



THE WOODROW WILSON  
*National Fellowship Foundation*



ANNUAL REPORT 2008

## From the TREASURER

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On the following pages appear the audited financial statements of the Woodrow Wilson National Fellowship Foundation for the fiscal year ending June 30, 2008. The Foundation's Board of Trustees approved these statements and the report of the auditors at its October 16, 2008 meeting, based upon the recommendation of the Board's Audit Committee and Audit Chair William Lilley III WF '59.

This report is prepared in accordance with generally accepted accounting principles (GAAP) set forth by the Financial Accounting Standards Board (FASB) as supplemented by the audit guide of the American Institute of Certified Public Accounts (AICPA). Under these principles, the Foundation's resources are classified among three categories of net assets—permanently restricted, temporarily restricted, and unrestricted—and are displayed in a statement of financial position, a statement of activities, and a statement of cash flow.

The statement of financial position is a snapshot of the Foundation's entire resources and obligations at the close of the fiscal year and is often referred to as the balance sheet. The statement of activities is a summary of income and expenditures for the year, classified according to the existence or absence of the restrictions mentioned above. The statement of cash flow reconciles the increase or decrease in net assets for the year to the change in cash balances from one year-end to the next. The Foundation's financial statements received a clean opinion, with no material issues noted.

The Woodrow Wilson Foundation is committed to address contemporary needs in American education through its fellowship programs. I am pleased, on behalf of the Trustees and staff of the Woodrow Wilson National Fellowship Foundation, to convey this audit report.

Sincerely,

A handwritten signature in blue ink that reads "Raymond J. Clark". The signature is written in a cursive, flowing style.

Raymond J. Clark  
Treasurer

# FK PARTNERS

FRIED AND KOWGIOS PARTNERS CPA'S LLP

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The Woodrow Wilson National Fellowship Foundation

We have audited the accompanying statements of financial position of The Woodrow Wilson National Fellowship Foundation (a not-for-profit corporation) as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Woodrow Wilson National Fellowship Foundation as of June 30, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2008 on our consideration of The Woodrow Wilson National Fellowship Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

*Fried & Kowgios Partners CPA*

New York, New York  
September 10, 2008

# Statements of FINANCIAL POSITION

June 30, 2008 and 2007

	<b>2008</b>			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (Notes 1b and 3)	\$1,506,348	\$ 7,070,623	\$ —	\$ 8,576,971
Investments (Notes 1c, 3 and 4)	—	14,561,912	2,263,154	16,825,066
Unconditional promises to give (Notes 1d and 5)	979,159	6,533,616	—	7,512,775
Prepaid expenses and other current assets	35,829	—	—	35,829
<b>Total Current Assets</b>	<u>2,521,336</u>	<u>28,166,151</u>	<u>2,263,154</u>	<u>32,950,641</u>
Unconditional promises to give (Notes 1d and 5)	—	2,290,902	—	2,290,902
Property and equipment, at cost, net of accumulated depreciation (Notes 1e and 6)	34,081	—	—	34,081
Security deposits	26,303	—	—	26,303
<b>TOTAL ASSETS</b>	<u>\$ 2,581,720</u>	<u>\$30,457,053</u>	<u>\$ 2,263,154</u>	<u>\$ 35,301,927</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 354,383	\$ —	\$ —	\$ 354,383
Fellowships payable	494,500	—	—	494,500
Deferred revenue	13,575	—	—	13,575
Accrued salaries and vacation	162,034	—	—	162,034
<b>Total Liabilities</b>	<u>1,024,492</u>	<u>—</u>	<u>—</u>	<u>1,024,492</u>
Commitments and contingencies (Note 7)				
<b>Net Assets</b>				
<b>Unrestricted</b>				
Board-designated (Note 2a)	324,465	—	—	324,465
President's venture fund (Note 2a)	721,092	—	—	721,092
Property and equipment	34,081	—	—	34,081
Other	477,590	—	—	477,590
<b>Total Unrestricted</b>	<u>1,557,228</u>	<u>—</u>	<u>—</u>	<u>1,557,228</u>
Temporarily Restricted (Note 2b)	—	30,457,053	—	30,457,053
Permanently Restricted (Note 2c)	—	—	2,263,154	2,263,154
<b>Total Net Assets</b>	<u>1,557,228</u>	<u>30,457,053</u>	<u>2,263,154</u>	<u>34,277,435</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,581,720</u>	<u>\$30,457,053</u>	<u>\$ 2,263,154</u>	<u>\$35,301,927</u>

