations are subject to income taxes on any unrelated business taxable income, pursuant to Section 511(a).

Winagamie, Inc. is a separately incorporated C corporation and is subject to federal and Wisconsin income taxes based on its taxable income. No income tax provision has been recorded in the consolidated financial statements because management has determined the provision to be an immaterial amount.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summarized Comparative Information

The consolidated financial statements include certain summarized comparative information in total but not by net asset class or functional basis. 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 consolidated financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Reclassifications

Certain amounts in the prior year summarized information have been reclassified to conform with the current year presentation. Such reclassifications had no effect on previously reported net assets or changes in net assets.

Subsequent Events

The Foundation has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through June 13, 2024, the date on which the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

For purposes of analyzing resources available to meet general expenditures within one year, the Foundation considers all expenditures related to its ongoing activities of providing grants and resources to address important community problems and opportunities as well as conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditures within one year of the consolidated statement of financial position date, comprise the following:

Cash and Cash Equivalents	$ 5,722,537
Contributions Receivable in Less than One Year for the Short-Term Pool	10,000
Charitable Lead Annuity Trusts - Expected Distributions in Less than One Year for the Short-Term Pool	37,690
Investments - Cash and Cash Equivalents	27,803,626
Investments - Fixed Income - Short-Term Pool	7,148,880
Total	$ 40,722,733

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Foundation manages its liquidity for grant purposes and for the return of funds held for others by classifying funds as nonpermanent funds or endowment funds based on the purpose for which the funds were established. See Note 5 for the Foundation's investment strategy. Nonpermanent funds are invested in a short-term, intermediate-term or long-term investment pool based on the expected payment of the grants, or the return of funds held for others. Funds held in the short-term investment pool are subject to withdrawal at any time and are included in the financial assets shown above. At December 31, 2023, approximately $18,400,000 was held in the short-term investment pool. The majority of the funds held in the intermediate-term or long-term investment pools are expected to be withdrawn more than one year from the consolidated statement of financial position date.

Endowment funds are ordinarily subject to a spending policy of 4.5% of the average balance in these funds for the most recent rolling twelve quarters ended June 30. At January 1, 2024, approximately $22,500,000 was available for spending. In unusual circumstances, the Foundation board could approve distributions in excess of the spending policy amount. The Foundation intends to spend only the spending policy amount for grants, or the return of funds held for others from the endowment funds in the next year.

At times, donors will make promises to contribute to specific funds at the Foundation. These promises are recorded as contributions receivable. The contributions are invested in the funds' respective investment pools when they are collected. Amounts expected to be collected within the next year that will be invested in the short-term investment pool are included in the financial assets shown above.

Certain donors have named the Foundation as the irrevocable lead beneficiary of charitable lead annuity trusts and have indicated distributions from the trusts are to be allocated to specific funds at the Foundation. These trusts are recorded as beneficial interest in charitable trusts. The distributions are invested in the funds' respective investment pools when they are collected. Amounts expected to be collected within the next year that will be invested in the short-term investment pool are included in the financial assets shown above.

As part of the Foundation's liquidity management to provide funding of services undertaken to support the programs of the Foundation, the board of directors has established operating reserve funds. The Foundation maintains operating reserve funds equal to three months of the Foundation's budgeted operating expenses. The funds are invested in cash or certificates of deposit to ensure liquidity. The funds will be replenished or increased from operating surpluses or future gifts without donor restrictions, as necessary. Draws from the funds will be reviewed and approved as part of the annual budget process or as needed. At December 31, 2023, the operating reserve funds totaled approximately $2,049,000.

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

To provide for future capital expenditures related to the Foundation's building and equipment, the board of directors has also established a capital reserve fund. The fund shall not be less than $100,000 and may be significantly more based on anticipated capital needs. The fund is invested in cash or certificates of deposit to ensure liquidity. The fund will be replenished or increased from operating surpluses or future gifts without donor restrictions, as necessary. The Foundation President/CEO or Chief Financial Officer have the authority to approve capital expenditures of up to $25,000 without prior Committee or board approval. Amounts are reported to the Audit & Budget Committee for review on a quarterly basis. Draws from the fund in excess of $25,000 will be reviewed and approved as part of the annual budget process or as needed. At December 31, 2023, the capital reserve fund had a balance of approximately $105,000.

