THE WOODROW WILSON NATIONAL FELLOWSHIP FOUNDATION

FINANCIAL STATEMENTS

June 30, 2019

THE WOODROW WILSON NATIONAL FELLOWSHIP FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To The Board of Trustees of
The Woodrow Wilson National Fellowship Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of The Woodrow Wilson National Fellowship Foundation (the "Foundation") which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Mercadien, P.C.
Certified Public Accountants

October 17, 2019

THE WOODROW WILSON NATIONAL FELLOWSHIP FOUNDATION

STATEMENT OF FINANCIAL POSITION
June 30, 2019

ASSETS	
Current Assets	
Cash and cash equivalents	$ 2,182,354
Due from Graduate School	217,053
Unconditional promises to give, current portion	6,575,608
Prepaid expenses and other current assets	102,425
Total Current Assets	9,077,440
Investments	15,550,761
Unconditional promises to give, noncurrent portion	3,982,151
Property and equipment, at cost, net of accumulated depreciation	19,136
Security deposits	26,303
Total Assets	$ 28,655,791
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable and accrued expenses	$ 569,066
Fellowships payable	1,697,540
Accrued vacation	114,722
Total Current Liabilities	2,381,328
Net Assets	
Without donor restrictions	3,974,823
With donor restrictions	22,299,640
Total Net Assets	26,274,463
Total Liabilities and Net Assets	$ 28,655,791

THE WOODROW WILSON NATIONAL FELLOWSHIP FOUNDATION

STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Other Revenue			
Public Support			
Government	$ 124,036	$ -	$ 124,036
Foundations	-	5,124,608	5,124,608
Individuals	1,893,259	312,481	2,205,740
Net assets released from restrictions	14,354,054	(14,354,054)	-
Total Public Support	16,371,349	(8,916,965)	7,454,384
Other Revenue			
Service fees	987,545	-	987,545
Investment return	413,906	141,777	555,683
Total Public Support and Other Revenue	17,772,800	(8,775,188)	8,997,612
Expenses			
Program Services			
Higher Education	3,112,943	-	3,112,943
Teaching and Leadership	11,485,495	-	11,485,495
Total Program Services	14,598,438	-	14,598,438
Supporting Services			
Management and general	1,546,808	-	1,546,808
Fundraising	482,931	-	482,931
Total Supporting Services	2,029,739	-	2,029,739
Total Expenses	16,628,177	-	16,628,177
Change in net assets	1,144,623	(8,775,188)	(7,630,565)
Net assets, beginning of year	2,830,200	31,074,828	33,905,028
Net assets, end of year	$ 3,974,823	$ 22,299,640	$ 26,274,463

THE WOODROW WILSON NATIONAL FELLOWSHIP FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	Program Services			Supporting Services			
	Higher Education	Teaching and Leadership	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Grants and fellowships to individuals and organizations	$ 1,823,376	$ 4,325,382	$ 6,148,758	$ -	$ -	$ -	$ 6,148,758
Salary, fringe benefits and payroll taxes	878,390	3,321,750	4,200,140	983,300	377,247	1,360,547	5,560,687
Service and professional fees	142,006	2,819,013	2,961,019	207,911	35,177	243,088	3,204,107
Travel and accommodations	200,621	476,280	676,901	65,357	6,018	71,375	748,276
Printing, postage, delivery, copying and other office expenses	4,236	9,340	13,576	58,296	26,493	84,789	98,365
Other office and business expenses	64,314	533,730	598,044	225,360	37,996	263,356	861,400
Total expenses before depreciation	3,112,943	11,485,495	14,598,438	1,540,224	482,931	2,023,155	16,621,593
Depreciation	-	-	-	6,584	-	6,584	6,584
Total Expenses	$ 3,112,943	$ 11,485,495	$ 14,598,438	$ 1,546,808	$ 482,931	$ 2,029,739	$ 16,628,177