See notes to financial statements.

## 2007

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$1,682,151	\$ 3,223,566	\$ —	\$ 4,905,717
333,765	5,038,747	2,263,154	7,635,666
490,331	7,844,264	—	8,334,595
42,005	—	—	42,005
<u>2,548,252</u>	<u>16,106,577</u>	<u>2,263,154</u>	<u>20,917,983</u>
470,000	—	—	470,000
49,205	—	—	49,205
26,303	—	—	26,303
<u>\$ 3,093,760</u>	<u>\$16,106,577</u>	<u>\$ 2,263,154</u>	<u>\$ 21,463,491</u>
\$ 169,281	\$ —	\$ —	\$ 169,281
446,500	—	—	446,500
17,066	—	—	17,066
133,252	—	—	133,252
<u>766,099</u>	<u>—</u>	<u>—</u>	<u>766,099</u>
311,194	—	—	311,194
962,477	—	—	962,477
49,205	—	—	49,205
1,004,785	—	—	1,004,785
<u>2,327,661</u>	<u>—</u>	<u>—</u>	<u>2,327,661</u>
—	16,106,577	—	16,106,577
—	—	2,263,154	2,263,154
<u>2,327,661</u>	<u>16,106,577</u>	<u>2,263,154</u>	<u>20,697,392</u>
<u>\$ 3,093,760</u>	<u>\$16,106,577</u>	<u>\$ 2,263,154</u>	<u>\$21,463,491</u>



**The Woodrow Wilson Teaching Fellowships** were officially launched at a press conference in December 2007 with Indiana Governor Mitch Daniels (*above, center*). The Fellowships have four goals: to place teachers in high-need schools; to reduce teacher attrition; to attract outstanding candidates to teaching; and to improve teacher preparation. A national version of the program has been established at four institutions known for innovative teacher preparation: Stanford University and the universities of Pennsylvania, Virginia, and Washington. Indiana is implementing the first state-based version at Ball State University, Indiana University-Purdue University Indianapolis, Purdue University, and the University of Indianapolis.

# Statements of ACTIVITIES

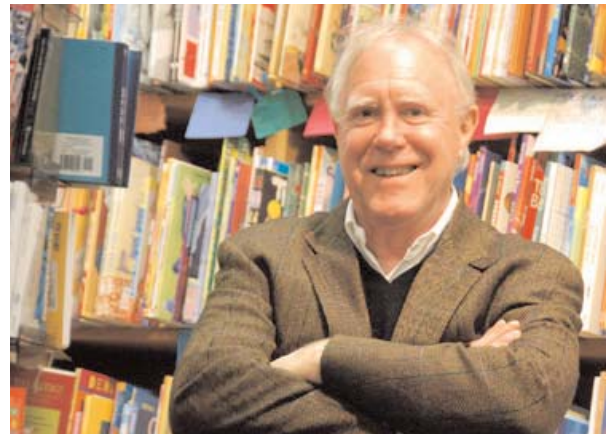
for the years ended June 30, 2008 and 2007