Through a gift of a donor, the board of directors also established a designated fund in the name of that donor. The fund is available at the discretion of the board of directors. Historically, the board has used this fund to cover operating deficits and to provide loans to other funds and supporting organizations to meet cash flow needs. Although the fund could be spent in the next fiscal year, the Foundation has not budgeted for its use next year and has invested the funds in the intermediate-term investment pool. At December 31, 2023, the designated fund had a balance of approximately $1,021,000.

Ongoing funding of services undertaken to support the programs of the Foundation is provided through administrative endowment funds and administrative fees. The Foundation has nine named funds designated by donors as administrative endowment funds. Similar to other endowment funds, administrative endowment funds are ordinarily subject to a spending policy of 4.5% of the average balance in these funds for the most recent rolling twelve quarters ended June 30. At January 1, 2024, approximately $299,000 was available for spending. In unusual circumstances, the Foundation board could approve distributions in excess of the spending policy amount. The Foundation intends to spend only the spending policy amount from the administrative endowment funds in the next year.

The Foundation charges administrative fees to all funds based on the funds' average daily balance for the previous month to cover the Foundation's general operating expenses. Fees range from 0.5% to 2.0% depending on the fund type and balance. Estimated administrative fees for the year ending December 31, 2024 are $3,400,000. Fees are withdrawn monthly from the funds' respective investment pool.

The Foundation maintains investments in cash and cash equivalents in each pool to provide for expected future distributions. In unusual circumstances, certain investments could be sold to meet liquidity needs. See Note 17 for investments with redemption restrictions. The Foundation has also established various lines of credit totaling $1,200,000 as of December 31, 2023, to meet short-term liquidity needs. See Note 8.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable are primarily due from individuals and organizations located in the Fox Valley region. Amounts receivable from two individuals account for approximately 93% of contributions receivable at December 31, 2023. Unconditional contributions receivable as of December 31, 2023, consists of:

Receivable in Less than One Year	$ 9,782,293
Receivable in One to Five Years	5,322,000
Receivable in More than Five Years	67,500
Total Contributions Receivable	15,171,793
Less: Discount at Rates of 3% to 5.5%	592,000
Present Value of Contributions Receivable	$ 14,579,793

An allowance for uncollectible amounts was deemed not necessary by management.

The contributions receivable balance includes an estimated $10,220,000 to be received from three estates. Management has estimated the value of the receivables based on representations of the estates' trustees. It is at least reasonably possible that the estimated amount of these receivables will change in the near term as the underlying assets in the estates are liquidated.

NOTE 4 BENEFICIAL INTERESTS IN CHARITABLE TRUSTS

Beneficial interests in charitable trusts at December 31, 2023, consist of:

Charitable Remainder Unitrusts	$ 1,625,610
Charitable Lead Annuity Trusts	1,808,679
Total Beneficial Interests in Charitable Trusts	$ 3,434,289

The Foundation has been named as the irrevocable remainder beneficiary of various charitable remainder unitrusts (CRUTs), whose assets are held and administered by independent trustees. The trustees make periodic distributions from the trusts to certain individuals during their lifetimes at annual rates ranging 6% to 9%. Upon the death of the final individuals, the remainder of the trusts will be distributed to the Foundation. The Foundation estimates the fair value of the future distributions expected to be received. This approach takes into account the Foundation's determination of an appropriate risk-adjusted discount rate (6% at December 31, 2023), expected appreciation of the unitrusts' investments, and life expectancy information published in mortality tables. The Foundation remeasures the fair value of beneficial interests in charitable remainder unitrusts annually and adjusts the measurement inputs based on statements received from the trustees, market conditions, and other relevant data.