THE WOODROW WILSON NATIONAL FELLOWSHIP FOUNDATION

STATEMENT OF CASH FLOWS
Year Ended June 30, 2019

Cash Flows from Operating Activities	
Change in net assets	$ (7,630,565)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	6,584
Realized gain on sale of investments	(84,216)
Unrealized gain on investments	(113,377)
Amortization of U.S. Treasuries discount	(42,462)
Donated securities	(1,052,396)
Increase (decrease) in cash from:	
Unconditional promises to give	4,875,867
Prepaid expenses and other current assets	3,142
Accounts payable and accrued expenses	22,562
Fellowships payable	(1,263,950)
Due from Graduate School	(3,677,013)
Accrued vacation	(73,861)
Net cash from operating activities	(9,029,685)
Cash Flows from Investing Activities	
Purchases of investments	(31,440,093)
Proceeds from sales of investments	39,971,844
Net cash from investing activities	8,531,751
Net change in cash and cash equivalents	(497,934)
Cash and cash equivalents, beginning of year	2,680,288
Cash and cash equivalents, end of year	$ 2,182,354
Supplemental Disclosure of Cash Flow Information	
Donated securities	$ 1,052,396

A. NATURE OF ORGANIZATION

The Woodrow Wilson National Fellowship Foundation (the "Foundation") is a not-for-profit charitable organization located in Princeton, New Jersey. The primary mission of the Foundation is to identify and develop leaders and institutions to meet the nation's critical challenges, working through education.

As a fellowship organization, the Foundation focuses primarily on Higher Education Fellowships and Teaching and Leadership Fellowships.

The Higher Education Fellowships include a suite of fellowships that support the development of future leaders at a variety of career stages in several critical fields. These programs strengthen the representation of diverse groups in the professoriate, support the work of emerging scholars and young faculty in the social sciences and humanities, and prepare experts for the United States Foreign Service.

The Teaching and Leadership Fellowships represent a major effort to recruit, prepare and mentor school leaders as well as candidates for teaching in high-need subjects like mathematics and the sciences, transform their clinical preparation for teaching, and support their commitment to long-term careers in high-need urban and rural schools.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

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

- Net assets without donor restrictions - net assets not subject to donor-imposed stipulations, and therefore are expendable for operating purposes. Net assets without donor restrictions include both designated and undesignated funds.

- Net assets with donor restrictions - net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or by the passage of time. Net assets with donor restrictions include donor restricted endowment funds requiring investment of a gift in perpetuity or for a specified term as well as the investment return thereon until the returns are appropriated for expenditure.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents

Cash equivalents include time deposits with original maturities of ninety days or less, and exclude money market funds included in the investment portfolio.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the statement of financial position. Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the investment in an orderly transaction between market participants on the measurement date. In determining fair value, the Foundation uses various methods including market, income and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 — Quoted prices for identical assets and liabilities traded in active exchange markets.
- Level 2 — Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 — Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. The Foundation does not have any Level 3 investments.

Investment return, including interest, dividends and realized and unrealized gains and losses, net of investment expenses, are reported in the statement of activities as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulations or by law.

Contributions, Promises to Give, and Revenue Recognition

Contributions and foundation grants are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions, Promises to Give, and Revenue Recognition (Continued)

Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as non-current promises to give and are recorded at the present value of their net realizable value, using risk-free prevailing interest rates applicable to the years in which the promises are received to discount the amounts.

In estimating the fair value of unconditional promises to give, management considers promises of $5,000 or more individually. The relationship with the donor, the donor's past history of making timely payments, and the donor's overall creditworthiness are considered and incorporated into a fair value measurement computed using present value techniques. Unconditional promises to give less than $5,000 are measured in the aggregate using present value techniques, and management considers historical trends of collection, the type of donor (individual, corporation/foundation), general economic conditions in the geographical area in which the majority of the donors live, the Foundation's policies concerning enforcement of promises to give, and market interest rate assumptions. The change in amortization of the discount for the time value of money, computed using the effective interest rate method, is reported as contribution revenue.

Contributions of donated noncash assets are recorded at fair value in the period received.

Grant revenue from cost-reimbursement grants or contracts is recognized when the program expenditures have been incurred.