	<b>2008</b>			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>PUBLIC SUPPORT AND OTHER REVENUE</b>				
<b>Contributions</b>				
Government	\$3,426,353	\$ 2,157,647	\$ —	\$ 5,584,000
Foundations	1,506,845	19,648,044	—	21,154,889
Corporate	2,121	—	—	2,121
Individuals	517,590	4,368	—	521,958
Net assets released from restrictions	7,459,583	(7,459,583)	—	—
	<u>12,912,492</u>	<u>14,350,476</u>	<u>—</u>	<u>27,262,968</u>
<b>Other Revenue</b>				
Investment income (Note 4)	509,408	—	—	509,408
Registration fees	66,298	—	—	66,298
Miscellaneous income	7,808	—	—	7,808
	<u>583,514</u>	<u>—</u>	<u>—</u>	<u>583,514</u>
<b>TOTAL PUBLIC SUPPORT AND OTHER REVENUE</b>	<u><b>13,496,006</b></u>	<u><b>14,350,476</b></u>	<u><b>—</b></u>	<u><b>27,846,482</b></u>
<b>EXPENSES</b>				
<b>Program Services</b>				
Rethinking Practice/Partnerships with High Schools and Colleges	1,648,957	—	—	1,648,957
Policy That Shapes Practice	153,447	—	—	153,447
Fellowships For Higher Education and Public Service	9,531,030	—	—	9,531,030
Transforming Teacher Education/ Teaching Fellowships	1,102,031	—	—	1,102,031
<b>Total Program Services</b>	<u><b>12,435,465</b></u>	<u><b>—</b></u>	<u><b>—</b></u>	<u><b>12,435,465</b></u>
<b>Supporting Services</b>				
Management and General	947,430	—	—	947,430
Fundraising	883,544	—	—	883,544
<b>Total Supporting Services</b>	<u><b>1,830,974</b></u>	<u><b>—</b></u>	<u><b>—</b></u>	<u><b>1,830,974</b></u>
<b>TOTAL EXPENSES</b>	<u><b>14,266,439</b></u>	<u><b>—</b></u>	<u><b>—</b></u>	<u><b>14,266,439</b></u>
<b>Increase (Decrease) in Net Assets</b>	(770,433)	14,350,476	—	13,580,043
<b>Net Assets, beginning of year</b>	<u>2,327,661</u>	<u>16,106,577</u>	<u>2,263,154</u>	<u>20,697,392</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>\$ 1,557,228</b></u>	<u><b>\$30,457,053</b></u>	<u><b>\$ 2,263,154</b></u>	<u><b>\$ 34,277,435</b></u>

See notes to financial statements.

## 2007

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$3,694,886	\$ 2,379,128	\$ —	\$ 6,074,014
380,214	6,210,753	—	6,590,967
5,150	1,000,000	—	1,005,150
924,513	68,728	—	993,241
7,293,447	(7,293,447)	—	—
<u>12,298,210</u>	<u>2,365,162</u>	<u>—</u>	<u>14,663,372</u>
903,903	—	—	903,903
182,250	—	—	182,250
8,428	—	—	8,428
<u>13,392,791</u>	<u>2,365,162</u>	<u>—</u>	<u>15,757,953</u>
2,100,997	—	—	2,100,997
—	—	—	—
8,808,071	—	—	8,808,071
422,496	—	—	422,496
<u>11,331,564</u>	<u>—</u>	<u>—</u>	<u>11,331,564</u>
1,110,947	—	—	1,110,947
516,571	—	—	516,571
<u>1,627,518</u>	<u>—</u>	<u>—</u>	<u>1,627,518</u>
<u>12,959,082</u>	<u>—</u>	<u>—</u>	<u>12,959,082</u>
433,709	2,365,162	—	2,798,871
<u>1,893,952</u>	<u>13,741,415</u>	<u>2,263,154</u>	<u>17,898,521</u>
<u>\$ 2,327,661</u>	<u>\$16,106,577</u>	<u>\$ 2,263,154</u>	<u>\$ 20,697,392</u>



**The 2008 Pulitzer Prize and the 2007 National Book Award** went to former U.S. Poet Laureate Robert Hass WF '63 for his collection *Time and Materials: Poems 1997-2005*. A professor of English at UC-Berkeley, Dr. Hass has received numerous other awards and honors, including a MacArthur Fellowship and two National Book Critics Circle Awards.