NOTE 4 BENEFICIAL INTERESTS IN CHARITABLE TRUSTS (CONTINUED)

The Foundation has been named as the irrevocable lead beneficiary of various charitable lead annuity trusts (CLATs), whose assets are held by independent trustees. The trustees make annual distributions from the trusts to the Foundation based on distribution schedules established by the donors in the trust agreements. At the conclusion of the specified time frames established by the donors, the remainder of the trusts will be distributed to the beneficiaries specified in the trust agreements. The Foundation estimates the fair value of the future distributions expected to be received. This approach takes into account the Foundation's determination of an appropriate risk-adjusted discount rate (5.5% at December 31, 2023). The Foundation remeasures the fair value of beneficial interests in charitable lead annuity trusts annually and adjusts the measurement inputs based on market conditions and other relevant data.

For the year ended December 31, 2023, the increase in value of beneficial interests in charitable trusts totaling $273,444 is included in investment return within the consolidated statement of activities.

NOTE 5 INVESTMENTS

Investments at December 31, 2023, consist of the following:

Equities	$ 302,027,127
Fixed Income	87,024,599
Real Estate	9,543,522
Venture Capital and Partnerships	63,353,780
Hedge Funds	25,822,903
Cash and Cash Equivalents	27,803,626
Total Investments Recorded at Fair Value	515,575,557
Other - Recorded at Cost	1,728,645
Total	$ 517,304,202

Investment Strategy – Endowment Funds

The Foundation's investment strategy for endowment funds incorporates a diversified asset allocation approach to earn a sufficient long-term return with as little volatility as possible while preserving the purchasing power of the assets after withdrawals. Given an inflation assumption of 2.3%, administrative fees of 1%, and a spending policy of 4.5%, the long-term return goal of the Foundation, net of investment management fees, is at least 7.8%.

NOTE 5 INVESTMENTS (CONTINUED)

Investment Strategy – Endowment Funds (Continued)

As a long-term investor, the Foundation may experience short-term fluctuations in the fair value of its investments due to volatility in the stock market. Marketable and private investments are exposed to various risks that may cause the reported value of the Foundation's investment assets to fluctuate from period to period and result in a material change to the net assets of the Foundation. The following issues are significant factors in the prudent allocation of the Foundation's assets:

- In order to achieve a rate of return that will support the spending policy while protecting the assets from inflation, the Foundation must be willing to take some investment risk with respect to the investment portfolio.

- The investment committee believes that the most effective way to establish an appropriate volatility level for the portfolio is through its asset allocation (i.e., stocks, bonds, and cash). Long-term investment return and volatility depend on the portfolio's strategic asset allocation. In consultation with its external investment consultant, a strategic asset allocation policy has been adopted which best balances the opportunity for achieving the investment return objectives as set forth in this policy with an acceptable volatility level.

- The Foundation believes there is significant evidence that long-term investors do not benefit from attempting to earn returns through short-term asset class forecasts or market timing. As a result, the Foundation has adopted a strategic long-term asset allocation for its portfolio. Over time, the portfolio will remain invested in percentages that are fairly close to those called for in the strategic allocation.

- The Foundation strongly believes in the long-term benefits of diversifying its portfolio into a number of different asset classes and investment strategies. While each asset class and strategy is carefully selected, the focus of the investment process is always on the overall portfolio.

- In order to achieve the long-term benefits of a widely diversified portfolio, the Foundation has adopted strategic targets for each asset class that it utilizes. The Foundation expects that the portfolio weight for each class will remain within minimum and maximum percentages.

- Within each asset class, the Foundation seeks to earn the most efficient rate of return possible (after investment expenses). Investments will be well diversified by investment style and strategy. Style/strategy diversification will increase the probability over five- to seven-year time periods that the Foundation will achieve its investment goals and reduce volatility. The Foundation has adopted specific requirements and restrictions for each asset class.