Service fees consist of monies received under shared service arrangements with The Woodrow Wilson Graduate School of Teaching and Learning, Inc. (the "Graduate School", see Note M) and are recognized as income as such services are provided.

Property and Equipment

Property and equipment acquired are recorded at cost. It is the Foundation's policy to capitalize expenditures for individual items costing in excess of $5,000. Lesser amounts are expensed. Property and equipment are depreciated over the useful lives of the related assets using the straight-line method, with a half year depreciation recognized in the years of acquisition and disposal. Repairs and maintenance that do not extend the useful lives of the related assets are expensed as incurred.

Fellowships and Grants

Fellowships are recorded as expenses at the time the individual accepts the award and are generally payable within one year. Grant expense includes the transfer of any contributions received by the Foundation on behalf of the Graduate School.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Income generated by activities that would be considered unrelated to the Foundation's mission would be subject to tax, which, if incurred, would be recognized as a current expense. No such tax has been recognized as of June 30, 2019.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

U.S. GAAP requires management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

The Foundation did not record any interest or penalties on uncertain tax positions in the accompanying statement of financial position as of June 30, 2019, or in the accompanying statement of activities for the year then ended. If the Foundation were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes.

Functional Expense Allocation

The costs of providing program services and support services of the Foundation have been summarized on a functional basis in the statement of activities. Accordingly, certain operating costs have been allocated among the functional categories according to the reasonable benefit that the programs derived from these expenses. Expenses directly attributable to a specific functional area of the Foundation are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on time and effort.

Recently Adopted Accounting Pronouncement

The Foundation has adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended June 30, 2019. The Foundation has communicated qualitative and quantitative information on how it manages its liquid resources available to meet the cash flow needs for general expenditures within one year of the statement of financial position date. As a result, operating expenses are presented in their natural and functional classifications and the investment expenses are netted against investment return in the statement of activities. In addition, the Foundation changed its presentation of its net asset classes and expanded the footnote disclosures as required by the ASU.

Recent Accounting Pronouncements

ASU 2014-09 issued in May 2014, *Revenue from Contracts with Customers (Topic 606)*, requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606) - Deferral of the Effective Date*, which defers the effective date of ASU 2014-09 by one year. The updated standard will be effective for the Foundation for the year ending June 30, 2020.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

ASU 2016-02 issued in February 2016, *Leases (Topic 842)*, requires an entity (lessee) that leases assets for a term exceeding a one-year period to recognize a right-of-use asset and corresponding lease liability on the statement of financial position. ASU 2016-02 will result in lessees recognizing right-of-use assets and lease liabilities for most leases currently accounted for as operating leases under the legacy lease accounting guidance. ASU 2016-02 introduces limited changes to the lessor accounting model, none of which rise to the same level of significance as the changes made to the lessee accounting model.

ASU 2016-02 also requires entities to disclose in the footnotes to their financial statements information about the amount, timing and uncertainty for the payments they make for lease agreements. ASU 2016-02 will be effective for the Foundation for the year ending June 30, 2021.

ASU 2018-08 issued in June 2018, *Not-For-Profit Entities (Topic 958): Clarifying Scope and the Accounting Guidance for Contributions Received and Contributions Made*, clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments assist entities in 1) evaluating whether transactions should be accounted for as contributions within the scope of Topic 958 or as exchange transactions subject to other guidance and 2) determining whether a contribution is conditional. ASU 2018-08 requires that the Foundation apply this amendment for contributions received in which the Foundation serves as the resource recipient for the year ending June 30, 2020, and for contributions made in which the Foundation serves as the resource provider for the year ending June 30, 2021.

C. ENDOWMENT POLICY

The Foundation's endowment consists of five individual funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act to require standard care that is reasonable and prudent over its endowed funds. The Board of Trustees also interpreted Uniform Prudent Management of Institutional Funds Act as requiring the investments held in an endowment fund consisting of the original gifts and all accrued investment income thereon, to be classified as net assets with donor restriction until appropriated for expenditure by the Board of Trustees, unless stated otherwise in the gift instrument.