# Statements of CASH FLOWS

for the years ended June 30, 2008 and 2007

	<b>2008</b>	<b>2007</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$13,580,043	\$2,798,871
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,124	22,521
Realized gain on sale of investments	(108,741)	(110,344)
Unrealized (gain) loss on investments	315,780	(333,765)
Donated securities	(81,489)	(170,670)
Gain on disposal of fixed assets	—	(22,833)
(Increase) decrease in:		
Unconditional promises to give	(999,082)	(1,938,499)
Prepaid expenses and other current assets	6,176	40,840
Security deposits	—	(1,522)
Increase (decrease) in:		
Accounts payable and accrued expenses	185,102	(61,703)
Fellowships payable	48,000	21,000
Deferred revenue	(3,491)	(57,083)
Accrued salaries and vacation	28,782	51,256
Refundable advance	—	(174,550)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$12,986,204</u>	<u>\$ 63,519</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net increase in endowment cash equivalents	(15,152)	179,295
Purchases of investments	(16,368,977)	(5,653,746)
Proceeds from sales of investments	<u>7,069,179</u>	<u>5,784,234</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(9,314,950)</u>	<u>309,783</u>
Net increase in cash and cash equivalents	3,671,254	373,302
Cash and cash equivalents, beginning of year	<u>4,905,717</u>	<u>4,532,415</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 8,576,971</u>	<u>\$ 4,905,717</u>

See notes to financial statements.

# NOTES TO Financial Statements

for the years ended June 30, 2008 and 2007

## NOTE 1—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a – Organization

The Woodrow Wilson National Fellowship Foundation (the Foundation) is a not-for-profit education organization. The primary mission of the Foundation is to develop and administer educational programs. The programs unite qualified individuals and educational institutions by arranging institutes, internships and visiting fellowships, by providing counseling, placement, and supportive services and offering financial assistance to selected individuals pursuing educational careers.

The Foundation's four broad areas of concern are Rethinking Practice/Partnerships with High Schools and Colleges, Policy that Shapes Practice, Fellowships for Higher Education and Public Service and Transforming Teacher Education/Teaching Fellowships.

Rethinking Practice / Partnerships with High Schools and colleges is leading the way in the development of new models of school structures that foster success among students.

Policy that Shapes Practice is designed to inform education policy, improve practice, and build support and understanding for Woodrow Wilson's work among opinion leaders and the public.

Fellowships for Higher Education and Public Service strengthens the place of women in the professorate, supporting young faculty in continuing their careers, developing leaders in the area of conservation, as well as preparing experts for the United States foreign service.

Transforming Teacher Education / Teaching Fellowships is a major effort to recruit, prepare, and mentor candidates for teaching in high-need subjects like mathematics and the sciences, their clinical preparation for teaching, as well as their commitment to long-term careers in high-need urban and rural schools.

### b – Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

### c – Investments

Investments in marketable securities with readily determinable fair values and all investment in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

### d – Contributions and Promises to Give

Contributions 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 unrestricted net assets if the restrictions expire in the fiscal year in which the

contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

### e – Property and Equipment

Property and equipment acquired are recorded at cost. It is the Foundation's policy to capitalize expenditures for these items in excess of \$5,000. Lesser amounts are expensed. Property and equipment are being depreciated over the useful life of the related asset using a straight-line method, with a half of a year's depreciation recognized in the years of acquisition and disposal.

### f – Financial Statement Presentation

The Foundation presents its financial statements under the guidelines of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Temporarily restricted net assets are subject to donor-imposed stipulations that will be met by actions of the Foundation or by the passage of time.

Unrestricted net assets are not subject to donor-imposed stipulations.

