

# **The William J. Clinton Foundation**

Independent Accountants' Report and Financial Statements

December 31, 2008 and 2007

**The William J. Clinton Foundation**  
December 31, 2008 and 2007

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## Independent Accountants' Report

Board of Directors  
The William J. Clinton Foundation  
Little Rock, Arkansas

We have audited the accompanying statements of financial position of The William J. Clinton Foundation as of December 31, 2008 and 2007, and the related statements of activities, cash flows and functional expenses 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 the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 William J. Clinton Foundation as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in *Note 11*, in 2008 the Foundation changed its method of accounting for fair value measurements in accordance with Statement of Financial Accounting Standards No. 157.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information 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 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.

*BKD, LLP*

December 31, 2009

**The William J. Clinton Foundation**  
**Statements of Financial Position**  
**December 31, 2008 and 2007**

**Assets**

	<b>2008</b>	<b>2007</b>
Cash and cash equivalents	\$ 32,350,905	\$ 42,135,800
Assets limited as to use	95,994,528	42,910,000
Accounts receivable	2,071,227	515,096
Contributions receivable, net	21,335,658	32,748,765
Inventory and prepaid expenses	1,099,673	1,578,570
Investments	1,460,988	6,484,937
Property and equipment, net of accumulated depreciation	122,526,118	125,926,173
Total assets	\$ 276,839,097	\$ 252,299,341

**Liabilities and Net Assets**

**Liabilities**

Accounts payable and accrued expenses	\$ 7,476,456	\$ 12,173,658
Deferred revenue	100,943,592	42,062,752
Agency funds	306,087	810,033
Total liabilities	108,726,135	55,046,443

**Net Assets**

Unrestricted net assets	141,554,088	162,115,601
Temporarily restricted	26,308,874	34,937,297
Permanently restricted	250,000	200,000
Total net assets	168,112,962	197,252,898
	\$ 276,839,097	\$ 252,299,341

**The William J. Clinton Foundation**  
**Statements of Activities**  
**Years Ended December 31, 2008 and 2007**

	2008			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Revenues, Gains and Other Support</b>				
Contributions	\$ 30,699,222	\$ 49,445,304	\$ 50,000	\$ 80,194,526
Grants	103,622,570	-	-	103,622,570
Investment return	994,205	1,582,251	-	2,576,456
Other	1,632,570	-	-	1,632,570
In-kind	3,596,313	-	-	3,596,313
Net assets released from restrictions	53,390,354	(53,390,354)	-	-
	<u>193,935,234</u>	<u>(2,362,799)</u>	<u>50,000</u>	<u>191,622,435</u>
Total revenue, gains and other support				
<b>Expenses and Losses</b>				
Program services	205,025,141	-	-	205,025,141
Fund raising	3,334,551	-	-	3,334,551
Management and general	6,137,055	-	-	6,137,055
Provision for uncollectible pledges	-	6,265,624	-	6,265,624
	<u>214,496,747</u>	<u>6,265,624</u>	<u>-</u>	<u>220,762,371</u>
Total expenses and losses				
<b>Change in Net Assets</b>	(20,561,513)	(8,628,423)	50,000	(29,139,936)
<b>Net Assets, Beginning of Year</b>	<u>162,115,601</u>	<u>34,937,297</u>	<u>200,000</u>	<u>197,252,898</u>
<b>Net Assets, End of Year</b>	<u>\$ 141,554,088</u>	<u>\$ 26,308,874</u>	<u>\$ 250,000</u>	<u>\$ 168,112,962</u>

