



**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Financial Statements

September 30, 2015 and 2014

(With Independent Auditors' Report Thereon)

# WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

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KPMG LLP  
1676 International Drive  
McLean, VA 22102

## Independent Auditors' Report

The Board of Trustees  
Woodrow Wilson International Center for Scholars:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Woodrow Wilson International Center for Scholars, which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Woodrow Wilson International Center for Scholars as of September 30, 2015 and 2014, and the results of its operations and cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information included in the schedules of financial position and changes in net assets (schedules 1 and 2) are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

**KPMG LLP**

June 1, 2016

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Statements of Financial Position

September 30, 2015 and 2014

<b>Assets</b>	<b>2015</b>	<b>2014</b>
Current assets:		
Cash and Fund Balance with Treasury	\$ 4,482,782	6,638,483
Short-term investments (notes 3 and 4)	8,153,777	8,447,328
Receivables:		
Contributed facilities (notes 5 and 6)	3,440,000	3,440,000
Contract costs and fees	449,153	362,379
Other contributions (note 6)	1,066,933	973,700
Subscriptions and other	2,114	43,120
Prepaid costs and advance payments	84,883	212,931
Total current assets	17,679,642	20,117,941
Investments (notes 3 and 4)	35,619,044	38,160,624
Other contributions (note 6)	1,006,759	35,000
Equipment and leasehold improvements, net (note 7)	1,796,474	1,845,994
Wilson Memorial	225,000	225,000
Contributed facilities, net (notes 5 and 6)	40,799,342	44,239,342
Total assets	\$ 97,126,261	104,623,901
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,434,533	2,168,054
Grants payable	2,091,986	2,262,027
Deferred revenue	2,326,042	2,856,257
Total current and total liabilities	6,852,561	7,286,338
Net assets:		
Unrestricted:		
Undesignated	3,505,127	2,384,033
Board designated for endowment	13,382,173	15,706,082
	16,887,300	18,090,115
Temporarily restricted (note 8)	57,190,023	65,145,370
Permanently restricted (note 8)	16,196,377	14,102,078
Total net assets	90,273,700	97,337,563
Commitments and contingencies (notes 5, 10, 11 and 12)		
Total liabilities and net assets	\$ 97,126,261	104,623,901

See accompanying notes to financial statements.

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Statements of Activities

Years ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Unrestricted net assets:		
Revenues:		
Appropriations	\$ 10,784,792	10,087,263
Grants and contributions	5,434,370	5,033,227
Investment (loss) income (note 3)	(1,198,880)	1,923,374
Endowment distribution	(246,444)	—
Other income	447,858	255,731
Total revenues	<u>15,221,696</u>	<u>17,299,595</u>
Net assets released from restrictions (notes 5 and 8)	<u>16,865,864</u>	<u>16,364,080</u>
Total unrestricted revenues and other increases	<u>32,087,560</u>	<u>33,663,675</u>
Expenses:		
Program services:		
Fellows	5,498,378	5,462,563
Services to fellows	1,389,745	1,411,747
Conferences and special projects	16,889,029	15,651,625
Total program services	<u>23,777,152</u>	<u>22,525,935</u>
Supporting services:		
General and administrative	7,451,717	8,052,532
Fund-raising	2,061,506	2,349,419
Total supporting services	<u>9,513,223</u>	<u>10,401,951</u>
Total expenses	<u>33,290,375</u>	<u>32,927,886</u>
Change in unrestricted net assets	<u>(1,202,815)</u>	<u>735,789</u>
Temporarily restricted net assets:		
Contributions	9,638,818	12,033,914
Investment (loss) income (note 3)	(660,597)	1,106,094
Endowment distribution	(67,704)	—
Net assets released from restrictions (notes 5 and 8)	<u>(16,865,864)</u>	<u>(16,364,080)</u>
Change in temporarily restricted net assets	<u>(7,955,347)</u>	<u>(3,224,072)</u>
Change in permanently restricted net assets – contributions	<u>2,094,299</u>	<u>5,000</u>
Change in net assets	<u>(7,063,863)</u>	<u>(2,483,283)</u>
Net assets, beginning of year	<u>97,337,563</u>	<u>99,820,846</u>
Net assets, end of year	\$ <u><u>90,273,700</u></u>	\$ <u><u>97,337,563</u></u>

See accompanying notes to financial statements.

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Statements of Cash Flows

Years ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ (7,063,863)	(2,483,283)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	317,440	371,604
Net loss (gain) on investments	2,493,030	(2,432,340)
Decrease in contributed facilities receivable	3,440,000	3,440,000
(Increase) Decrease in other receivables	(1,110,760)	421,397
Decrease (Increase) in prepaid costs and advances	128,048	(185,134)
Increase (Decrease) in accounts payable and accrued expenses	266,479	(130,255)
(Decrease) Increase in grant payable	(170,041)	140,367
(Decrease) Increase in deferred revenue	(530,215)	1,221,436
Net cash (used in) provided by operating activities	<u>(2,229,882)</u>	<u>363,792</u>
Cash flows from investing activities:		
Purchase of equipment and leasehold improvements	(267,920)	(74,103)
Purchase of investments	(42,113,193)	(36,609,717)
Sale of investments	42,455,294	37,136,548
Net cash provided by investing activities	<u>74,181</u>	<u>452,728</u>
Net (decrease) increase in Cash and Fund Balance with Treasury	(2,155,701)	816,520
Cash and Fund Balance with Treasury, beginning of year	<u>6,638,483</u>	<u>5,821,963</u>
Cash and Fund Balance with Treasury, end of year	<u>\$ 4,482,782</u>	<u>6,638,483</u>

See accompanying notes to financial statements.

# WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Notes to Financial Statements

September 30, 2015 and 2014

## (1) Organization, Mission, and Federal Support

The Woodrow Wilson International Center for Scholars (the Center), a publicly supported, nonprofit organization, was created by the Congress of the United States, as a living memorial – an institution that would serve as a visible tribute to our 28th president by conducting activities that symbolize and strengthen relations between the world of learning and the world of public affairs.

The Center was established under the Woodrow Wilson Memorial Act of 1968 (P.L. 90-637) as an international center for advanced studies. The Center's purpose is accomplished through its program activities, including supporting international fellows and guest scholars, organizing meetings ranging from small seminars to major international conferences, multimedia publications to disseminate the Center's program information, and producing the digital *Wilson Quarterly* and various radio, television, webcasts, and presentations to provide scholarly reports on important domestic and global issues.

Approximately one-third of the Center's operating budget is funded from its annual federal appropriation. Future appropriations are subject to the action of Congress and are therefore not assured. The Center received a federal appropriation of \$10,500,000 for fiscal year 2015 through the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235) which shall remain available until September 30, 2016. The Center's fiscal year 2016 appropriation is authorized by the Consolidated Appropriations Act, 2016 (Public Law 114-113) for \$10,500,000 and shall remain available through September 30, 2017. In addition to the federal appropriations, additional significant federal support is provided through the provision of office space at no cost to the Center. (see note 5).

## (2) Summary of Significant Accounting Policies

### (a) *Net Asset Classification*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Center and changes therein are classified and reported as follows:

***Unrestricted net assets*** – Net assets that are not subject to donor-imposed stipulations. This category includes net assets the Board has designated to function as an endowment.

***Temporarily restricted net assets*** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Center and/or the passage of time.

***Permanently restricted net assets*** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center, with only income derived from these endowments available for expenditure.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses are reported as increases or decreases in unrestricted net assets unless their use is restricted. The release of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

## WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Notes to Financial Statements

September 30, 2015 and 2014

**(b) Revenue Recognition**

Contributions, including unconditional pledges, are recognized as revenues in the period that donors make unconditional promises to give. Conditional contributions are not recognized until such conditions are substantially met.

Gifts of land, buildings, and equipment are reported as unrestricted revenue unless explicit donor restrictions specify how the assets must be used. Contributed long-lived assets with explicit time or purpose restrictions are reported as temporarily restricted revenue (see note 5 for description of treatment of contributed facilities).

Federal appropriations and federal grant awards are recorded as exchange transactions. Revenue is recognized to the extent reimbursable costs are incurred. Unused appropriations are returned after five years (see note 13).

Revenue from subscriptions to *The Wilson Quarterly* is recorded as income over the period of the related subscription. Costs related to obtaining subscriptions to *The Wilson Quarterly* are charged to expense when costs are incurred.

All contributions receivable due over periods greater than one year are recorded at their discounted estimated net realizable value.

**(c) Functional Allocation of Expenses**

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

**(d) Fund Balance with Treasury**

The Fund Balance with Treasury represents appropriated funds that are available to pay current liabilities and authorized purchase commitments relative to goods or services.

**(e) Investments**

The Center's investments are reported at their fair values based on quoted market prices or, with respect to alternative investments, at estimated fair value using net asset value as a practical expedient. These estimated values are provided by external investment managers and are reviewed by and evaluated by the Center. Due to inherent uncertainties of these estimates, these values may differ from the value that would have been reported had a ready market for such investments existed. Changes in the fair value are recognized in the statements of activities. Gains and losses on investments are reported consistent with donor restrictions on investment earnings, if any.

The Center applies an endowment spending policy whereby 4% of the three year moving average value of the endowment investments is paid out to the operating fund. Investments are classified as current or long-term based on investment strategies and management's expected use of funds.

## WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Notes to Financial Statements

September 30, 2015 and 2014

**(f) *Equipment and Leasehold Improvements***

Furniture and computer equipment is recorded at cost if purchased, or recorded at the fair value as of the date of the gift if contributed. Equipment acquired by transfer from government agencies is capitalized at the transfer price or at estimated fair value, taking into consideration expected use and current condition. Depreciation is recorded on a straight-line basis over the estimated useful lives of assets as follows:

Computer equipment	5 years
Furniture and fixtures	5 to 7 years

Leasehold improvements are recorded at cost and are depreciated over the estimated useful life of the asset or the remaining length of the lease, whichever is less.

**(g) *Wilson Memorial***

In the memorial hallway, there is a permanent bas-relief of Woodrow Wilson that was commissioned and is displayed in the Ronald Reagan Building and International Trade Center. The cost of this bas-relief is capitalized and not depreciated.

**(h) *Grants Payable***

The Center provides fellowship grants which are expensed and recorded as liabilities at the time the Center receives a signed offer letter from the recipient indicating acceptance of the grant.

