

Bill, Hillary & Chelsea Clinton Foundation

**Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

December 31, 2019

Bill, Hillary & Chelsea Clinton Foundation

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Independent Auditor's Report

To the Board of Directors
Bill, Hillary & Chelsea Clinton Foundation

We have audited the accompanying consolidated financial statements of Bill, Hillary & Chelsea Clinton Foundation (the "Clinton Foundation"), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bill, Hillary & Chelsea Clinton Foundation as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information on pages 28 and 29 is presented for purposes of additional analysis of the consolidated financial statements, rather than to present the financial position, results of operations or cash flows of the individual entities and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements taken as a whole.

CohnReznick LLP

New York, New York
November 4, 2020

Bill, Hillary & Chelsea Clinton Foundation
Consolidated Statement of Financial Position
December 31, 2019

Assets

Cash	\$ 5,257,063
Assets limited as to use	3,887,233
Accounts receivable, net	1,062,748
Loan receivable	279,386
Prepaid expenses and other	536,821
Contributions and grant receivable, net	26,220,312
Investments	195,791,690
Programmatic investment	1,857,484
Property and equipment, net	<u>83,738,778</u>
Total	<u><u>\$ 318,631,515</u></u>

Liabilities and Net Assets

Liabilities	
Accounts payable and accrued expenses	\$ 4,173,187
Deferred revenue	<u>1,699,720</u>
Total liabilities	<u>5,872,907</u>
Commitments and contingencies	
Net assets	
Without donor restrictions	86,327,338
With donor restrictions	<u>226,431,270</u>
Total net assets	<u>312,758,608</u>
Total	<u><u>\$ 318,631,515</u></u>

See Notes to Consolidated Financial Statements.

Bill, Hillary & Chelsea Clinton Foundation

**Consolidated Statement of Activities
Year Ended December 31, 2019**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue and support			
Contributions	\$ 9,967,397	\$ 8,896,675	\$ 18,864,072
Grants	2,049,972	7,993,946	10,043,918
Net investment return	68,431	31,060,043	31,128,474
Presidential Center	4,231,427	-	4,231,427
Recovery of uncollectible pledges	-	687,515	687,515
Gain on program investments	-	212,041	212,041
Other income	182,902	-	182,902
Net assets released from restrictions	<u>23,818,958</u>	<u>(23,818,958)</u>	<u>-</u>
 Total revenue and support	 <u>40,319,087</u>	 <u>25,031,262</u>	 <u>65,350,349</u>
Expenses and losses			
Program services	34,368,718	-	34,368,718
Management and general	6,646,034	-	6,646,034
Fundraising	<u>3,970,044</u>	<u>-</u>	<u>3,970,044</u>
 Total expenses and losses	 <u>44,984,796</u>	 <u>-</u>	 <u>44,984,796</u>
 Change in net assets	 (4,665,709)	 25,031,262	 20,365,553
Net assets, beginning	<u>90,993,047</u>	<u>201,400,008</u>	<u>292,393,055</u>
Net assets, end	<u>\$ 86,327,338</u>	<u>\$ 226,431,270</u>	<u>\$ 312,758,608</u>

See Notes to Consolidated Financial Statements.

Bill, Hillary & Chelsea Clinton Foundation

Consolidated Statement of Cash Flows
Year Ended December 31, 2019

Cash flows from operating activities	
Change in net assets	\$ 20,365,553
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	4,127,492
Net loss on sales of property and equipment	(23,107)
Recovery of uncollectible pledges	(687,515)
Net gain on investments	(30,925,311)
Net gain on programmatic investments	(212,041)
Contributions to endowment	(7,145,822)
Changes in operating assets and liabilities	
Accounts receivable	83,795
Contributions receivable	1,727,582
Prepaid expenses and other	295,425
Accounts payable and accrued expenses	(1,148,877)
Deferred revenue	(126,440)
Net cash used in operating activities	<u>(13,669,266)</u>
Cash flows from investing activities	
Purchase of property and equipment	(727,560)
Proceeds from sales of property and equipment	116,158
Purchases of securities and investments	(54,192,955)
Sales of securities and investments	60,697,392
Proceeds on loan receivable	7,713
Net cash provided by investing activities	<u>5,900,748</u>
Cash flows from financing activities	
Contributions to endowment	<u>7,145,822</u>
Net cash provided by financing activities	<u>7,145,822</u>
Net decrease in cash and assets limited as to use	(622,696)
Cash and assets limited as to use, beginning	<u>9,766,992</u>
Cash and assets limited as to use, end	<u><u>\$ 9,144,296</u></u>

See Notes to Consolidated Financial Statements.

Bill, Hillary & Chelsea Clinton Foundation

Notes to Consolidated Financial Statements December 31, 2019

Notes 1 - Nature of operations and summary of significant accounting policies

Nature of operations

The Bill, Hillary & Chelsea Clinton Foundation ("Clinton Foundation") continues President Clinton's legacy of putting people first. To achieve this, the Clinton Foundation works with strategic partners to develop and implement programs that create economic opportunity, improve public health, and inspire civic engagement and service:

We create economic opportunity by assisting farmers in Africa to increase their yields and incomes; combating the effects of climate change through renewable energy efforts in island nations; and mobilizing relief efforts in the wake of natural disasters in the Caribbean.

We work to improve public health by confronting challenges such as the opioid epidemic and childhood obesity; and supporting parents and caregivers with tools to talk, read, and sing with their young children from birth to promote early brain and language development.