### g – Fellowships and Grants

Fellowships are recorded as expenses at the time the individual accepts the award and are generally payable within one year. Grants for tuition assistance, room and board are recorded once the individual selects the college or university and has been through the approval process.

### h – Estimates

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

### i – Tax Status

The Foundation is a not-for-profit corporation, exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code, and has been designated as an organization which is not a private foundation.

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 2—RESTRICTIONS ON NET ASSETS

a – Board-designated net assets consist of the Mellon Foundation's challenge quasi-endowment. Under the terms of the challenge, the total fund is expendable for programs specifically approved by the board. Interest earned on unspent funds must be added to the principal and used for the same purposes as the grant.

The Foundation received \$1,060,000 in contributions designated by the donors as the President's Venture Fund. The President, who started with the Foundation in September 2006, has the discretion as to the use of these funds. During the years ended June 30, 2008 and 2007, \$241,385 and \$67,523, respectively has been authorized for use from this fund.

b – Temporarily restricted net assets are available for the following purposes as of June 30:

	<u>2008</u>	<u>2007</u>
Transforming Teacher Education / Teaching Fellowships	\$ 16,419,814	\$ 6,047,095
Fellowships For Higher Education and Public Service	8,168,079	8,222,566
Rethinking Practice / Partnerships with High Schools and Colleges	5,727,435	1,755,700
Policy That Shapes Practice	206,153	—
Charitable Annuity Trusts	81,800	81,216
<b>TOTAL</b>	<u>30,603,281</u>	<u>16,106,577</u>
Less discount for present value	<u>(146,228)</u>	<u>—</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	<u><u>\$ 30,457,053</u></u>	<u><u>\$ 16,106,577</u></u>

c – Permanently restricted net assets consists of the following endowment funds as of June 30:

	<u>2008</u>	<u>2007</u>
Women's Studies Endowment	\$ 726,253	\$ 726,253
Humanities Initiatives Fund	603,609	603,609
Richard W. Couper Humanities Initiative Funds	400,000	400,000
Taplin Endowment	379,825	379,825
Goheen Endowment	120,375	120,375
Rosenhaupt Endowment	<u>33,092</u>	<u>33,092</u>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>	<u><u>\$ 2,263,154</u></u>	<u><u>\$ 2,263,154</u></u>

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

### NOTE 3—CONCENTRATION OF CREDIT RISK

The Foundation's cash and cash equivalents are held at two institutions and are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 per institution. At times, the cash accounts were in excess of FDIC limits. The Foundation has not experienced any losses in such accounts. The investment accounts are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 per customer. The SIPC does not protect investors from market risk. The Foundation's investment balances exceed the SIPC limit.

### NOTE 4—INVESTMENTS

Investments consist of the following as of June 30:

	<u>2008</u>		<u>2007</u>	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 295,571	\$ 295,571	\$ 280,419	\$ 280,419
U.S. Government obligations	10,313,902	10,243,679	3,140,441	3,133,670
Corporate stocks	5,210,334	5,754,627	1,643,582	2,419,908
Mutual funds	103,266	98,613	101,866	101,915
Corporate bonds	<u>419,398</u>	<u>432,576</u>	<u>1,687,663</u>	<u>1,699,754</u>
	<u>\$ 16,342,471</u>	<u>\$ 16,825,066</u>	<u>\$ 6,853,971</u>	<u>\$ 7,635,666</u>

Investment income consists of the following for the years ended June 30:

	<u>2008</u>	<u>2007</u>
Interest and dividend income	\$ 716,447	\$ 459,794
Unrealized gain (loss) on investments	(315,780)	333,765
Realized gain on sale of investments	<u>108,741</u>	<u>110,344</u>
<b>TOTAL INVESTMENT INCOME</b>	<u><u>\$ 509,408</u></u>	<u><u>\$ 903,903</u></u>