**(i) *Other Income***

Other income consists of royalties from sales of publications, honoraria received by executives of the Center for appearances, and other miscellaneous revenues.

**(j) *Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions may affect reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The financial statements include a significant estimate by management to value a commitment from the federal government to provide office space to the Center through the year 2027 at no cost (see note 5).

**(k) *Fair Value of Financial Instruments***

FASB Accounting Standard Codification (ASC) Topic 820, *Fair Value Measurements*, establishes, among other things, a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy used by the Center are as follows:

## WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Notes to Financial Statements

September 30, 2015 and 2014

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Center has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair values of the financial instruments represent management's best estimates of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Center's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Center based on the reports provided by the fund managers, including the latest audited statements as well as advice from our investment advisors.

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

- ETF/Mutual Funds – fixed income, ETF/mutual funds – equity, and Institutional mutual fund – fixed income, comprised of exchange-traded funds, are measured using quoted market prices at the reporting date multiplied by the quantity held and are disclosed in Level 1.
- Certificates of deposit (CDs), commercial paper, and corporate bonds are measured based on a pricing service or estimated by utilizing a yield-based matrix system to arrive at an estimated market value. CDs, commercial paper and corporate bonds are disclosed in Level 2.
- Investments in absolute return funds, commingled funds-fixed income and ETF/mutual funds-equity are reported at estimated fair value using net asset values provided by fund managers as a practical expedient. Management reviews and evaluates the values provided by the fund managers and agrees with the valuation methods and assumptions used in determining the fair value. Investments measured using net asset value are classified as Level 2 if they are redeemable at or near year-end otherwise they are considered Level 3.

### **(I) Recent Accounting Pronouncements**

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07: *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* (a consensus of the Emerging Issues Task Force, which eliminates the requirement to classify investments in the fair value hierarchy if their fair value is measured at NAV using the practical expedient. The new guidance is effective for annual reporting periods beginning after December 15, 2016, however early adoption is permitted. The Center has not elected to early adopt the guidance and is currently evaluating the impact on financial statements and related disclosures.

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Notes to Financial Statements

September 30, 2015 and 2014

**(3) Investments**

Investments at September 30 consist of the following:

	<u>2015</u>	<u>2014</u>
Operating funds:		
Cash and cash equivalents	\$ 1,113,985	383,112
CDs and commercial paper	7,006,577	7,202,885
Corporate bonds	806,423	675,053
Institutional mutual fund – fixed income	1,282,163	2,231,822
Total operating funds	<u>10,209,148</u>	<u>10,492,872</u>
Endowment funds:		
Cash and cash equivalents	4,840,592	26,763
ETF/mutual funds – fixed income	2,697,295	2,665,397
Comingled funds – fixed income	1,684,245	1,829,031
ETF/mutual funds – equity	14,463,959	20,916,693
Absolute return funds	9,877,582	10,677,196
Total endowment funds	<u>33,563,673</u>	<u>36,115,080</u>
Total investments	<u>\$ 43,772,821</u>	<u>46,607,952</u>

Investment income for the years ended September 30, is comprised of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 633,533	597,128
Net realized and unrealized (losses) gains	(2,493,010)	2,432,340
	<u>\$ (1,859,477)</u>	<u>3,029,468</u>

Investment income for the years ended September 30, is reported in the statements of activities as follows:

	<u>2015</u>	<u>2014</u>
Unrestricted	\$ (1,198,880)	1,923,374
Temporarily restricted	(660,597)	1,106,094
	<u>\$ (1,859,477)</u>	<u>3,029,468</u>

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Notes to Financial Statements

September 30, 2015 and 2014

**(4) Fair Value Measurements**

The following tables present assets and liabilities that are measured at fair value on a recurring basis at September 30, 2015 and 2014:

	<b>2015</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 5,954,577	—	—	5,954,577
CDs and commercial paper	—	7,006,577	—	7,006,577
Corporate bonds	—	806,423	—	806,423
ETF/mutual funds – fixed income	1,282,163	—	—	1,282,163
Institutional mutual funds – fixed income	2,697,295	—	—	2,697,295
Commingled funds – fixed income	—	1,684,245	—	1,684,245
ETF/mutual funds – equity	12,839,265	1,624,694	—	14,463,959
Absolute return funds	—	—	9,877,582	9,877,582
	<u>\$ 22,773,300</u>	<u>11,121,939</u>	<u>9,877,582</u>	<u>43,772,821</u>

	<b>2014</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 409,875	—	—	409,875
CDs and commercial paper	—	7,202,885	—	7,202,885
Corporate bonds	—	675,053	—	675,053
ETF/mutual funds – fixed income	2,665,397	—	—	2,665,397
Institutional mutual funds – fixed income	2,231,822	—	—	2,231,822
Commingled funds – fixed income	—	1,829,031	—	1,829,031
ETF/mutual funds – equity	19,380,301	1,536,392	—	20,916,693
Absolute return funds	—	—	10,677,196	10,677,196
	<u>\$ 24,687,395</u>	<u>11,243,361</u>	<u>10,677,196</u>	<u>46,607,952</u>

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Notes to Financial Statements