We inspire civic engagement and service through programs that help college students improve the lives of others and change the world; support networks that foster women's leadership in the renewable energy sector; and a partnership among the presidential libraries of President Clinton, President George W. Bush, George H.W. Bush, and Lyndon B. Johnson to cultivate promising leaders from the business, academic, public service, nonprofit, and military sectors as they seek to create positive change on the issues confronting their communities. The Foundation also operates the Clinton Presidential Center in Little Rock, which provides year-round cultural and educational opportunities and is home to the Clinton Presidential Library and Museum, one of the largest archival collections in American presidential history.

The initiatives are as follows:

- The Clinton Climate Initiative ("CCI") collaborates with governments and partners to increase the resiliency of communities facing climate change by creating and implementing replicable and sustainable models. CCI's approach brings together a wide range of partners to facilitate renewable energy projects, addressing major sources of greenhouse gas emissions while also saving money for individuals, communities and governments and helping to grow economies. In 2019, CCI partnered with the government and utility of Turks and Caicos to implement projects based on the country's national energy transition strategy and announced the implementation of the world's largest marine floating solar plant in Seychelles.
- The Clinton Development Initiative ("CDI") created the Community Agribusiness ("CAB") approach - which groups farmers together to collectively increase the quantity, quality, and consistency of their production while also improving their access to resources - to address challenges farmers face. Through CAB in Malawi, Tanzania, and Rwanda, CDI performs outreach to farming communities to increase access and help them to participate equitably in local markets. In 2019, CDI launched a new partnership with the International Maize and Wheat Improvement Centre to improve farmer's access to climate-resilient maize varieties and expanded its partnership with Africa Improved Foods to source soybeans from farmers in Malawi.
- The Clinton Giustra Enterprise Partnership ("CGEP") builds social agribusinesses that work to improve the livelihoods of farmers and fishers by boosting agricultural productivity, creating job opportunities, and cementing long-term market linkages so they can lift themselves out of poverty. CGEP's successful pilot programs are incorporated to form for-profit enterprise

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Notes to Consolidated Financial Statements December 31, 2019

entities in which the Clinton Foundation typically holds a significant ownership position. In 2019, CGEP announced a partnership with Acumen to expand its work in Colombia which empowers smallholder farmers in the Andean and Caribbean regions by sourcing fruits and vegetables and selling to national retailers and food service companies. In 2020, CGEP spun off into an independent charitable organization, Acceso.

- The Clinton Global Initiative's ("CGI") mission is to inspire, connect, and empower everyone to forge solutions to the world's most pressing challenges. In 2019, the CGI Action Network on Post-Disaster Recovery held meetings in Puerto Rico and the U.S. Virgin Islands, announcing a total of 58 new projects to promote resiliency and recovery in the Caribbean. In addition, the Clinton Global Initiative University (CGI U) announced the expansion of CGI U to a year-round program, supplementing meetings with year-round programming, mentoring, and commitment development opportunities.
- The Clinton Health Matters Initiative ("CHMI") works to improve the health and well-being of people across the U.S. by activating individuals, communities, and organizations to make meaningful contributions to the health of others. CHMI addresses pressing public health crises like the opioid epidemic, by increasing education and awareness to decrease stigma and curb addiction, while providing communities with the tools they need to combat the epidemic and save lives. In 2019, CHMI's Opioid Response Network launched a nationwide campaign around National Recovery Month to reduce stigma around substance use disorders, and began engaging faith leaders in Atlanta to address the opioid epidemic through communities of faith, while continuing work with faith leaders in Little Rock, Jacksonville, and Houston.
- The William J. Clinton Presidential Center and Park ("Clinton Center") is the home of the Little Rock offices of the Clinton Foundation; is the site of operations for the Clinton Presidential Library and Museum and the Clinton School of Public Service (a branch of the University of Arkansas system, which is not a program of the Foundation); and is a managing partner of the Presidential Leadership Scholars program, a national bipartisan executive-style leadership development initiative. The Clinton Center provides year-round educational and cultural opportunities to visitors of all ages that reflect President Clinton's lifetime commitment to advancing opportunity for everybody, instilling responsibility throughout our society, and cultivating a sense of community within our great nation. In 2019, the Presidential Center and President Clinton hosted a Kumpuris Lecture with Supreme Court Justice Ruth Bader Ginsburg; convened leaders from business, government, and philanthropy for a domestic economic policy conference that examined ways to unlock economic opportunity in rural and urban areas; and graduated the fifth class of Presidential Leadership Scholars.
- Too Small to Fail, the early childhood initiative of the Clinton Foundation is leading a public awareness and action campaign to promote the importance of early brain and language development and to support parents with tools to talk, read, and sing with their young children from birth. Today, many children in the United States start kindergarten unprepared without the critical language and literacy skills they need for success in school. Through partnerships with pediatricians, hospitals, faith-based leaders, community-based organizations, businesses, entertainment industry leaders, and others, Too Small to Fail is meeting parents where they are to help them prepare their children for success in school and beyond. Whether at the pediatrician's office or the playground, Too Small to Fail aims to make small moments big by creating opportunities for meaningful interactions anytime, anywhere. In 2019, Too Small to Fail continued to expand its work to reach parents by promoting early literacy through books, educational resources, and dedicated learning spaces in laundromats across the

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country, launching several new community campaigns, as well as two new statewide campaigns, and sharing the results of a new evaluation on the effectiveness of our laundromat initiative.