# NOTES TO FINANCIAL STATEMENTS (continued)

## NOTE 5—UNCONDITIONAL PROMISES TO GIVE

Estimated future collection of unconditional promises to give as of June 30, 2008 is as follows:

	<u>Less than one year</u>	<u>One to five years</u>	<u>Total</u>
Transforming Teacher Education / Teaching Fellowships	\$ 583,333	\$ —	\$ 583,333
Fellowships For Higher Education and Public Service	4,554,773	1,081,467	5,636,240
Rethinking Practice / Partnerships with High Schools and Colleges	1,820,199	1,355,663	3,175,862
Policy That Shapes Practice	50,000	—	50,000
President's Venture Fund	500,000	—	500,000
General Operating Support	4,470	—	4,470
	<u>7,512,775</u>	<u>2,437,130</u>	<u>9,949,905</u>
Less discount for present value	—	(146,228)	(146,228)
	<u>\$ 7,512,775</u>	<u>\$ 2,290,902</u>	<u>\$ 9,803,677</u>

Uncollectible promises are expected to be insignificant. Unconditional promises to give to be received after June 30, 2008 are discounted at a rate of 6%.

## NOTE 6—PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>Life/years</u>	<u>2008</u>	<u>2007</u>
Furniture and fixtures	5-7	\$ 594,962	\$ 594,962
Less: accumulated depreciation and amortization		(560,881)	(545,757)
		<u>\$ 34,081</u>	<u>\$ 49,205</u>

Depreciation expense for the years ended June 30, 2008 and 2007 were \$15,124 and \$22,521, respectively.

## NOTE 7—COMMITMENTS AND CONTINGENCIES

- a – Government supported programs are subject to audit by the granting agency.
- b – The Foundation leases office space under non-cancelable operating leases that provide for approximate minimum annual rental payments as follows:

For the year ending June 30, 2009	350,296
For the four months ending October 31, 2009	<u>117,440</u>
<b>TOTAL</b>	<u>\$ 467,736</u>

Rent expense for the years ended June 30, 2008 and 2007 were \$356,670 and \$354,327, respectively.

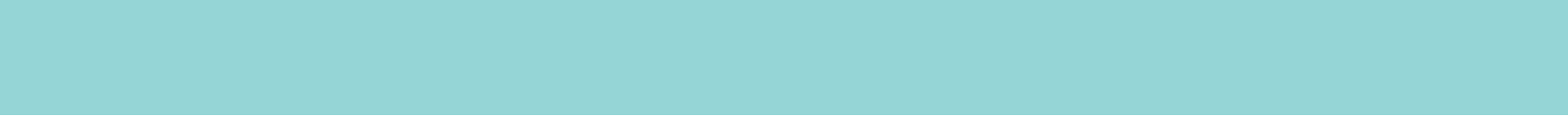
- c – Under its various programs, the Foundation has committed grants to individuals and organizations. The payments are contingent on successful completion of the current year obligation before any future payments will be made. The total commitment as of June 30, 2008 and 2007 was approximately \$6,500,000 and \$5,000,000, respectively.
- d – The Foundation entered into a memo of understanding with the new president that provides for a three year commitment effective September 2006. The annual compensation will be determined on each anniversary of the term.

## NOTE 8—EMPLOYEE BENEFIT PLAN

The Foundation has a noncontributory defined contribution retirement plan covering substantially all employees under arrangements with Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF). The Foundation funds retirement cost as incurred. Plan expenses incurred by the Foundation the years ended June 30, 2008 and 2007 totaled approximately \$257,000 and \$218,000, respectively.