September 30, 2015 and 2014

The following tables summarize the liquidity for each investment reported at estimated fair value based on the net asset value at September 30, 2015 and 2014 (c):

	<u>2015</u>	<u>2014</u>	<u>Redemption</u>	<u>Redemption</u>
	<u>Fair value</u>	<u>Fair value</u>	<u>frequency</u>	<u>notice period</u>
Commingled funds – fixed income (a)	\$ 1,684,245	1,829,031	Monthly	10 days
Absolute return funds (b)	9,877,582	10,677,196	Monthly, quarterly or annually	30-70 days
ETF/mutual funds-equity (c)	<u>1,624,694</u>	<u>1,536,392</u>	Monthly	15 days
Total	\$ <u>13,186,521</u>	<u>14,042,619</u>		

- (a) This class is comprised of a single fixed income commingled fund. The fixed income fund is a commingled investment fund intended to invest only in sovereign bonds and construct a portfolio that pursues value and stability of income philosophy. In general, this fund seeks to produce returns that mirror or exceed various benchmarks established for comparable portfolios.
- (b) This class is comprised of seven separate funds, including; four long/short hedge funds that invest in publicly traded securities, a partnership that investments in distressed securities, a fund that invests in event driven situations, and one that employs a multi-strategy with credit orientation.
- (c) This class is comprised of a single global real estate commingled fund. The global real estate fund is intended to invest only in a well-diversified portfolio of equity securities issued by publicly held real estate companies primarily in North America, Europe, Australia and Asia. In general, this fund seeks to produce returns that mirror or exceed various benchmarks established for comparable portfolios.

The Center does not have any unfunded commitments related to the above investments as of September 30, 2015 or 2014.

The following tables present the Center’s activity for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended September 30, 2015 and 2014:

	<u>Absolute</u>
	<u>return funds</u>
Balance at September 30, 2014	\$ 10,677,196
Purchases and issuances	1,484,514
Settlements	(1,880,344)
Total unrealized loss	(403,784)
Balance at September 30, 2015	\$ <u>9,877,582</u>

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Notes to Financial Statements

September 30, 2015 and 2014

	<u><b>Absolute return funds</b></u>
Balance at September 30, 2013	\$ 10,056,938
Purchases and issuances	521
Total unrealized gains	<u>619,737</u>
Balance at September 30, 2014	<u><u>\$ 10,677,196</u></u>

**(5) Contributed Building Facilities and Building Improvements**

In 1997, the General Services Administration approved the Center’s use of 80,000 square feet of office space in the Ronald Reagan Building and International Trade Center for 30 years, beginning August 1998, at no cost to the Center. At the time of the donation, the General Services Administration estimated the fair value of the space for the first year to be \$3.44 million. The Center recognized contribution revenue of \$103,200,000 as temporarily restricted support at the time of the donation representing the estimated present value of the 30 year donation assuming the fair value cost of living rent increases would offset the required present value discounting of the contribution, estimated in 1997 at 5.2% per year.

In accordance with accounting principles generally accepted in the United States, the Center’s estimate of the fair value of the space is reviewed annually and revised based upon current market conditions. For the years ended September 30, 2015 and 2014, the Center was notified by the General Services Administration that the estimated value of the space utilized by the Center was approximately \$6.86 million and \$6.90 million, respectively, including building security.

In the accompanying statements of activities, the difference between the current estimated fair value of the space (\$6.86 million and \$6.90 million for the years ended September 30, 2015 and 2014, respectively) and the initial estimate of \$3.44 million is recognized as current year contribution revenue. The Center considers the annual increase in the estimated fair value to represent temporarily restricted revenue, consistent with the recognition of the original commitment of the donated space. Annually, the total current fiscal year’s value of the space is recognized as in-kind rent expense.

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Notes to Financial Statements

September 30, 2015 and 2014

Changes in the net assets related to the original estimated value of the 30-year commitment of donated space is summarized as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
In-kind contribution revenue recognized in 1997	\$ —	\$ 103,200,000	\$ 103,200,000
Cumulative amount released from restriction as of September 30, 2013	52,080,658	(52,080,658)	—
Cumulative in-kind rent expense as of September 30, 2013	(52,080,658)	—	(52,080,658)
2014 Release from restriction	3,440,000	(3,440,000)	—
2014 In-kind rent expense	<u>(3,440,000)</u>	<u>—</u>	<u>(3,440,000)</u>
Net assets as of September 30, 2014	—	47,679,342	47,679,342
2015 Release from restriction	3,440,000	(3,440,000)	—
2015 In-kind rent expense	<u>(3,440,000)</u>	<u>—</u>	<u>(3,440,000)</u>
Net assets as of September 30, 2015	\$ <u>—</u>	\$ <u>44,239,342</u>	\$ <u>44,239,342</u>

In August 2028, the full amount of the original estimate of the in-kind donated rent \$103.2 million will have been released from temporarily restricted net assets to unrestricted net assets.