- The Alliance for a Healthier Generation ("Healthier Generation") an independent entity founded by the Clinton Foundation and the American Heart Association, works to ensure every mind, every body and every young person is healthy and ready to succeed. In 2019, Healthier Generation continued its systems-change approach to improving whole child health and inequities children face early on in life - working in partnership with schools and communities, businesses, and families.

Basis of accounting

Clinton Foundation prepares its consolidated financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America ("US GAAP") for not-for-profit entities.

Principles of consolidation

The accompanying consolidated financial statements of the Clinton Foundation incorporate the accounts of the Clinton Foundation, including the accounts of all program operating offices of the Clinton Foundation. Additionally, the consolidated financial statements include the net assets and activities of the entities which the Clinton Foundation maintains an economic interest in and financial control over including Acceso Worldwide Fund, Inc. and Acacia Development Co. All intercompany balances and transactions have been eliminated upon consolidation.

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Clinton Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2019, the Clinton Foundation's cash and assets limited as to use accounts exceeded federally insured limits by approximately \$8,322,000 and cash in foreign accounts that may not be insured totaled approximately \$368,000. At December 31, 2019, cash equivalents consisted primarily of money market accounts with brokers, which are included in investments on the statement of financial position.

Investments and net investment return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. The Clinton Foundation uses the practical expedient of valuing certain alternative investments at net asset value ("NAV") per the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2015-07, *Fair Value Measurement* (Topic 820): *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*. Investments whose fair value is measured at NAV are excluded from the fair value hierarchy but are presented in fair value tables as a reconciling item between the hierarchy table and total investments per the consolidated statement of financial position.

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**Notes to Consolidated Financial Statements
December 31, 2019**

Net 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. External and direct internal investment related expenses are netted against investment returns.

Net investment return is reflected in the consolidated statement of activities as with donor restriction or without donor restriction based upon the existence and nature of any donor- or legally-imposed restrictions.

Receivables

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

Accounts receivable are comprised primarily of program related billings due, general deposits, travel advances and various deposits for leased facilities.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense primarily by the straight-line method. Leasehold improvements are amortized over the shorter of the life of the lease or the useful life of the asset.

The estimated useful lives for each major classification of property and equipment are as follows:

Building and fixtures	15 - 40 years
Leasehold improvements	4 - 20 years
Furniture and equipment	3 - 10 years

Net assets

Net assets, revenues and releases from restriction are classified based on the existence or absence of donor or board-imposed restrictions. Accordingly, the net assets of the Clinton Foundation and the changes therein are classified and reported in two categories of net assets:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions, including the net investment in fixed assets, gifts with no donor restriction and current funds without donor restriction.

Net assets with donor restrictions - Net assets that are restricted by a donor for use for a specific purpose or in a future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed.

Other donor-imposed restrictions on net assets included in this category are permanent in nature. These net assets have been restricted by donors to be maintained by the Clinton Foundation either in perpetuity or until released by specific action by the Clinton Foundation's Board of Directors in accordance with applicable law. Clinton Foundation's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

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When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restriction. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restriction. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restriction 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 with donor restriction and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as revenue and net assets without donor restriction, unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restriction.

Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restriction to net assets without donor restriction are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those pledges are computed using an interest rate for the year in which the promise was received and considers market and credit risk as applicable. Subsequent years' accretion of the discount is included in contribution revenue.

Conditional gifts include both a right of return of the gift to the donor or a right of release of the donor from further funding and depend on overcoming specified barriers to bind the potential donor. Conditional gifts are recognized as assets and revenue when the defined barriers are substantially met, and the gift becomes unconditional. No conditional gifts or pledges for which conditions had not been substantially met were recorded as revenue in 2019.

Collections

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

Grants

Grant support is received from foundations, governmental units and private entities funding specific programs or events.

Unconditional grants expected to be collected within one year are reported at their net realizable value. Amounts expected to be collected in future years are discounted and recorded at the present value of estimated cash flows. Subsequent year's accretion of the discount is included in grant revenue.

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Conditional grants include both a right of return of the funding to the grantor or a right of release of the grantor from further funding and depend on overcoming specified barriers to bind the grantor. Conditional grant funding is recognized as asset and revenue as the defined barriers are substantially met, and the support becomes unconditional.

Grant funding received before a measurable performance or other barrier is met are recognized in the statement of financial position as deferred revenue. No conditional grant revenue for which conditions had not been substantially met were recorded in 2019.

Other income

Other income includes net revenues attributable to program specific transactions, sublease rental income, and gains and losses on sale of fixed assets.

Income taxes

The Clinton Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Clinton Foundation is subject to federal income tax on any unrelated business taxable income. There is no material tax liability due to unrelated business income. Therefore, no provision for income taxes on unrelated business income has been included in the consolidated financial statements. If necessary, the Clinton Foundation would recognize interest and penalties associated with tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the accompanying consolidated statement of financial position. The consolidated for-profit entities, Acceso Worldwide Fund, Inc. and Acacia Development Co., both have net losses. It is difficult to estimate whether the tax benefit resulting from these losses will be utilized within the prescribed period as defined by pertinent tax law. Any such benefit will be recorded in the future proportionally to the tax losses utilized and is immaterial to the consolidated financial statements.

Management has analyzed tax positions taken by the consolidated entities and has concluded that, as of December 31, 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements.