NOTE 5 INVESTMENTS (CONTINUED)

Investment Strategy – Nonpermanent Funds

The Foundation's investment strategy for nonpermanent funds involves an effort to align the nonpermanent funds with related grant-making plans. The board has established three separate pools from which a fund may be invested in — short-term pool, intermediate-term pool, and long-term pool. The purpose of the short-term pool is to provide a high level of liquidity for funds with short-term grant making strategies. The purpose of the intermediate-term pool is to balance mild liquidity needs with a reasonable level of expected appreciation over full market cycles. The purpose of the long-term pool is to mimic the endowment strategy as close as possible with the intention of maintaining assets within the pool for a long-time frame.

The Foundation uses a discretionary investment model with an outsourced chief investment officer.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2023:

	Golf Course	Other	Total
Land and Land Improvements	$ 1,542,289	$ 404,147	$ 1,946,436
Buildings	856,595	5,786,456	6,643,051
Equipment	826,188	680,224	1,506,412
Subtotal	3,225,072	6,870,827	10,095,899
Less: Accumulated Depreciation	889,675	2,122,117	3,011,792
Total	$ 2,335,397	$ 4,748,710	$ 7,084,107

NOTE 7 GRANTS PAYABLE

The Foundation records unconditional grants payable when approved or when the recipient is notified. Grants subject to conditions or renewal terms are not recorded until the conditions or renewal terms are substantially met.

Unconditional grants approved by the Foundation directors as of December 31, 2023, are scheduled for payment as follows:

Year Ending December 31,	Amount
2024	$ 6,488,504
2025	3,429,549
2026	845,127
2027	313,500
2028	655,000
Thereafter	265,030
Total Grants Payable	11,996,710
Less: Discount at a Rate of 5.5%	458,000
Present Value of Grants Payable	$ 11,538,710

Conditional grants payable as of December 31, 2023, totaled approximately $1,999,000.

NOTE 8 LINES OF CREDIT

The Community Foundation for the Fox Valley Region, Inc. has a line of credit with Johnson Bank for $1,000,000. The line is secured by the assets of the Foundation with an interest rate based on the one-month CME Term Secured Overnight Financing Rate (SOFR) plus 1.8%. At December 31, 2023, there was no outstanding balance on this line of credit. Unpaid interest and principal is due November 20, 2024.

The Community Real Estate and Personal Property Foundation, Inc. has a line of credit with Johnson Bank for $200,000 with an interest rate based on SOFR plus 1.8%. At December 31, 2023, there was no outstanding balance on this line of credit. Unpaid interest and principal is due November 20, 2024. Community Foundation for the Fox Valley Region, Inc. is the guarantor for any outstanding balances on this line of credit.

There was no interest expense incurred with the lines of credit during the year ended December 31, 2023.

NOTE 9 NOTE PAYABLE

On March 31, 2023, Appleton Education Foundation, Inc. received a $1,000,000 loan from First Business Bank to purchase additional condominium space. The note is due in monthly installments of $11,436, including interest at 6.56%, with a final payment of unpaid principal due March 2033, and is secured by a mortgage. At December 31, 2023, there was a $933,999 outstanding balance on this note payable.

NOTE 9 NOTE PAYABLE (CONTINUED)

Future scheduled maturities of the note payable for the five years succeeding December 31, 2023 are as follows:

Year Ending December 31,	Amount
2024	$ 77,281
2025	82,760
2026	88,435
2027	94,500
2028	100,868

NOTE 10 CHARITABLE GIFT ANNUITY AGREEMENTS

The Foundation has entered into charitable gift annuity agreements with donors whereby in exchange for the gift from the donor, the Foundation is obligated to provide an annuity to the donor or other designated beneficiaries over a specified number of years. A liability is recognized for the estimated present value of the annuity obligation and the assets are recorded at their fair value for agreements where the Foundation is the trustee. The discount rate and actuarial assumptions used in calculating the annuity obligation are those provided in Internal Revenue Service guidelines and actuarial tables. At December 31, 2023, the Foundation has assets of $1,844,856 included in investments and liabilities of $1,086,716 in association with the charitable gift annuities. During the year ended December 31, 2023, the Foundation recorded contributions totaling $43,894 from two new charitable gift annuity agreements. In addition, the Foundation recorded a loss from changes in the value of charitable gift annuity payable totaling $112,988, which is included in investment return in the consolidated statement of activities.