**2007**

<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
\$ 34,440,848	\$ 45,885,103	\$ 50,000	\$ 80,375,951
43,761,032	-	-	43,761,032
1,709,856	1,314,732	-	3,024,588
2,501,766	-	-	2,501,766
2,840,968	-	-	2,840,968
<u>53,626,051</u>	<u>(53,626,051)</u>	<u>-</u>	<u>-</u>
<u>138,880,521</u>	<u>(6,426,216)</u>	<u>50,000</u>	<u>132,504,305</u>
128,578,304	-	-	128,578,304
3,479,565	-	-	3,479,565
3,451,431	-	-	3,451,431
<u>-</u>	<u>8,085,310</u>	<u>-</u>	<u>8,085,310</u>
<u>135,509,300</u>	<u>8,085,310</u>	<u>-</u>	<u>143,594,610</u>
3,371,221	(14,511,526)	50,000	(11,090,305)
<u>158,744,380</u>	<u>49,448,823</u>	<u>150,000</u>	<u>208,343,203</u>
<u>\$ 162,115,601</u>	<u>\$ 34,937,297</u>	<u>\$ 200,000</u>	<u>\$ 197,252,898</u>

**The William J. Clinton Foundation**  
**Statements of Cash Flows**  
**Years Ended December 31, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
<b>Operating Activities</b>		
Change in net assets	\$ (29,139,936)	\$ (11,090,305)
Items not requiring (providing) operating activities cash flows		
Depreciation	4,413,231	4,204,728
Net realized and unrealized losses on investments	79,137	1,173
Contributions received restricted for long-term investment	(50,000)	(50,000)
Changes in		
Assets limited as to use	(53,084,528)	(42,910,000)
Accounts receivable	(1,556,131)	218,251
Contributions receivable	11,413,107	13,127,148
Grants receivable	-	793,548
Inventory and prepaid expenses	478,897	(851,517)
Accounts payable and accrued expenses	(4,697,202)	9,248,409
Deferred grant revenue	58,880,840	40,451,833
Agency funds	(503,946)	(459,150)
	<u>(13,766,531)</u>	<u>12,684,118</u>
Net cash (used in) provided by operating activities		
	<u>(13,766,531)</u>	<u>12,684,118</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(1,013,176)	(2,758,572)
Sales tax rebate on Library	-	1,608,848
Purchase of investments	(55,188)	(6,255,708)
Proceeds from sales of investments	5,000,000	1,191,654
	<u>3,931,636</u>	<u>(6,213,778)</u>
Net cash provided by (used in) investing activities		
	<u>3,931,636</u>	<u>(6,213,778)</u>
<b>Financing Activities</b>		
Contributions restricted for long-term investment	50,000	50,000
Payments on long-term debt	-	(1,863,182)
	<u>50,000</u>	<u>(1,813,182)</u>
Net cash provided by (used in) financing activities		
	<u>50,000</u>	<u>(1,813,182)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	(9,784,895)	4,657,158
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>42,135,800</u>	<u>37,478,642</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 32,350,905</u>	<u>\$ 42,135,800</u>
<b>Supplemental Cash Flow Information</b>		
Interest paid	<u>\$ 0</u>	<u>\$ 43,435</u>

**The William J. Clinton Foundation**  
**Statements of Functional Expenses**  
**Years Ended December 31, 2008 and 2007**