Current spending from the endowment equals interest and investment income net of fees, and net realized and unrealized gains. Funds from earnings on net assets with donor restrictions appropriated for expenditure are expended according to donor restrictions and are classified as net assets released from restrictions on the accompanying statement of activities.

The Board of Trustees has adopted the investment objective of preserving the endowment's principal by investing in high quality instruments. The return on endowment funds includes dividends, interest and capital gains less any capital losses and expenses. The holdings must adhere to asset allocation ranges in the Foundation's Investment Policy Statement and the securities held must be appropriate for the portfolio objectives, asset class and investment style of the funds selected under the Foundation's investment management process.

C. ENDOWMENT POLICY (CONTINUED)

Changes in endowment net assets with donor restrictions for the year ended June 30, 2019, are as follows:

Invested endowment balance, June 30, 2018	$ 1,629,695
Interest and investment income	32,904
Investment fees	(399)
Net appreciation (realized and unrealized)	82,066
Net investment return	114,571
Released from restriction with donor approval	(33,092)
Appropriated for expenditure	(114,571)
Invested endowment balance, June 30, 2019	$ 1,596,603

D. NET ASSETS

Without Donor Restrictions

The Foundation's Board of Trustees has chosen to place a designation on a portion of the net assets without donor restrictions:

Pennsylvania Teaching Fellowship	$ 1,074,775
Undesignated	2,900,048
Total	$ 3,974,823

The board-designated net assets presented above pertain to the Pennsylvania Teaching Fellowship. As the program incurs expenses, the Foundation allocates the expenses against both the purpose restricted funds and board designated funds that were established to fund the program. The total spending of board designated net assets was $425,225 for the year ended June 30, 2019.

With Donor Restrictions

Net assets with donor restrictions as of June 30, 2019, are restricted for the following purposes or periods:

Purpose restricted:	
Teaching and Leadership Fellowships	$ 15,897,729
Higher Education Fellowships	4,575,038
Other awards and prizes	230,270
Subtotal	20,703,037
Endowments given in perpetuity	
Humanities Initiatives Fund	603,609
Richard W. Couper Humanities Initiative Funds	400,000
Taplin Endowment	379,825
Goheen Endowment	120,375
General Endowment	92,794
Subtotal	1,596,603
Total net assets with donor restrictions	$ 22,299,640

The earnings on the endowments are to be used for various program initiatives as stipulated by the donors.

D. NET ASSETS (CONTINUED)

Net assets totaling $14,354,054 were released from donor restrictions for the year ended June 30, 2019, and represent expenses incurred to satisfy donor restrictions or other events specified by the donors.

E. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure within one year of the statement of financial position date comprise the following:

Cash and cash equivalents	$ 2,182,354
Unconditional promises to give, current portion	6,575,608
Due from Graduate School	217,053
Less: donor restricted portion of unconditional promises to give	(5,415,070)
Financial assets available to meet general expenditures	$ 3,559,945

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures come due. The Foundation invests cash in excess of operating requirements in short-term investments.

F. CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash balances in a financial institution with a branch located in Plainsboro, New Jersey. Certain balances are insured by the Federal Deposit Insurance Corporation.

The Foundation maintains its investment balances in several financial institutions. The balances are insured by the Securities Investor Protection Corporation ("SIPC") up to $500,000 per customer. The SIPC does not protect investors from market risks.

As of June 30, 2019, approximately 73% of the Foundation's gross unconditional promises to give were from four entities.

G. INVESTMENTS

Investments consist of the following as of June 30, 2019:

	Cost	Fair Value	Unrealized Appreciation
Cash equivalents	$ 53,378	$ 53,378	$ -
U.S. government treasuries	5,416,939	5,467,248	50,309
U.S. government treasury strips, net*	1,259,933	1,350,637	90,704
Mutual funds	7,737,653	8,277,481	539,828
Certificates of deposit	400,000	402,017	2,017
Total	$ 14,867,903	$ 15,550,761	$ 682,858

* U.S. government treasury strips cost basis is presented net of the unamortized discount of $30,172 for the year ended June 30, 2019.