## NOTE 9—FUNCTIONAL ALLOCATION OF EXPENSES

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



# FK PARTNERS

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## INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of  
The Woodrow Wilson National Fellowship Foundation

Our report on our audits of the basic financial statements of The Woodrow Wilson National Fellowship Foundation for the years ended June 30, 2008 and 2007 appears on page 5. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses for the year ended June 30, 2008 with comparative totals for 2007 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Fried & Kowgios Partners CPA's LLP*

New York, New York  
September 10, 2008

# Schedule of FUNCTIONAL EXPENSES

for the year ended June 30, 2008  
with comparative totals for 2007

	<b>PROGRAM SERVICES</b>				
	Rethinking Practice/ Partnerships with High Schools and Colleges	Policy That Shapes Practice	Fellowships for Higher Education and Public Service	Transforming Teacher Education/ Teaching Fellowships	Total
Grants and fellowships to individuals and organizations	\$ 453,342	\$ —	\$ 7,618,094	\$ —	\$ 8,071,436
Occupancy	93,260	7,993	99,155	198,396	398,804
Salaries, fringe benefits and payroll taxes	764,629	24,849	923,589	455,234	2,168,301
Service and professional fees	136,684	119,855	213,003	347,840	817,382
Travel and accommodations	173,203	3	583,143	64,573	820,922
Office supplies	1,327	150	8,905	2,018	12,400
Printing, postage, delivery and copying	10,063	185	43,882	21,443	75,573
Computer and internet	3,147	195	26,522	7,174	37,038
Insurance	—	—	—	—	—
Miscellaneous	439	176	997	137	1,749
Bank and investment fees	—	—	257	—	257
Telephone charges	10,739	41	11,275	5,216	27,271
<b>Total Expenses Before Depreciation</b>	1,646,833	153,447	9,528,822	1,102,031	12,431,133
<b>Depreciation</b>	2,124	—	2,208	—	4,332
<b>TOTAL EXPENSES, 2008</b>	<u>\$ 1,648,957</u>	<u>\$ 153,447</u>	<u>\$ 9,531,030</u>	<u>\$ 1,102,031</u>	<u>12,435,465</u>
<b>TOTAL EXPENSES, 2007</b>	<u>\$ 2,100,997</u>	<u>\$ —</u>	<u>\$ 8,808,071</u>	<u>\$ 422,496</u>	<u>\$ 11,331,564</u>

See independent auditor's report on additional information.

**SUPPORTING SERVICES**

<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2008 Total Expenses</u>	<u>2007 Total Expenses</u>
\$ —	\$ —	\$ —	\$ 8,071,436	\$ 7,592,976
155,954	45,817	201,771	600,575	433,935
315,048	662,748	977,796	3,146,097	2,774,005
165,795	35,093	200,888	1,018,270	881,187
72,634	50,335	122,969	943,891	854,980
15,759	20,210	35,969	48,369	28,421
64,804	47,972	112,776	188,349	199,576
19,416	9,097	28,513	65,551	47,229
25,955	—	25,955	25,955	24,326
18,741	8,105	26,846	28,595	9,940
63,439	1,187	64,626	64,883	50,915
<u>19,093</u>	<u>2,980</u>	<u>22,073</u>	<u>49,344</u>	<u>39,071</u>
936,638	883,544	1,820,182	14,251,315	12,936,561
<u>10,792</u>	<u>—</u>	<u>10,792</u>	<u>15,124</u>	<u>22,521</u>
<u>\$ 947,430</u>	<u>\$ 883,544</u>	<u>\$ 1,830,974</u>	<u>\$14,266,439</u>	
<u>\$ 1,110,947</u>	<u>\$ 516,571</u>	<u>\$ 1,627,518</u>		<u>\$12,959,082</u>



**Ninety percent of the Class of 2008**

at University High School of Science and Engineering—the school's first graduating class—were admitted to four-year colleges and universities. University High, a Woodrow Wilson Early College High School created by the University of Hartford and the Hartford Public Schools, was nationally recognized in 2008 as a Magnet School of Excellence. Funded by the Bill & Melinda Gates Foundation and assisted by Jobs for the Future, WW Early Colleges build on intensive partnerships between college faculty and school leaders to offer high-need students rigorous college-level courses and practical college skills.