	<b>2008</b>			
	<b>Program Services</b>	<b>Fund Raising</b>	<b>Management/ General</b>	<b>Total</b>
Salaries and benefits	\$ 30,485,301	\$ 778,097	\$ 3,084,812	\$ 34,348,210
Direct program expenditures	77,848,292	-	5,537	77,853,829
Professional and consulting	32,436,892	594,693	592,323	33,623,908
Foundation-sponsored events	10,595,521	178,982	-	10,774,503
Travel	12,987,434	94,824	462,978	13,545,236
Occupancy costs	4,778,001	19,914	537,456	5,335,371
Supplies, printing and media	2,323,092	245,057	148,360	2,716,509
Depreciation	4,305,424	42,505	65,465	4,413,394
In-kind	3,596,313	-	-	3,596,313
Other	25,668,871	1,380,479	1,240,124	28,289,474
	<u>\$ 205,025,141</u>	<u>\$ 3,334,551</u>	<u>\$ 6,137,055</u>	<u>\$ 214,496,747</u>
Totals, year ended December 31, 2008				
	<u>\$ 205,025,141</u>	<u>\$ 3,334,551</u>	<u>\$ 6,137,055</u>	<u>\$ 214,496,747</u>
	<b>2007</b>			
	<b>Program Services</b>	<b>Fund Raising</b>	<b>Management/ General</b>	<b>Total</b>
Salaries and benefits	\$ 20,689,323	\$ 894,203	\$ 1,800,000	\$ 23,383,526
Direct program expenditures	32,001,936	104,899	-	32,106,835
Professional and consulting	29,057,455	767,500	126,500	29,951,455
Foundation-sponsored events	6,671,317	614,371	-	7,285,688
Travel	10,250,581	-	295,162	10,545,743
Occupancy costs	3,686,894	126,076	140,084	3,953,054
Supplies, printing and media	1,841,131	-	-	1,841,131
Depreciation and interest	4,194,057	26,088	28,987	4,249,132
In-kind	2,840,968	-	-	2,840,968
Other	17,344,642	946,428	1,060,698	19,351,768
	<u>\$ 128,578,304</u>	<u>\$ 3,479,565</u>	<u>\$ 3,451,431</u>	<u>\$ 135,509,300</u>
Totals, year ended December 31, 2007				
	<u>\$ 128,578,304</u>	<u>\$ 3,479,565</u>	<u>\$ 3,451,431</u>	<u>\$ 135,509,300</u>

# The William J. Clinton Foundation

## Notes to Financial Statements

December 31, 2008 and 2007

### Note 1: Nature of Operations and Summary of Significant Accounting Policies

#### *Nature of Operations*

The William J. Clinton Foundation (the Foundation), formerly known as the William J. Clinton Presidential Foundation, is a tax-exempt foundation formed in October 1997 to design, construct and initially endow a Presidential archival depository (the William J. Clinton Presidential Library and Museum) to house and preserve the books, correspondence, documents, papers, pictures, photographs and other memorabilia of President Clinton.

Since the completion of the Library, the mission of the William J. Clinton Foundation has been to strengthen the capacity of people in the United States and throughout the world to meet the challenges of global interdependence. To advance this mission, the Foundation has developed programs and partnerships in the following areas:

- economic empowerment;
- climate change;
- racial, ethnic and religious reconciliation;
- health security; and
- leadership development and citizen service.

The Foundation solicits and accepts gifts and bequests of money or property for the purpose of supporting its mission.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Cash Equivalents*

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2008 and 2007, cash equivalents consisted of money market accounts held with brokers and a repurchase agreement with a financial institution.

One or more of the financial institutions holding the Foundation's cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under the program, through June 30, 2010, all noninterest-bearing transaction accounts at these institutions are fully guaranteed by the FDIC for the entire amount in the account.

# The William J. Clinton Foundation

## Notes to Financial Statements

December 31, 2008 and 2007

For financial institutions opting out of the FDIC's Transaction Account Guarantee Program or interest-bearing cash accounts, the FDIC's insurance limits increased to \$250,000, effective October 3, 2008. The increase in federally insured limits is currently set to expire December 31, 2013. At December 31, 2008, the Foundation's cash accounts exceeded federally insured limits by approximately \$25 million.

### ***Assets Limited as to Use***

Assets limited as to use include assets of the Clinton HIV/AIDS Initiative (CHAI) in its partnership with UNITAID, an international drug purchase facility. The assets relate to this partnership and may be expended only for program purposes. The use of funds is limited by the funding agency and may be used only for the purchase of pediatric and second-line drugs for CHAI and UNITAID projects.

### ***Investments and Investment Return***

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

### ***Contributions Receivable***

Contributions receivable are stated at the amount pledged by donors net of net present value discounts. The Foundation provides an allowance for doubtful pledges receivable, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Delinquent pledges receivable are written off based on the specific circumstances of the donor making the pledge.