The following table details the change in net assets related to the donated space in the accompanying statement of activities for the year ended September 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>
Contribution revenue (increase in the estimated fair value of the space for 2015)	\$ —	\$ 3,419,806	\$ 3,419,806
Release from restriction:			
Annual release based upon original valuation of donated space	3,440,000	(3,440,000)	—
Release of the 2015 increase in fair value of the donated space	<u>3,419,806</u>	<u>(3,419,806)</u>	<u>—</u>
Total release from restriction	<u>6,859,806</u>	<u>(6,859,806)</u>	<u>—</u>
Total revenue	6,859,806	(3,440,000)	3,419,806
In-kind rent expense	<u>6,859,806</u>	<u>—</u>	<u>6,859,806</u>
Change in net assets - donated space	\$ <u>—</u>	\$ <u>(3,440,000)</u>	\$ <u>(3,440,000)</u>

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Notes to Financial Statements

September 30, 2015 and 2014

**(6) Contributions Receivable**

Contributions receivable at September 30, 2015, consist of unconditional promises expected to be collected in the following periods (see note 5):

	<u>Contributed facilities</u>	<u>Other contributions</u>
Years ending September 30:		
2016	\$ 3,440,000	1,066,933
2017	3,618,000	733,333
2018	3,806,000	400,000
2019	4,004,000	—
2020	4,212,000	—
Thereafter	42,615,000	—
	<u>61,695,000</u>	<u>2,200,266</u>
Less unamortized discount (discounted at 5.2% )	<u>(17,455,658)</u>	<u>(126,574)</u>
Total contributions receivable, net	44,239,342	2,073,692
Less current portion	<u>(3,440,000)</u>	<u>(1,066,933)</u>
Contributions receivable, long-term	\$ <u><u>40,799,342</u></u>	\$ <u><u>1,006,759</u></u>

All contributions receivable are considered fully collectible by management for the years ending September 30, 2015 and 2014.

**(7) Equipment and Leasehold Improvements**

As of September 30, equipment and leasehold improvements, net consist of the following:

	<u>2015</u>	<u>2014</u>
Furniture and other equipment	\$ 3,650,473	3,421,522
Leasehold improvements	<u>2,660,715</u>	<u>2,660,715</u>
	6,311,188	6,082,237
Less accumulated depreciation and amortization	<u>(4,514,714)</u>	<u>(4,236,243)</u>
	\$ <u><u>1,796,474</u></u>	\$ <u><u>1,845,994</u></u>

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Notes to Financial Statements

September 30, 2015 and 2014

**(8) Restricted Net Assets**

Temporarily restricted net assets as of September 30, are restricted for the following:

	<u>2015</u>	<u>2014</u>
Future use of contributed building facilities	\$ 44,239,342	47,679,342
General Center	451,972	2,781,069
Kennan Institute	3,663,946	4,257,334
Global Women's Leadership Initiative	1,297,296	1,418,147
Urban Studies Theme	20,507	20,989
Asia Program	2,465,277	2,881,806
Latin American Program	1,649,844	2,111,730
Canada Institute	24,337	175,267
Division of International Studies	194,320	200,252
Environmental Change and Security	80,534	274,081
Middle East Program	215,721	348,179
Africa Program	297,154	427,611
Congress Project	3,023	3,023
European Studies	675,611	1,096,403
Kissinger Institute	1,363,051	591,932
Polar Initiative	11,660	—
Science, Technology and Innovation Program	536,428	878,205
	<u>\$ 57,190,023</u>	<u>65,145,370</u>

During 2015 and 2014, the Center met donor-imposed requirements on certain gifts and, therefore, released temporarily restricted net assets as follows:

	<u>2015</u>	<u>2014</u>
Future use of contributed building facilities	\$ 6,859,806	6,902,092
General Center	3,187,726	2,366,766
Kennan Institute	965,090	1,026,215
Asia Program	454,636	524,750
Latin American Program	1,925,521	1,895,050
Canada Institute	321,511	494,594
Division of International Studies	56,432	41,953
Environmental Change and Security	495,054	587,108
Middle East Program	197,357	178,159
Africa Program	282,846	153,590
Division of United States Studies	—	914
Program on America and the Global Economy	—	18,419
Polar Initiative	8,090	—
European Studies	992,105	953,172
Kissinger Institute	213,008	146,733
Urban Studies Theme	105,905	88,872
Science, Technology and Innovation Program	800,777	985,693
	<u>\$ 16,865,864</u>	<u>16,364,080</u>

## WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Notes to Financial Statements

September 30, 2015 and 2014

Principal amounts of permanently restricted net assets at September 30, shown below, provide investment income available to support the following activities:

	2015	2014
General Center	\$ 9,200,104	9,200,104
Lee H. Hamilton Lecture Series	437,200	437,200
Nancy Tucker Memorial Lecture Series	50,304	50,304
Canada Institute	350,000	350,000
Kennan Institute	2,610,470	2,605,470
Latin American Program	37,500	37,500
Asia Program	1,400,000	1,400,000
History and Public Policy	2,089,299	—
West European Studies	21,500	21,500
	\$ 16,196,377	14,102,078

### (9) Endowment

The Center's endowment consists of approximately 10 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

#### (a) *Interpretation of Relevant Law*

The District of Columbia adopted the Uniform Prudent Management of Institutional Fund Act (UPMIFA) in January 2008. The Center has determined that it is not required to follow the District of Columbia's version of UPMIFA as a matter of law, but it may choose to implement the standards of UPMIFA in a future period. The Center continues to follow the guidance in the Uniform Management of Institutional Funds Act of 1972 (UMIFA) which focuses on the prudent spending of the net appreciation of a fund. The Center has interpreted UMIFA as requiring the preservation of the original gift of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

#### (b) *Return Objectives and Risk Parameters*

The Center has adopted and the Board of Trustees has approved the Statement of Investment Policies and Objectives for the Endowment Fund. This policy has identified an appropriate risk posture for the fund, stated expectations and objectives for the fund, provides asset allocation guidelines and establishes criteria to monitor and evaluate the performance results of the fund's managers. The Center expects the Endowment Fund to provide an average real rate of return of 5% over rolling five year periods.