Functional allocation of expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Costs that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the program services, management and general and fundraising categories based on time and effort measurements and other methods:

- Staff costs are allocated based on time and effort.
- Occupancy, depreciation and information technology costs are allocated based on square footage.
- Management and general expenses include costs not identifiable with any specific program, but which provide for the overall support and direction of Clinton Foundation.
- Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

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Notes to Consolidated Financial Statements December 31, 2019

Deferred revenue

Deferred revenue includes equipment sales receipts and conditional granted and contributed funds received in advance for delivery of program services. These amounts are recognized as revenue when earned based on the underlying agreement. Deferred revenue as of December 31, 2019 was \$1,699,720.

Translation of non-U.S. currency amounts

Assets and liabilities that have a local functional currency are translated to U.S. dollars at year-end exchange rates. Translation adjustments are recorded in expenses. Income and expense transactions are recorded at exchange rates prevailing during the year.

Property and equipment, net and other nonmonetary assets and liabilities are translated at the approximate exchange rate prevailing when the assets or liabilities are acquired. All other assets and liabilities denominated in a currency other than U.S. dollars are translated at year-end exchange rates with the transaction gain or loss recognized in other revenue and expense.

Adoption of accounting principles

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. This standard provides guidance in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. During the year ended December 31, 2019, we have implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

In November 2016, FASB issued ASU 2016-08, *Statement of Cash Flows (Topic 230) Restricted Cash*. This ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the statement of cash flows. Accordingly, the statement of cash flows includes the reconciliation of assets limited as to use with cash and cash equivalents.

Recent accounting pronouncement

In June 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842), Effective Dates for Certain Entities*, which provides for the elective deferrals of the effective dates of Topic 606 and Topic 842 for certain entities. The core principle of Topic 606, which replaces most existing revenue recognition guidance with a five-step framework, is that revenue from contracts with customers is recognized in an amount that reflects the consideration to which an entity expects to be entitled in exchange for goods and services. Upon its adoption, Topic 842 replaces existing lease accounting guidance and requires lessees to recognize right of use assets and corresponding lease liabilities for their leases on their balances sheets for all leases, including those classified as operating, except for short-term leases.

The Foundation has elected to apply the deferrals provided by ASU 2020-05 and therefore expects to adopt (i) Topic 606 for annual reporting periods after December 15, 2019; and (ii) Topic 842 for fiscal years beginning after December 15, 2021 on a modified retrospective basis. The Organization is currently evaluating the potential impacts of adopting Topic 606 and Topic 842 on its parent-only financial statements.

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Notes to Consolidated Financial Statements December 31, 2019

Note 2 - Liquidity and availability

As of December 31, 2019, the Clinton Foundation's liquid resources and financial assets available within one year for general expenditure, such as operating expenses, were as follows:

Financial assets at year end:	
Cash	\$ 5,257,063
Assets limited as to use	3,887,233
Accounts receivable, net	1,062,748
Loans receivable	279,386
Contributions and grants receivable, net	26,220,312
Investments	<u>195,791,690</u>
Total financial assets	<u>232,498,432</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(226,431,270)
Less restricted net assets with liquidity in the next year:	
Contributions and grants receivable	2,017,500
Net assets with purpose restrictions to be met in next year	4,121,205
Endowment investment return with liquidity in next year per spending policy	<u>8,742,075</u>
	(211,550,490)
Loan receivable with liquidity horizon greater than one year	<u>(279,386)</u>
	<u>(211,829,876)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 20,668,556</u>

Clinton Foundation has certain donor-restricted assets limited as to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the quantitative information above for financial assets to meet general expenditures within one year.

Clinton Foundation has time restricted contributions that will also be available for general expenditures in the next year which are included as liquid assets available in the next year.

In addition, the Clinton Foundation's spending policy allows for annual spending based on 3%-5% of the trailing 12-quarter average of the endowment or similar formula. A measure of this investment return is included in assets available to meet general expenditures over the next 12 months.

Note 3 - Assets limited as to use

Assets limited as to use represent the cash available on hand restricted to expenditures for specific Clinton Foundation programs pursuant to applicable grants and contracts. As of December 31, 2019, assets limited as to use were \$3,887,233.

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**Notes to Consolidated Financial Statements
December 31, 2019**

Note 4 - Cash reconciliation

The following table reconciles cash and assets limited as to use reported on the statement of financial position that sum to the total of cash and assets limited as to use on the statement of cash flows:

Cash	\$ 5,257,063
Assets limited as to use	<u>3,887,233</u>
Total cash and assets limited as to use shown in the statement of cash flows	<u>\$ 9,144,296</u>

Note 5 - Investments

Investments at December 31, 2019, consisted of the following:

Endowment and invested excess working capital	
Cash and cash equivalents	\$ 3,307,202
Mutual funds	47,595,939
Limited Partnerships and Limited Liability Company	
Hedged Equity	20,052,989
Select Equity	40,364,632
Intermediate Fund	28,425,202
Strategic Fixed Income	13,973,923
Private Equity	22,501,478
Diversified Strategy Funds	<u>19,570,325</u>
	<u>\$ 195,791,690</u>

Investments are comprised of the following components:

Speakers' endowment	\$ 443,909
Other endowment	<u>195,347,781</u>
	<u>\$ 195,791,690</u>

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**Notes to Consolidated Financial Statements
December 31, 2019**

Note 6 - Programmatic investment

At December 31, 2019, the programmatic investment of \$1,857,484 was comprised of investment in Acceso Fund, LLC and is associated with the mission of CGEP. The primary purpose of the programmatic investment is to further the tax-exempt objectives of the Clinton Foundation and not focus on production of income or the appreciation of the asset. Like grants, this financial investment has as the primary purpose the achievement of the Clinton Foundation's programmatic mission. This investment, which represents ownership or investment interest in other organizations, is accounted for using the equity method of accounting, and is not subject to the fair value measurement requirements in Accounting Standards Codification 958-320 due to this investment not meeting the definition of an equity security with readily determinable fair value.