### ***Property and Equipment***

Property and equipment are capitalized at cost and are depreciated on a straight-line basis over the estimated useful life of each asset.

### ***Temporarily and Permanently Restricted Net Assets***

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Foundation in perpetuity.

# The William J. Clinton Foundation

## Notes to Financial Statements

December 31, 2008 and 2007

### **Contributions**

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

### **Collections**

The collections maintained at the William J. Clinton Presidential Library and Museum (the Library) are the property of the National Archives and, as such, these collections are not included on the balance sheets of the Foundation. Furthermore, the Foundation is not responsible for the maintenance or preservation of items in the collections.

### **Income Taxes**

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income.

### **Uncertain Tax Positions**

In accordance with Financial Accounting Standards Board (FASB) Staff Position No. FIN 48-3, the Foundation has elected to defer the effective date of FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, until its fiscal year ended December 31, 2009. The Foundation has continued to account for any uncertain tax positions in accordance with literature that was authoritative immediately prior to the effective date of FIN 48, such as FASB Statement No. 109, *Accounting for Income Taxes*, and FASB Statement No. 5, *Accounting for Contingencies*.

### **Functional Allocation of Expenses**

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program services, management and general and fund raising categories based on time and effort measurements and other methods.

# The William J. Clinton Foundation

## Notes to Financial Statements

December 31, 2008 and 2007

### **Deferred Revenue**

Deferred revenue includes granted funds held by the Clinton HIV/AIDS Initiative (CHAI) that may be expended only for program purposes. The use of funds is limited by the funding agencies.

### **Note 2: Assets Limited as to Use**

Assets limited as to use at December 31 consisted of the following:

	<b>2008</b>	<b>2007</b>
Cash and cash equivalents	\$ 95,994,528	\$ 42,910,000

### **Note 3: Investments and Investment Return**

Investments at December 31 consisted of the following:

	<b>2008</b>	<b>2007</b>
Equity securities	\$ 27,687	\$ 57,887
Mutual funds	233,301	227,050
Certificates of deposit	1,200,000	6,200,000
	\$ 1,460,988	\$ 6,484,937

Total investment return is comprised of the following:

	<b>2008</b>	<b>2007</b>
Interest and dividend income	\$ 2,655,593	\$ 3,025,761
Net realized and unrealized losses on investments	(79,137)	(1,173)
	\$ 2,576,456	\$ 3,024,588

# The William J. Clinton Foundation

## Notes to Financial Statements

December 31, 2008 and 2007

### Note 4: Contributions Receivable

All contributions receivable are reported as a component of temporarily restricted net assets and consisted of the following:

	<b>2008</b>	<b>2007</b>
Due within one year	\$ 13,608,533	\$ 14,943,077
Due in one to five years	12,187,629	20,452,629
Due in more than five years	505,411	6,033,000
	<u>26,301,573</u>	<u>41,428,706</u>
Less		
Allowance for uncollectible contributions	3,102,316	3,872,498
Unamortized discount	1,863,599	4,807,443
	<u>\$ 21,335,658</u>	<u>\$ 32,748,765</u>

### Note 5: Property and Equipment

Property and equipment at December 31 consist of the following:

	<b>2008</b>	<b>2007</b>
Land	\$ 943,690	\$ 943,690
Furniture and equipment	3,800,867	2,964,363
Buildings and fixtures	134,506,154	134,329,483
	139,250,711	138,237,536
Less accumulated depreciation	16,724,593	12,311,363
	<u>\$ 122,526,118</u>	<u>\$ 125,926,173</u>

# The William J. Clinton Foundation

## Notes to Financial Statements

December 31, 2008 and 2007

### Note 6: Net Assets

#### *Temporarily Restricted Net Assets*

Temporarily restricted net assets on December 31, 2008 and 2007, were available for the following purposes:

	<u>2008</u>	<u>2007</u>
For future periods (contributions receivable)	\$ 21,335,658	\$ 32,748,765
Foundation initiatives	4,973,216	2,161,480
Other	-	27,052
	<u>\$ 26,308,874</u>	<u>\$ 34,937,297</u>

#### *Permanently Restricted Net Assets*

Permanently restricted net assets at December 31, 2008 and 2007, were restricted to:

	<u>2008</u>	<u>2007</u>
Investment in perpetuity, the income of which is expendable to support speakers endowment	\$ 250,000	\$ 200,000

#### *Net Assets Released from Restrictions*

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2008</u>	<u>2007</u>
Purpose restrictions accomplished		
Collection of pledges	\$ 12,572,327	\$ 8,832,126
Expenditures for Foundation initiatives	40,818,027	44,793,925
	<u>\$ 53,390,354</u>	<u>\$ 53,626,051</u>

**The William J. Clinton Foundation**  
**Notes to Financial Statements**  
**December 31, 2008 and 2007**

**Note 7: Operating Leases**

The Foundation's leases are generally month-to-month operating leases for office space both domestically and internationally, while other leases are cancellable in 2009 and 2011. Rental expense for all operating leases was \$2,212,323 and \$1,675,622 for 2008 and 2007, respectively.

**Note 8: Pension Plan**

The Foundation has a defined contribution pension plan covering substantially all employees. The Board of Directors annually determines the amount, if any, of the Foundation's contributions to the plan. Pension expense was \$1,048,041 and \$501,447 for 2008 and 2007, respectively.

**Note 9: Repurchase Agreement**

The Foundation has entered into a repurchase agreement with a financial institution whereby excess cash in its operating account is invested in government-backed securities at the close of each business day and is redeposited, along with interest earned, in the checking account at the start of the next business day. Amounts invested through this agreement as of December 31, 2008 and 2007, were approximately \$6,051,293 and \$14,153,463, respectively.

**Note 10: Transactions with the National Archives and Records Administration and Lease with the City of Little Rock, Arkansas**

In 2004, the Foundation entered into a joint use, operating and transfer Agreement with the National Archives and Records Administration (NARA) that expires February 29, 2101. Under the agreement, NARA agreed to operate certain areas of the facility known as the William J. Clinton Presidential Library and Museum for the purposes of housing, preserving and making available, through historical research, exhibitions, educational programs and other activities, the presidential records and historical materials of President William Jefferson Clinton.

Because the terms of the lease essentially transfer to NARA the right to use portions of the Library for a period in excess of the property's expected economic life, the cost of construction of those areas operated by NARA, which amounted to approximately \$36,000,000, have been excluded from the Foundation's statements of financial position.

The land occupied by the Library is owned by the City of Little Rock, Arkansas (the City), but is leased to the Foundation under a 99 year lease for a nominal annual amount. The Foundation is responsible for maintaining those areas within 75 feet of the buildings and certain land improvements. Maintenance of the remaining land is the responsibility of the City. Because the lease with the City does not convey exclusive right to the use of this land and because it is to be operated in a manner similar to other City parks, the Foundation does not recognize the present value of the lease's fair value within its financial statements.

# The William J. Clinton Foundation

## Notes to Financial Statements

December 31, 2008 and 2007

### Note 11: Disclosures about Fair Value of Assets

Effective January 1, 2008, the Foundation adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*, which was subsequently incorporated into the FASB Accounting Standards Codification (ASC) Topic 820. Topic 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Topic 820 has been applied prospectively as of the beginning of the year.

Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the inputs and valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

#### ***Assets Limited to Use and Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market funds, equity securities and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Foundation had no Level 2 or 3 measurements at December 31, 2008.

# The William J. Clinton Foundation

## Notes to Financial Statements

December 31, 2008 and 2007

The following table presents the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the Topic 820 fair value hierarchy in which the fair value measurements fall at December 31, 2008:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 95,994,528	\$ 95,994,528	\$ -	\$ -
Equity securities	27,687	27,687	-	-
Mutual funds	233,301	233,301	-	-

Following is a description of the valuation methodologies used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

### Contributions Receivable

Contributions receivable that will be realized in periods beyond one year are recorded at fair value when the promise to give is received. Fair value is estimated at the present value of the future payments expected to be received.