G. INVESTMENTS (CONTINUED)

Investment return consists of the following for the year ended June 30, 2019:

Interest and dividend income	$ 330,146
Amortization of U.S. treasury strips discount	42,462
Realized gain on sale of investments	84,216
Unrealized gain on investments	113,377
Less: investment expenses	(14,518)
Total investment return	$ 555,683

H. FAIR VALUE MEASUREMENT

Fair values of assets measured on a recurring basis at June 30, 2019, are as follows:

	Level 1	Level 2	Level 3	Fair Value Total
Investments				
Cash equivalents	$ 53,378	$ -	$ -	$ 53,378
U.S. government treasuries	5,467,248	-	-	5,467,248
U.S. government treasury strips	-	1,350,637	-	1,350,637
Mutual funds	8,277,481	-	-	8,277,481
Certificates of deposit	-	402,017	-	402,017
Total Investments	$ 13,798,107	$ 1,752,654	$ -	$ 15,550,761

U.S. government treasury strips (Level 2) will be held to maturity. Certificates of deposit (Level 2) are short-term maturities.

I. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following as of June 30, 2019:

Teaching and Leadership Fellowships	$ 6,768,000
Higher Education Fellowships	3,385,432
Annual Fund	51,424
Other	661,750
Total unconditional promises to give	10,866,606
Less discount to net present value	(308,847)
Net unconditional promises to give	$10,557,759

Unconditional promises to give in the amount of $4,271,370 due after June 30, 2020, are discounted at varying short-term treasury rates.

J. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2019:

	Life/Years	
Furniture and equipment	3-5	$ 214,129
Equipment held under capital leases	3-5	25,324
Subtotal property and equipment		239,453
Less: accumulated depreciation		220,317
Net property and equipment		$ 19,136

K. COMMITMENTS AND CONTINGENCIES

Government supported programs as well as certain private foundation grants are subject to audit by the granting agency.

The Foundation leases office space under a non-cancelable operating lease that provides for minimum annual rental payments through the year ending June 30, 2020.

Under its various programs, the Foundation has committed grants to individuals and organizations. The payments are contingent on successful completion of the current year obligation before any future payments will be made. There are no future conditional commitments as of June 30, 2019.

L. RETIREMENT PLAN

The Foundation has a contributory defined contribution retirement plan under Internal Revenue Code Section 403(b). Employees that meet certain eligibility criteria are eligible to participate. Employees are fully vested in the plan when they become eligible to participate. The Foundation matches employee contributions up to 10% of the employee's salary, provided the employee contributes a minimum of 5% of their salary to the plan. The Foundation's contribution to the plan for the year ended June 30, 2019, was $386,472. The plan is administered by TIAA.

M. TRANSACTIONS WITH THE GRADUATE SCHOOL

Prior to its incorporation date of November 15, 2017, the Graduate School was a program of the Foundation. During 2019, prior to the Graduate School's receipt of its tax-exempt status determination letter, the Foundation collected a total of $1,895,000 of grants and contributions from various private foundations that were intended for the Graduate School. The Foundation granted these funds to the Graduate School as they were received, and as a result, grant expense of $1,895,000 has been recorded on the statement of functional expenses as higher education grants and fellowships to individuals and organizations. There are no further amounts owed by the Foundation to the Graduate School under these agreements.

The Foundation has also entered into multiple agreements with the Graduate School for shared services such as development, recruitment, communications and technology. For the fiscal year ending June 30, 2019, the Foundation billed the Graduate School $987,545 in service fees, of which $217,053 was owed by the Graduate School to the Foundation at year end.

N. RELATED PARTIES

Total gifts and pledges from various board members were $1,613,308 for the year ended June 30, 2019. Of the total gifts and pledges, including those made in prior years, there was no amount outstanding at June 30, 2019. The Foundation believes that all remaining gifts and pledges from related parties are collectible.

O. SUBSEQUENT EVENTS

Management has evaluated events for potential recognition and disclosure that occurred through October 17, 2019, the date the financial statements were available to be issued. There were no items determined by management to require disclosure.