NOTE 11 NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at December 31, 2023, consist of the following:

Undesignated	$ 445,046,681
Operating Reserve	2,048,585
Capital Reserve	104,995
Designated Fund	1,021,080
Administrative Endowment Funds	6,605,957
Net Assets Without Donor Restrictions	$ 454,827,298

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2023, consist of the following time restrictions:

Contributions Receivable	$ 14,579,793
Beneficial Interests in Charitable Trusts	3,434,289
Charitable Gift Annuities	758,140
Net Assets With Donor Restrictions	$ 18,772,222

Net assets for the year ended December 31, 2023, were released from donor restrictions by occurrence of the passage of time as follows:

Contributions Receivable	$ 3,751,310
Beneficial Interests in Charitable Trusts	516,390
Total	$ 4,267,700

NOTE 13 ADMINISTRATIVE ENDOWMENT FUNDS

As described in Note 2, the Foundation has nine named funds designated by donors as administrative endowment funds. These funds are classified and reported as net assets without donor restrictions and are included in investments on the consolidated statement of financial position. Composition of and changes in these fund net assets for the year ended December 31, 2023, were as follows:

Beginning of Year	$ 6,040,002
Contributions	6,998
Investment Income, Net of Fees	6,900
Net Appreciation	854,445
Amount Appropriated for Expenditure	(302,388)
End of Year	$ 6,605,957

NOTE 14 CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. The Foundation places substantially all of its cash and cash equivalents with three financial institutions, which at times exceed federally insured limits. The Foundation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

NOTE 15 OPERATING LEASE (LESSOR)

The Community Real Estate and Personal Property Foundation, Inc. leases condominium space to an unrelated organization under an operating lease expiring in February 2028. The leased assets, which have a cost of approximately $414,000 and accumulated depreciation of approximately $127,000 at December 31, 2023, are included in property and equipment on the consolidated statement of financial position.

The Appleton Education Foundation, Inc. leases condominium space to the Appleton Area School District under an operating lease expiring in April 2033. The leased asset, which has a cost of approximately $1,702,000 and accumulated depreciation of approximately $108,000 at December 31, 2023, is included in property and equipment on the consolidated statement of financial position.

These leases provide for renewal options and for annual increases in lease payments by 2% to 3%. Following is a maturity analysis of annual undiscounted cash flows to be received from the above operating leases:

Year Ending December 31,	Amount
2024	$ 310,747
2025	317,368
2026	324,134
2027	331,047
2028	299,855
Thereafter	1,335,937
Total Minimum Future Rentals	$ 2,919,088

Certain leases include variable lease payments reimbursing lessor for common area maintenance services provided by the lessor. The minimum future rentals do not include these variable lease payments.

NOTE 16 RETIREMENT PLAN AND DEFERRED COMPENSATION

The Foundation has a 401(k) plan that covers all employees of the Foundation. Employees may make contributions to the plan up to the maximum amount allowed by the IRC. The Foundation made contributions of approximately $91,000 to the plan during the year ended December 31, 2023.

The Foundation provides deferred compensation benefits for its officers under two 457 plans. One of the plans is funded with a life insurance policy on an employee covered by the plan. The deferred compensation liability under these plans totaled $1,046,632 at December 31, 2023, and is included in other liabilities on the consolidated statement of financial position. The amount charged to expense under the plans was approximately $52,000 during the year ended December 31, 2023.

NOTE 17 FAIR VALUE MEASUREMENTS

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. Accounting standards have established a hierarchy of valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 consists of unadjusted quoted prices in active markets for identical assets, Level 2 consists of inputs observable in the marketplace other than quoted prices in active markets for identical assets, and Level 3 consists of significant inputs unobservable in the marketplace.