The net gain on programmatic investments accounted for by the equity method for 2019 was \$212,041 as reported on the consolidated statement of activities.

Note 7 - Contributions and grants receivable

Unconditional contributions and grants receivable at December 31, 2019 are due as follows:

Due within one year	\$ 14,377,289
Due in one to five years	11,775,000
Due in more than five years	<u>3,050,000</u>
	29,202,289
Less	
Allowance for uncollectible contributions and grants	1,483,617
Unamortized discount	<u>1,498,360</u>
	<u>\$ 26,220,312</u>

Note 8 - Property and equipment

Property and equipment at December 31, 2019, consist of the following:

Furniture and equipment	\$ 10,695,556
Buildings and leasehold improvements	<u>136,453,918</u>
	147,149,474
Less accumulated depreciation and amortization	<u>63,410,696</u>
	<u>\$ 83,738,778</u>

Bill, Hillary & Chelsea Clinton Foundation

**Notes to Consolidated Financial Statements
December 31, 2019**

Note 9 - Net assets

As of December 31, 2019, net assets with donor restrictions are restricted for the following purposes or periods.

Subject to expenditure for specified purpose	
Clinton Foundation initiatives	\$ 5,064,714
Contributions and grants receivable	
Subject to the passage of time	1,759,673
Subject to expenditure for specific purpose and passage of time	2,616,585
Subject to organization spending policy and appropriation and passage of time	21,309,265
Subject to organization spending policy and appropriation	
Endowment earnings	31,423,799
Endowment investment fund - no term limitation	<u>147,507,234</u>
	<u>178,931,033</u>
Not subject to appropriation or expenditure	
Endowment investment in perpetuity	<u>16,750,000</u>
	<u>\$ 226,431,270</u>

As of December 31, 2019, net assets not subject to donor restrictions totaled \$86,327,338.

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

Purpose restrictions accomplished	
Clinton Foundation initiatives	\$ 23,556,458
Time restrictions expired	
Collection of pledges	<u>262,500</u>
	<u>\$ 23,818,958</u>

Note 10 - Endowment

The Clinton Foundation Endowment Fund ("Endowment") consists of funds established to support the Clinton Foundation's mission to improve lives by working together with partners across the United States and around the world to create economic opportunity, improve public health, and inspire civic engagement and service. In furtherance of its mission, the overall goal of the Endowment is to provide a stable source of financial support and liquidity for the mission of the Clinton Foundation. The Endowment is comprised of donor-restricted endowment funds. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Bill, Hillary & Chelsea Clinton Foundation

**Notes to Consolidated Financial Statements
December 31, 2019**

Applicable law requires that all endowment funds be classified as net assets with donor restriction. In the Endowment, these comprise two types of funds: (1) funds that have donor restrictions requiring that they be maintained in perpetuity and (2) funds that do not have donor restrictions as to the term for which such funds must be maintained prior to their appropriation for spending and which can be appropriated for spending by specific action of the Clinton Foundation's Board of Directors. In the latter instance, where there is no such explicit donor restriction within the gift instrument, the Clinton Foundation has determined that it will prudentially classify the original value of a gift and any subsequent gifts made under the same instrument as subject to donor restriction given the totality of the circumstances of the gift. Accumulated earnings on the Endowment are also classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Clinton Foundation. The Clinton Foundation makes all determinations to appropriate or accumulate donor-restricted endowment funds in a manner consistent with the standard of prudence prescribed by applicable law, including the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

The Clinton Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the Clinton Foundation and donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Clinton Foundation, (7) the Clinton Foundation's investment policies, and (8) where appropriate, alternatives to spending from the donor-restricted endowment funds and the possible effects of those alternatives on the Clinton Foundation.

The composition of net assets with donor restrictions by type of endowment fund at December 31, 2019, were as follows:

	Accumulated endowment earnings*	Endowment fund	Total
Endowment net assets, beginning of year	\$ 14,373,324	\$ 182,837,425	\$ 197,210,749
Investment return			
Investment income	7,981,008	-	7,981,008
Investment expenses	(4,762,421)	-	(4,762,421)
Net gains (realized and unrealized)	27,831,888	-	27,831,888
	<u>31,050,475</u>	<u>-</u>	<u>31,050,475</u>
Provision for uncollectible pledges	-	651,781	651,781
Contributions	-	2,077,291	2,077,291
Accumulated earnings distribution	(14,000,000)	-	(14,000,000)
Endowment net assets, end of year	<u>\$ 31,423,799</u>	<u>\$ 185,566,497</u>	<u>\$ 216,990,296</u>

(*) Accumulated endowment earnings are subject to the organization's appropriation spending policy.

Net endowment contributions receivable as of December 31, 2019 were \$21,309,265.