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Notes to Financial Statements

September 30, 2015 and 2014

**(c) *Strategies Employed for Achieving Objectives***

To satisfy its long term rate of return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation that over the long term will meet or exceed the total return of a composite benchmark index which represents the fund's target asset allocation.

**(d) *Spending Policy and How the Investment Objectives Relate to Spending Policy***

The Center has a policy of appropriating for distribution each year up to 4% of its funds based on the moving average market value over the prior 36 months. In establishing this policy, the Center considered the long-term expected return on its funds. The Center expects the current spending policy to grow its endowment at an average of 1% real return annually.

**(e) *Redemption of Endowment Assets for Next Fiscal Year***

For 2016, the Center has budgeted to redeem \$1,331,000 of the endowment fund assets to be distributed for operations. Consistent with the spending policy described above, this amount represents 4% of the endowment market value.

Net asset classification by type of endowment as of September 30, 2015:

	<b>Unrestricted</b>	<b>Temporarily restricted</b>	<b>Permanently restricted</b>	<b>Total</b>
Donor-restricted endowment funds	\$ —	5,074,422	16,196,377	21,270,799
Board-designated endowment funds	13,382,173	—	—	13,382,173
	\$ 13,382,173	5,074,422	16,196,377	34,652,972

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Notes to Financial Statements

September 30, 2015 and 2014

Changes in endowment net assets for the year ended September 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 15,706,082	6,306,920	14,102,078	36,115,080
Investment income:				
Interest and Dividends	353,895	207,591	—	561,486
Net depreciation (realized and unrealized gains and losses)	<u>(1,580,280)</u>	<u>(868,188)</u>	<u>—</u>	<u>(2,448,468)</u>
Total investment income	(1,226,385)	(660,597)	—	(1,886,982)
Contributions	—	—	2,094,299	2,094,299
Appropriated for program investments	(246,444)	(67,704)	—	(314,148)
Appropriation of endowment assets for expenditure	<u>(851,080)</u>	<u>(504,197)</u>	<u>—</u>	<u>(1,355,277)</u>
	<u>\$ 13,382,173</u>	<u>5,074,422</u>	<u>16,196,377</u>	<u>34,652,972</u>

Net asset classification by type of endowment as of September 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	6,306,920	14,102,078	20,408,998
Board-designated endowment funds	<u>15,706,082</u>	<u>—</u>	<u>—</u>	<u>15,706,082</u>
	<u>\$ 15,706,082</u>	<u>6,306,920</u>	<u>14,102,078</u>	<u>36,115,080</u>

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

Notes to Financial Statements

September 30, 2015 and 2014

Changes in endowment net assets for the year ended September 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 14,627,049	5,679,661	14,097,078	34,403,788
Investment income:				
Interest and Dividends	335,070	197,132	—	532,202
Net appreciation (realized and unrealized gains and losses)	<u>1,557,506</u>	<u>908,961</u>	<u>—</u>	<u>2,466,467</u>
Total investment income	1,892,576	1,106,093	—	2,998,669
Contributions	—	—	5,000	5,000
Appropriation of endowment assets for expenditure	<u>(813,543)</u>	<u>(478,834)</u>	<u>—</u>	<u>(1,292,377)</u>
	<u>\$ 15,706,082</u>	<u>6,306,920</u>	<u>14,102,078</u>	<u>36,115,080</u>

**(10) Smithsonian Institution**

Under a contractual agreement, the Smithsonian Institution (Smithsonian) provides fiscal and administrative services to the Center which primarily include Federal appropriated funds accounting, human resource, general counsel, security, and metered postage. The amount paid to the Smithsonian by the Center for these services totaled \$371,570 and \$352,267 for the years ended September 30, 2015 and 2014, respectively.

The Act of Congress that created the Center provides that the Secretary of the Smithsonian shall be a member of the Board of Trustees of the Center.

**(11) Retirement Plans**

Employees of the Center are covered by the retirement plan administered by the Smithsonian and Office of Personnel Management (OPM), in which substantially all Center employees are eligible to participate. The Smithsonian administers the retirement plan for trust employees and OPM administers the retirement plan for federal employees.

Federal employees of the Center are covered by the Federal Employee Retirement System (FERS). The features of this systems is defined in published government documents. Under this system, the Center withholds from each federal employee's salary a required percentage. The Center also contributes specified percentages. The Center's expense under these systems for the years ended September 30, 2015 and 2014, was approximately \$525,000 and \$454,000, respectively, for retirement contributions.

Employees covered by FERS are eligible to contribute to the U.S. government's Thrift Savings Plan (TSP), administered by the Federal Retirement Thrift Investment Board. A TSP account is automatically established for FERS-covered employees, and the Center makes a mandatory contribution of 1% of basic pay.

## WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

### Notes to Financial Statements

September 30, 2015 and 2014

FERS-covered employees are entitled to contribute up to \$17,500 for 2014 and 2015, respectively (IRS limit) to their TSP accounts, with the Center making matching contributions up to 4% of basic pay in addition to the automatic 1% employer paid contribution.

TSP participants age 50 or older who are already contributing the maximum amount of contributions for which they are eligible may also make catch-up contributions. TSP participants need to make a separate election to request catch-up contributions. However, each year, the IRS limits the total amount of regular and catch-up contributions an employee can make. (For example, in 2014, total contributions cannot exceed \$23,000: \$17,500 in regular contributions, and \$5,500 in catch-up contributions; in 2015, they cannot exceed \$24,000: \$18,000 in regular contributions, and \$6,000 in catch-up contributions.)

The Smithsonian administers for the Center a defined-contribution retirement plan for trust fund employees in which substantially all such employees are eligible to participate. Under the plan, the Center contributes specified percentages of employees' salaries that are used to purchase individual annuities, the rights to which are immediately vested with the employees. Employees can make voluntary contributions, subject to certain limitations. The Center's expense for this plan for fiscal year 2015 was \$664,030 and for fiscal year 2014 was \$703,843.

Most federal employees are eligible to enroll in the Federal Employees Health Benefit (FEHB) Program, which can provide post-retirement health benefits if certain conditions are met. OPM administers the program and is responsible for the reporting of liabilities. Currently, employer agencies are not required to make any contributions for post-retirement health benefits. OPM calculates the U.S. government's service cost for covered employees each fiscal year. The estimated amounts which the Center has not recognized as imputed cost and imputed financing source related to these post-retirement benefits are approximately \$307,000 and \$362,000 for the years ended September 30, 2015 and 2014, respectively.

Most federal employees are entitled to participate in the Federal Employees Group Life Insurance (FGLI) Program. Participating employees can obtain basic term life insurance, with the employee paying two-thirds of the cost and the Center paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life insurance coverage may be continued into retirement if certain requirements are met. OPM administers this program and is responsible for the reporting of liabilities. For each year, OPM calculates the U.S. government's service cost for the post-retirement portion of the basic coverage. Because the Center's contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, the Center has recognized the entire service cost of the post-retirement portion of basic life coverage as an expense.

It is the policy of the Center to pay the accrued costs of all plans currently.

## WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Notes to Financial Statements

September 30, 2015 and 2014

### (12) Income Taxes

The Center has been recognized by the Internal Revenue Service as exempt from income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is a public charity. However, the Center remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

ASC Topic 740, *Income Taxes*, requires that management evaluate tax positions taken by the Center and recognize a tax liability (or assets) if the Center has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Center has analyzed the tax positions taken and has concluded that as of September 30, 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in financial statements.

### (13) Availability of Prior Years' Appropriations

The U.S. Congress enacted Public Law 101-510, the Defense Authorization Act (Act), which determined an appropriation may remain open to pay obligated balances for five years following the appropriation availability period. After the five-year period, the appropriation account is closed and the remaining balance is returned to the U.S. Treasury. In fiscal year 2014, the Center returned \$121,663 to the U.S. Treasury which represented the unused fiscal year 2009 appropriation balance. In fiscal year 2015 there is no appropriation balance of funds being returned to the U.S. Treasury due to the change in availability period provided with the fiscal year 2010 appropriation. The fiscal year 2010 appropriation was available for two-years ending September 30, 2011. On September 30, 2016, the fiscal year 2010 appropriation will be closed and any remaining balance will be returned to the U.S. Treasury.

The unobligated portion of the fiscal year 2015 appropriations is reported as deferred revenue on the statement of financial position.

### (14) Risks and Uncertainties

The Center 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 investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near future and that such changes could materially affect the amounts reported.

### (15) Subsequent Events

Management has performed an evaluation of subsequent events through June 1, 2016, which is the date that the financial statements are available to be issued, noting no events which affect the financial statements as of September 30, 2015.

## WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Schedule of Financial Position

September 30, 2015 and 2014

Assets	2015				2014			
	Trust		Federal	Totals	Trust		Federal	Totals
	Operating	Endowment			Operating	Endowment		
Current assets:								
Cash and fund balance with treasury	\$ 307,923	—	4,174,859	4,482,782	1,959,835	—	4,678,648	6,638,483
Short-term investments	8,153,777	—	—	8,153,777	8,447,328	—	—	8,447,328
Receivables:								
Contributed facilities	3,440,000	—	—	3,440,000	3,440,000	—	—	3,440,000
Contract costs and fees	449,153	—	—	449,153	362,379	—	—	362,379
Other contributions	666,933	400,000	—	1,066,933	973,700	—	—	973,700
Subscriptions and other	2,114	—	—	2,114	43,120	—	—	43,120
Prepaid costs and advance payments	81,383	—	3,500	84,883	209,431	—	3,500	212,931
Total current assets	13,101,283	400,000	4,178,359	17,679,642	15,435,793	—	4,682,148	20,117,941
Investments	2,055,371	33,563,673	—	35,619,044	2,045,544	36,115,080	—	38,160,624
Other contributions	317,460	689,299	—	1,006,759	35,000	—	—	35,000
Equipment and leasehold improvements, net	32,420	—	1,764,054	1,796,474	49,706	—	1,796,288	1,845,994
Wilson Memorial	225,000	—	—	225,000	225,000	—	—	225,000
Contributed facilities	40,799,342	—	—	40,799,342	44,239,342	—	—	44,239,342
Total assets	\$ 56,530,876	34,652,972	5,942,413	97,126,261	62,030,385	36,115,080	6,478,436	104,623,901
<b>Liabilities and Net Assets</b>								
Current liabilities:								
Accounts payable and accrued expenses	\$ 1,590,748	—	843,785	2,434,533	1,462,712	—	705,342	2,168,054
Grants payable	377,974	—	1,714,012	2,091,986	190,575	—	2,071,452	2,262,027
Deferred revenue	705,480	—	1,620,562	2,326,042	950,903	—	1,905,354	2,856,257
Total current and total liabilities	2,674,202	—	4,178,359	6,852,561	2,604,190	—	4,682,148	7,286,338
Net assets:								
Unrestricted:								
Undesignated	1,741,073	—	1,764,054	3,505,127	587,745	—	1,796,288	2,384,033
Board designated for endowment	—	13,382,173	—	13,382,173	—	15,706,082	—	15,706,082
	1,741,073	13,382,173	1,764,054	16,887,300	587,745	15,706,082	1,796,288	18,090,115
Temporarily restricted	52,115,601	5,074,422	—	57,190,023	58,838,450	6,306,920	—	65,145,370
Permanently restricted	—	16,196,377	—	16,196,377	—	14,102,078	—	14,102,078
Total net assets	53,856,674	34,652,972	1,764,054	90,273,700	59,426,195	36,115,080	1,796,288	97,337,563
Total liabilities and net assets	\$ 56,530,876	34,652,972	5,942,413	97,126,261	62,030,385	36,115,080	6,478,436	104,623,901

See accompanying independent auditors' report.

## WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Schedule of Changes in Net Assets  
 Years ended September 30, 2015 and 2014

	2015				2014			
	Trust		Federal	Totals	Trust		Federal	Totals
	Operating	Endowment			Operating	Endowment		
Unrestricted net assets:								
Revenues:								
Appropriations	\$ —	—	10,784,792	10,784,792	—	—	10,087,263	10,087,263
Grants and contributions	5,434,370	—	—	5,434,370	5,033,227	—	—	5,033,227
Investment income	27,505	(1,226,385)	—	(1,198,880)	30,797	1,892,577	—	1,923,374
Endowment payout (distribution)	851,080	(1,097,524)	—	(246,444)	813,544	(813,544)	—	—
Other income	447,858	—	—	447,858	255,731	—	—	255,731
Total revenues	6,760,813	(2,323,909)	10,784,792	15,221,696	6,133,299	1,079,033	10,087,263	17,299,595
Net assets released from restrictions	16,865,864	—	—	16,865,864	16,364,080	—	—	16,364,080
Total unrestricted revenues and other increases	23,626,677	(2,323,909)	10,784,792	32,087,560	22,497,379	1,079,033	10,087,263	33,663,675
Expenses:								
Program services:								
Fellows	3,447,221	—	2,051,157	5,498,378	2,940,704	—	2,521,859	5,462,563
Services to fellows	288,496	—	1,101,249	1,389,745	310,896	—	1,100,851	1,411,747
Conferences and special projects	13,041,667	—	3,847,362	16,889,029	12,131,675	—	3,519,950	15,651,625
Total program services	16,777,384	—	6,999,768	23,777,152	15,383,275	—	7,142,660	22,525,935
Supporting services:								
General and administrative	3,634,459	—	3,817,258	7,451,717	4,861,218	—	3,191,314	8,052,532
Fund-raising	2,061,506	—	0	2,061,506	2,349,419	—	—	2,349,419
Total supporting services	5,695,965	—	3,817,258	9,513,223	7,210,637	—	3,191,314	10,401,951
Total expenses	22,473,349	—	10,817,026	33,290,375	22,593,912	—	10,333,974	32,927,886
Change in unrestricted net assets	1,153,328	(2,323,909)	(32,234)	(1,202,815)	(96,533)	1,079,033	(246,711)	735,789
Temporarily restricted net assets:								
Contributions	9,638,818	—	—	9,638,818	12,033,914	—	—	12,033,914
Investment income	—	(660,597)	—	(660,597)	—	1,106,094	—	1,106,094
Endowment payout (distribution)	504,197	(571,901)	—	(67,704)	478,834	(478,834)	—	—
Net assets released from restrictions	(16,865,864)	—	—	(16,865,864)	(16,364,080)	—	—	(16,364,080)
Change in temporarily restricted net assets	(6,722,849)	(1,232,498)	—	(7,955,347)	(3,851,332)	627,260	—	(3,224,072)
Change in permanently restricted net assets – contributions	—	2,094,299	—	2,094,299	—	5,000	—	5,000
Change in net assets	\$ (5,569,521)	(1,462,108)	(32,234)	(7,063,863)	(3,947,865)	1,711,293	(246,711)	(2,483,283)

See accompanying independent auditors' report.