The following table presents the major classes of assets and liabilities measured and recorded at fair value on a recurring basis as of December 31, 2023:

	Level 1	Level 2	Level 3	Measured at NAV *	Total
ASSETS					
Investments Recorded at Fair Value:					
Equities:					
Common Stock	$ 61,590,007	$ -	$ -	$ -	$ 61,590,007
Common Stock Funds	40,242,770	-	-	-	40,242,770
Preferred Stock	2,643	-	-	-	2,643
ETF Funds	72,603,644	-	-	-	72,603,644
Equities Measured at NAV	-	-	-	127,588,063	127,588,063
Fixed Income:					
Government Bonds	8,063,688	-	-	-	8,063,688
Government Bond Funds	403,001	-	-	-	403,001
Government Agencies	431,508	-	-	-	431,508
Government Agencies Funds	16,935,291	-	-	-	16,935,291
Government Mortgage Backed Securities	170,795	-	-	-	170,795
Municipal/Provincial Bonds	585,126	-	-	-	585,126
Corporate Bonds	4,183,692	-	-	-	4,183,692
Corporate Bond Funds	20,473,551	-	-	-	20,473,551
ETF Funds	210,493	-	-	-	210,493
Other Fixed Income Funds	3,832,537	-	-	-	3,832,537
Other	484,296	-	-	-	484,296
Fixed Income Measured at NAV	-	-	-	31,250,621	31,250,621
Real Estate:					
Real Estate Funds	6,426,691	-	-	-	6,426,691
Real Estate Measured at NAV	-	-	-	3,116,831	3,116,831
Venture Capital and Partnerships Measured at NAV	-	-	-	63,353,780	63,353,780
Hedge Funds Measured at NAV	-	-	-	25,822,903	25,822,903
Cash and Cash Equivalents	27,803,626	-	-	-	27,803,626
Total Investments Recorded at Fair Value	$ 264,443,359	$ -	$ -	$ 251,132,198	$ 515,575,557
Beneficial Interests in Charitable Remainder Unitrusts	$ -	$ -	$ 1,625,610	$ -	$ 1,625,610
Beneficial Interests in Charitable Lead Annuity Trusts	-	-	1,808,679	-	1,808,679
Total Beneficial Interests in Charitable Trusts	$ -	$ -	$ 3,434,289	$ -	$ 3,434,289
LIABILITIES					
Charitable Gift Annuity Payable	$ -	$ -	$ 1,086,716	$ -	$ 1,086,716

* In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in Note 5.

NOTE 17 FAIR VALUE MEASUREMENTS (CONTINUED)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. The categorization of a financial instrument is based on price transparency and does not necessarily correspond to the Foundation's perceived risk of the instrument.

The Foundation invests in various investment securities. Investment securities 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 investments securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

The Foundation holds several investments in funds that do not have readily determinable fair values including private investment funds, hedge funds, real estate funds, and venture capital funds. These funds are reported on the consolidated statement of financial position at their net asset value. The fund managers provide the Foundation the net asset values of the funds each month. The funds are audited annually by funds' independent auditors. As permitted by *Accounting Standards Codification* (ASC) 820, the Foundation has concluded that the net asset values reported by the underlying funds are a practical expedient to fair value. Although secondary markets exist for these investments, they are not active and individual transactions are typically not observable. When transactions do occur in this limited market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the Foundation were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant.

Some of these funds report their net asset values to the Foundation on a one to three-month lag. As such, the Foundation used the most recently reported net asset values as an estimate of the December 31, 2023, values. Management believes the differences in fair value would be immaterial to the consolidated financial statements. Changes in estimated fair value are recognized in the period in which the actual net asset values are determined.