Bill, Hillary & Chelsea Clinton Foundation

Notes to Consolidated Financial Statements December 31, 2019

The Endowment was created in 2013. The Clinton Foundation Board of Directors subsequently appointed members to the Investment Committee which is empowered to approve and adopt investment policies and procedures so that endowment funds and their related returns are spent in accordance with UPMIFA and donors' intent and maintain the appropriate amount of risk and return for the Clinton Foundation's purposes. For the long term, the primary investment objective for the Endowment is to earn a total return (net of all investment program fees), within a prudent level of risk, which is sufficient to maintain in real terms the purchasing power of the Endowment, support operating expenses and payout requirements and provide moderate capital appreciation after accounting for such distributions and expenses. The risk tolerance of the Clinton Foundation is moderate. Moderate fluctuations in market value can be tolerated over time, and stability of the overall corpus is valued for predictability and consistency of payouts over time. This tolerance, as dictated by market conditions and organizational circumstances, may be adjusted over time. The Clinton Foundation's investment time horizon is long term. The Clinton Foundation, in consultation with the Investment Committee, has delegated to an Investment Advisor the day-to-day implementation of the investment program as set forth in the Clinton Foundation's Investment Policy Statement. The specific roles and responsibilities of the Investment Advisor are governed by a written investment management agreement, signed and agreed to by the Clinton Foundation and the Investment Advisor.

During 2018 and early 2019 the economic backdrop shifted from expansion to slow down. In response to the shifting investment environment, at the end of April 2019 the Investment Committee approved a proposal from the Investment Advisor to de-risk the investment portfolio. The revised investment target allocations move the portfolio to a more balanced overall position by shifting approximately 6% of near-term allocation from directional investments to reserve fixed income. Long-term target allocations remain unchanged.

The following is a summary of the revised asset allocation guidelines and performance benchmarks adopted by the Clinton Foundation:

Target Allocation by Asset Class			Benchmark
	<u>Near-Term</u>	<u>Long-Term</u>	
Reserve			
Reserve Fixed Income	15.00%	10.00%	Barclays Intermediate Government/Credit Index
Balanced Reserves	<u>1.00%</u>	<u>0.00%</u>	
Subtotal	<u>16.00%</u>	<u>10.00%</u>	
Hedged			
Strategic Fixed Income	7.50%	7.00%	HFRI Strategic Fixed Income Blend
Diversified Strategies	10.00%	9.00%	HFRI Fund of Funds Diversified Index
Hedged Equity	<u>10.00%</u>	<u>9.00%</u>	HRFI Equity (Total) Hedge Index
Subtotal	<u>27.50%</u>	<u>25.00%</u>	
Directional			
Benchmark Equity	26.50%	30.00%	MSCI All Country World Index
Select Equity	20.00%	20.00%	MSCI All Country World IMI Index
Private Investments	<u>10.00%</u>	<u>15.00%</u>	State Street Private Equity Index: US Private Equity Funds Median Return
Subtotal	<u>56.50%</u>	<u>65.00%</u>	
Total	<u>100.00%</u>	<u>100.00%</u>	

Bill, Hillary & Chelsea Clinton Foundation

Notes to Consolidated Financial Statements December 31, 2019

Actual allocations by major asset class are consistent with near-term targets.

The Endowment uses two different spending policies, one for the near term and one for the long term, to be adopted once the Clinton Foundation reaches a threshold set at the Board of Director's discretion. The near-term spending policy dictates that no spending will occur from the Endowment for the foreseeable future as the corpus is established and grows meaningfully from inflows. The long-term spending policy specifies that annual spending will be based on 3%-5% of the trailing 12-quarter average of the Endowment or similar formula. By using the trailing 12-quarter average, the Clinton Foundation aims to smooth the spending amount and avoid large swings, providing a consistent and predictable level of financial support for the Clinton Foundation over time. The Clinton Foundation Board approved a \$14,000,000 distribution of endowment net appreciation from these funds for spending during 2019. Distributions of endowment net appreciation totaling \$14,000,000 occurred throughout the year as needed to support programs and operations.

Note 11 - Functional expenses

Expenses incurred by the Clinton Foundation, excluding provision for uncollectible pledges, classified by functional categories for the year ended December 31, 2019 were as follows:

	Program Services			Support Services		Total	
	Economic opportunity	Public health	Civic service	Total program services	Management and general		Fundraising
Salaries and benefits	\$ 6,957,708	\$ 3,010,368	\$ 6,944,992	\$ 16,913,068	\$ 3,582,488	\$ 2,427,485	\$ 22,923,041
Grant expense	407,500	1,387,464	13,615	1,808,579	-	-	1,808,579
Program formation and development	107,337	-	-	107,337	-	-	107,337
Cost of sales	269,618	-	962,217	1,231,835	-	-	1,231,835
Repairs and maintenance	60,227	-	924,897	985,124	-	-	985,124
Program evaluation and assesment	19,944	182,233	-	202,177	-	-	202,177
Supplies	298,508	112,000	-	410,508	-	-	410,508
Professional and consulting	953,321	1,058,469	409,800	2,421,590	606,607	162,391	3,190,588
Conferences and events	664,202	100,328	915,723	1,680,253	95,394	527,804	2,303,451
Travel	667,998	197,223	509,889	1,375,110	395,404	83,430	1,853,944
Telecommunications	77,304	6,260	73,686	157,250	130,944	6,719	294,913
Meetings and trainings	12,426	3,862	80	16,368	47,434	218	64,020
Bank and other fees	29,779	-	124,368	154,147	14,774	74,336	243,257
Occupancy costs	609,293	215,271	581,563	1,406,127	693,575	126,878	2,226,580
Office expenses	37,883	7,685	285,863	331,431	341,941	41,651	715,023
Depreciation	250,082	41,296	3,811,384	4,102,762	-	24,730	4,127,492
Other	504,340	16,264	544,448	1,065,052	737,473	494,402	2,296,927
	<u>\$ 11,927,470</u>	<u>\$ 6,338,723</u>	<u>\$ 16,102,525</u>	<u>\$ 34,368,718</u>	<u>\$ 6,646,034</u>	<u>\$ 3,970,044</u>	<u>\$ 44,984,796</u>