The following table presents the fair value measurement of assets and liabilities measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2008:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Contributions receivable	\$ 4,481,000	\$ -	\$ -	\$ 4,481,000

**The William J. Clinton Foundation**  
**Notes to Financial Statements**  
**December 31, 2008 and 2007**

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying statements of financial position at amounts other than fair value.

***Cash and Cash Equivalents and Assets Limited as to Use***

The carrying amount approximates fair value.

***Contributions Receivable***

The carrying amount approximates fair value.

***Deferred Revenue***

The carrying amount approximates fair value.

The following table presents estimated fair values of the Foundation's financial instruments not previously disclosed at December 31, 2008 and 2007:

	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	\$ 32,350,905	\$ 32,350,905	\$ 42,135,800	\$ 42,135,800
Assets limited as to use	95,994,528	95,994,528	42,910,000	42,910,000
Contributions receivable, net	21,335,658	21,335,658	32,748,765	32,748,765
Investments	1,460,988	1,460,988	6,484,937	6,484,937
Financial Liabilities				
Deferred revenue	100,943,592	100,943,592	42,062,752	42,062,752

# The William J. Clinton Foundation

## Notes to Financial Statements

December 31, 2008 and 2007

### Note 12: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. These matters include the following:

#### ***Assets in Foreign Countries***

The Foundation maintains cash balances and equipment in Asia, Africa and South America. At December 31, 2008 and 2007, the Foundation had approximately \$6.2 million and \$3.6 million, respectively, deposited in foreign banks and equipment with an approximate net book value of \$1.8 million and \$1.5 million, respectively, in foreign countries.

#### ***Contributions Receivable***

Approximately 29% and 42% of gross pledges receivable were due from one donor at December 31, 2008 and 2007, respectively.

Furthermore, allowances for uncollectible contributions receivable are based on a review of outstanding receivables, historical collection information and existing economic conditions. Events could occur that would change this estimate materially in the near-term.

#### ***Litigation***

The Foundation is from time to time subject to claims that arise primarily in the ordinary course of its activities. Currently, management is not aware of any such claim or claims that would have a material adverse effect on the Foundation's financial position or net assets. Events could occur, however, that would change this estimate materially in the near term.

#### ***Current Economic Conditions***

The current economic environment presents not-for-profit organizations with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, declines in contributions, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the Foundation.

Current economic conditions have made it difficult for many donors to continue to contribute to not-for-profit organizations. A significant decline in contribution or grant revenue could have an adverse impact on the Foundation's future operating results.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for contributions receivable that could negatively impact the Foundation's ability to maintain sufficient liquidity.

## **Supplementary Information**

# The William J. Clinton Foundation

## Combining Statement of Financial Position

### December 31, 2008

#### Assets

	Foundation	Climate	CHAI	CHDI	CGSGI	Total
Cash and cash equivalents	\$ 20,624,105	\$ 173,860	\$ 7,259,321	\$ -	\$ 4,293,619	\$ 32,350,905
Assets limited as to use	-	-	95,994,528	-	-	95,994,528
Accounts receivable	389,112	3,862	1,105,671	26,229	546,353	2,071,227
Intra-organizational receivables (payables)	(303,144)	2,070,600	(1,434,512)	(322,131)	(10,813)	-
Inventory and prepaid expenses	776,028	-	323,645	-	-	1,099,673
Contributions receivable	21,335,658	-	-	-	-	21,335,658
Investments	1,460,988	-	-	-	-	1,460,988
Property and equipment, net of accumulated depreciation	120,696,726	-	1,284,896	544,496	-	122,526,118
Total assets	\$ 164,979,473	\$ 2,248,322	\$ 104,533,549	\$ 248,594	\$ 4,829,159	\$ 276,839,097