NOTE 17 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides additional information for investments using net asset value as a practical expedient to fair value at December 31, 2023:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equities:				
Common Stock Funds (a)	$ 127,588,063	$ -	Daily, Monthly, Quarterly, N/A	5 to 90 Days
Fixed Income:				
Corporate Bond Funds (b)	891	-	N/A	N/A
Corporate Convertible Bond Funds (c)	31,249,730	-	Daily, Monthly	5 to 10 Days
Real Estate (d)	3,116,831	4,571,553	Daily, N/A	5 to 10 Days, N/A
Venture Capital and Partnerships (e)	63,353,780	57,566,576	Monthly, N/A	30 Days, N/A
Hedge Funds:				
Equity (f)	25,822,903	-	Quarterly, Annually	45 to 90 Days
Total	$ 251,132,198	$ 62,138,129		

(a) This class includes investments in commingled funds, which invest in equities domiciled outside of the U.S., emerging market countries, and publicly traded mutual funds.

(b) This class includes investments in a commingled fund that invests in government bonds throughout the world, with the majority being outside of the U.S. The fund will also hedge currencies and may do so with the use of futures.

(c) This class includes investments in non-commingled funds as well as commingled funds with fund of funds investors investing in U.S. high-yield bonds and includes no hedge currencies.

(d) This class includes investments in limited partnerships investing in private real estate. The underlying holdings are illiquid.

(e) This class includes investments in commingled funds and limited partnerships, which invests in senior secured, floating-rate debt, distressed and opportunistic credit, private real estate, and commodities and energy related companies. The underlying holdings are illiquid. This class also includes investments in private equity funds, which invests in secondary transactions, bespoke, off-market opportunities in the digital economy, and companies experiencing organizational dysfunction. These investments cannot be redeemed with the funds. Instead, the nature of the investments in this class is that distributions are received through the liquidation of the underlying assets of the funds.

(f) This class includes investments in hedge funds, which invest in long/short equity investing, long/short credit investing, and long-only equity strategy. Investments in those hedge funds cannot be redeemed in the first one to three years after acquisition. This class also includes investments in commingled funds, which invest in equities in emerging market countries, and equities domiciled outside of the U.S. The underlying holdings of those funds are liquid and marketable.

The Foundation’s beneficial interest in charitable trusts consists of beneficial interest in charitable remainder unitrusts and beneficial interests in charitable lead annuity trusts as described in Note 4 and are recorded at fair value. The fair value of the beneficial interests in charitable remainder unitrusts is measured using discount rates, mortality tables, and investment return rates applied to the fair value of the underlying trust assets as provided by the trustee. The fair value of the beneficial interests in charitable lead annuity trusts is measured using discount rates and other relevant data. The preceding fair value measurement methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in different fair value measurements at the reporting date.

NOTE 17 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth a summary of certain changes in the fair value of the Foundation's Level 3 assets for the year ended December 31, 2023:

	Beneficial Interests in Charitable		
	Remainder Unitrusts	Lead Annuity Trusts	Total
Purchases	$ 999,467	$ -	$ 999,467
Issuances	(383,381)	(133,009)	(516,390)
Transfers In	-	-	-
Transfers Out	-	-	-

The following table sets forth a summary of certain changes in the fair value of the Foundation's Level 3 liabilities for the year ended December 31, 2023:

	Charitable Gift Annuity Payable
Purchases	$ 68,306
Issuances	(155,284)
Transfers In	-
Transfers Out	-

NOTE 18 CONTRIBUTED NONFINANCIAL ASSETS

The Foundation received the following contributed nonfinancial assets for the year ended December 31, 2023:

Buildings	$ 417,300
Technology	100,798
Total Contributed Nonfinancial Assets	$ 518,098

During the year ended December 31, 2023, a donor sold Appleton Education Foundation a building for $417,300 less than its appraised value of $1,402,300. Contributed nonfinancial assets within the consolidated statement of activities includes $417,300 for the difference between the appraised value and the purchase price. The building is included in property and equipment in the consolidated statement of financial position at the building's appraised value.

Contributed technology is valued using the estimated purchase price at the time of the contribution and is utilized in the Foundation's program and supporting activities.

None of the contributed nonfinancial assets had donor-imposed restrictions.