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses are allocated, as described in Note 1, on a reasonable basis that is consistently applied. The expenses that are allocated include information technology costs, depreciation, office and occupancy (allocated on a square footage basis), and certain salaries and benefits which are allocated based on time and effort.

Bill, Hillary & Chelsea Clinton Foundation

**Notes to Consolidated Financial Statements
December 31, 2019**

Note 12 - Operating leases

The Clinton Foundation leases numerous office spaces, both domestically and internationally, under both cancellable and noncancelable operating lease agreements. These leases expire at various dates through 2028.

The future minimum lease payments under these leases are as follows:

2020	\$	2,584,000
2021		2,182,000
2022		1,638,000
2023		1,665,000
2024		1,747,000
Thereafter		<u>5,740,000</u>
	\$	<u>15,556,000</u>

Rental expense for all operating leases for 2019 was \$1,678,800.

There are two standby letters of credit totaling approximately \$599,000 in support of these leases. There are no amounts outstanding on the letters of credit as of December 31, 2019.

Note 13 - Pension plan

Retirement benefits are offered to the Clinton Foundation employees based on eligibility. These benefits vary and are dependent on employee type and location.

- U.S.-based staff and U.S. expatriates are eligible to contribute into a 401(k) plan which the Clinton Foundation matches up to 6% of the employee contribution.
- Third country nationals and local national retirement plans are available in a select number of countries. The Clinton Foundation also contributes to the national social security fund in many of the countries in which it operates as stipulated by local law.

Pension expense was \$931,671 for 2019.

Note 14 - Transactions with the National Archives and Records Administration and lease with the City of Little Rock, Arkansas

In 2004, the Clinton 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 (the "Library") 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, has been excluded from the Clinton Foundation's consolidated statement of financial position.

Bill, Hillary & Chelsea Clinton Foundation

Notes to Consolidated Financial Statements December 31, 2019

The land occupied by the Library is owned by the City of Little Rock, Arkansas (the "City"), but is leased to the Clinton Foundation under a 99-year lease for a nominal annual amount. The Clinton 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 Clinton Foundation does not recognize the present value of the lease's fair value within its consolidated financial statements.

Note 15 - Disclosures about fair value of assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of 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.

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 Clinton Foundation did not have any Level 2 or Level 3 measurements at December 31, 2019.

The Clinton Foundation has certain alternative investments in limited partnerships ("LPs") and a limited liability company ("LLC") for which there is not a readily determinable fair value. These investments have financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. For such investments, as a practical expedient, the Clinton Foundation uses its ownership interest in the entity NAV to determine the fair value. These investments valued at NAV are no longer included within Levels 1, 2, or 3 in the fair value hierarchy, but are included in the fair value table for purposes of investment reconciliation to amounts in the consolidated statement of financial position.

Bill, Hillary & Chelsea Clinton Foundation

**Notes to Consolidated Financial Statements
December 31, 2019**

Recurring measurements

The following table presents the fair value measurements of assets and liabilities in the accompanying consolidated statement of financial position measured at fair value on a recurring basis and the NAV or level within the fair value hierarchy in which the fair value measurements fall at December 31, 2019:

	Total fair value	Fair Value Measurements Using	
		Quoted prices in active markets for identical assets (Level 1)	Investments at NAV
Investments			
Cash and cash equivalents	\$ 3,307,202	\$ 3,307,202	\$ -
Mutual Funds	47,595,939	47,595,939	-
	50,903,141	50,903,141	-
LPs and LLC			
Hedged Equity	20,052,989	-	20,052,989
Select Equity	40,364,632	-	40,364,632
Intermediate Fund	28,425,202	-	28,425,202
Strategic Fixed Income	13,973,923	-	13,973,923
Private Equity	22,501,478	-	22,501,478
Diversified Strategy Funds	19,570,325	-	19,570,325
	<u>\$ 195,791,690</u>	<u>\$ 50,903,141</u>	<u>\$ 144,888,549</u>

The following table provides additional information about alternative investments measured at NAV:

December 31, 2019	NAV	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
LPs and LLC				
Hedged Equity	\$ 20,052,989	\$ -	Monthly	7 business days
Select Equity	40,364,632	-	Monthly	7 business days
Intermediate Fund	28,425,202	-	Daily	3 business days
Strategic Fixed Income	13,973,923	-	Monthly	7 business days
Private Equity	22,501,478	23,271,533	No liquidity	No liquidity
Diversified Strategy Funds	19,570,325	-	Monthly	7 business days
	<u>\$ 144,888,549</u>	<u>\$ 23,271,533</u>		