#### Liabilities and Net Assets

	Foundation	Climate	CHAI	CHDI	CGSGI	Total
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ 1,219,806	\$ 499,446	\$ 5,652,667	\$ 95,182	\$ 9,355	\$ 7,476,456
Deferred revenue	619,921	1,748,876	98,574,795	-	-	100,943,592
Agency funds	-	-	306,087	-	-	306,087
Total liabilities	1,839,727	2,248,322	104,533,549	95,182	9,355	108,726,135
<b>Net Assets</b>						
Unrestricted net assets	141,554,088	-	-	-	-	141,554,088
Temporarily restricted	21,335,658	-	-	153,412	4,819,804	26,308,874
Permanently restricted	250,000	-	-	-	-	250,000
Total net assets	163,139,746	0	0	153,412	4,819,804	168,112,962
	\$ 164,979,473	\$ 2,248,322	\$ 104,533,549	\$ 248,594	\$ 4,829,159	\$ 276,839,097

# The William J. Clinton Foundation

## Combining Statement of Activities

### Year Ended December 31, 2008

	Foundation	Climate	CHAI	CHDI	CGSGI	Total
<b>Revenues, Gains and Other Support</b>						
Contributions	\$ 33,524,986	\$ 4,364,446	\$ 30,653,937	\$ 5,478,076	\$ 6,173,081	\$ 80,194,526
Grants	-	154,524	103,468,046	-	-	103,622,570
Investment return	950,455	4,074	1,621,009	918	-	2,576,456
Other	1,351,180	-	(18,204)	299,594	-	1,632,570
In-kind	3,596,313	-	-	-	-	3,596,313
Intra-organizational transfers	(16,438,930)	7,425,013	8,646,586	367,344	(13)	-
Total revenue, gains and other support	<u>22,984,004</u>	<u>11,948,057</u>	<u>144,371,374</u>	<u>6,145,932</u>	<u>6,173,068</u>	<u>191,622,435</u>
<b>Expenses and Losses</b>						
Salaries and benefits	10,702,066	5,527,582	17,029,925	1,080,357	8,280	34,348,210
Direct program expenditures	3,633,831	26,783	70,980,066	2,379,596	833,553	77,853,829
Professional and consulting	4,092,375	3,406,355	22,330,444	3,349,697	445,037	33,623,908
Foundation-sponsored events	10,619,854	542	144,871	9,236	-	10,774,503
Travel	3,525,558	2,441,026	7,030,682	469,276	78,694	13,545,236
Occupancy costs	1,750,375	486,265	2,910,061	184,112	4,558	5,335,371
Supplies, printing and media	1,835,260	59,595	747,089	55,236	19,329	2,716,509
Depreciation and interest	4,002,296	-	338,914	72,184	-	4,413,394
In-kind	3,596,313	-	-	-	-	3,596,313
Other	4,912,124	195,567	22,859,322	298,453	24,008	28,289,474
Provision for uncollectible pledges	6,265,624	-	-	-	-	6,265,624
Total expenses and losses	<u>54,935,676</u>	<u>12,143,715</u>	<u>144,371,374</u>	<u>7,898,147</u>	<u>1,413,459</u>	<u>220,762,371</u>
<b>Change in Net Assets</b>	<u>(31,951,672)</u>	<u>(195,658)</u>	<u>-</u>	<u>(1,752,215)</u>	<u>4,759,609</u>	<u>(29,139,936)</u>
<b>Net Assets, Beginning of Year</b>	<u>195,091,418</u>	<u>195,658</u>	<u>-</u>	<u>1,905,627</u>	<u>60,195</u>	<u>197,252,898</u>
<b>Net Assets, End of Year</b>	<u>\$ 163,139,746</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 153,412</u>	<u>\$ 4,819,804</u>	<u>\$ 168,112,962</u>