Bill, Hillary & Chelsea Clinton Foundation

Notes to Consolidated Financial Statements December 31, 2019

LPs and LLC	Redemption restrictions (if any)
Hedged Equity	Redemptions are paid out in installments over time based on liquidity of underlying funds. If a withdrawal request exceeds 20% of Portfolio's NAV it may be granted on a pro rata basis so that no more than 20% of NAV will be withdrawn at any given withdrawal date.
Select Equity	Redemptions are paid out in installments over time based on liquidity of underlying funds. If a withdrawal request exceeds 20% of Portfolio's NAV it may be granted on a pro rata basis so that no more than 20% of NAV will be withdrawn at any given withdrawal date.
Intermediate Fund	None
Strategic Fixed Income	Redemptions are paid out in installments over time based on liquidity of underlying funds. If a withdrawal request exceeds 20% of Portfolio's NAV it may be granted on a pro rata basis so that no more than 20% of NAV will be withdrawn at any given withdrawal date.
Private Equity	At sole discretion of General Partner.
Diversified Strategy Funds	Redemptions are paid out in installments over time based on liquidity of underlying funds. If a withdrawal request exceeds 20% of Portfolio's NAV it may be granted on a pro rata basis so that no more than 20% of NAV will be withdrawn at any given withdrawal date.

LPs and LLC	Investment strategy
Hedged Equity	The Hedged Equity Portfolio allocates capital to a number of managers who approach the world's equity markets with the intention of generating positive total returns over a market cycle, while also attempting to preserve capital during adverse market conditions. Investment strategy is both long and short term.
Select Equity	The Select Equity Portfolio allocates capital to a number of managers who apply their unique insights and talents to the world's public equity markets. The underlying managers tend to be more highly concentrated than index-based portfolios as the underlying funds tend to hold bigger positions in a smaller number of underlying equity shares. The underlying managers' portfolios tend to be invested with a longer time horizon, typically one to three years or more, and with less attention to monthly and quarterly ups and downs of the market. The underlying managers' portfolios are predominantly long-biased, with little if any hedging employed.
Intermediate Fund	The Fixed Income Intermediate Fund strives to outperform the Bloomberg Barclays Intermediate U.S. Government/Credit Index by investing primarily in investment-grade fixed income securities, including obligations issued or guaranteed by the U.S. government; corporate securities; municipal securities; municipal securities; 144A securities; convertible securities; inflation indexed securities; U.S. dollar-denominated debt of foreign issuers; residential and commercial backed securities and obligations; preferred and hybrid capital securities and money market instruments.
Strategic Fixed Income	The Strategic Fixed Income Portfolio allocates capital to a number of managers who approach the world's fixed income, foreign exchange and credit markets with strong research skills and/or quantitative and technical insights. Investment strategy is designed for production of fixed income.

Bill, Hillary & Chelsea Clinton Foundation

Notes to Consolidated Financial Statements December 31, 2019

LPs and LLC

Investment strategy

Private Equity	The Private Equity Portfolio allocates capital to a number of managers who seek to exceed the return of the global public equity market through value generation and operational intensity. The underlying fund investments are generally expected to span a range of strategies including, without limitation, investments of the following nature: buyout, growth capital, venture capital, distressed credit and direct lending. In addition, the Portfolio intends to consider, and may include, strategies that are sector specific and may be related to physical assets such as real estate and natural resources.
Diversified Strategy Funds	The Diversified Strategies Portfolio allocates capital to a number of managers who deploy their capital with flexibility across all major markets of the world including public equities, fixed income, credit foreign exchange, commodities and may, from time to time, also make privately negotiated equity and debt investments. The composition of the portfolios relative to actual underlying asset classes are likely to evolve over time based on the core competencies of each underlying manager's team.

Note 16 - Related party

The Clinton Foundation through its CGEP initiative engages in certain charitable activities that are funded by Elevate Social Businesses ("Elevate", formerly Clinton Giustra Enterprise Partnership). Elevate makes grants from time to time to the Clinton Foundation to carry out Elevate's and the Clinton Foundation's charitable goals. Neither entity controls the other; however, they share a common board member. During 2019, the Clinton Foundation received \$1,576,297 from Elevate.

Note 17 - Significant estimates and concentrations

US GAAP requires disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. These matters include the following:

Assets in foreign countries

The Clinton Foundation maintains cash balances and equipment in India, Africa, and South America. At December 31, 2019, the Clinton Foundation had approximately \$368,000 deposited in foreign banks and equipment and inventory with an acquisition cost of approximately \$2,691,000 in foreign countries.

Contributions and grants

For the year ended December 31, 2019, the concentration of earned revenue was as follows:

Government and multilaterals	4 %
Foundations	52
Other donors	44
	<hr/>
	100 %
	<hr/> <hr/>

Contribution and grant revenue recorded in the consolidated statement of activities totaled approximately \$28,908,000 for the year ended December 31, 2019.

Litigation

The Clinton 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 Clinton Foundation's consolidated financial position or net assets. Events could occur, however, that would change this estimate materially in the near term.

Bill, Hillary & Chelsea Clinton Foundation

**Notes to Consolidated Financial Statements
December 31, 2019**

Note 18 - Subsequent events

Subsequent events have been evaluated through November 4, 2020, which is the date the consolidated financial statements were available to be issued.

Subsequent to year end, the Foundation and Elevate entered into a grant and transfer agreement to effectuate a transition of CGEP and its associated entities, Acceso Fund LLC and Acceso Worldwide Fund, Inc., to Elevate. CGEP revenues and expenses for 2019 were approximately \$2,700,000. The Foundation deems the gain or loss on the transfer of CGEP and cash transferred to be immaterial to the Foundation financial statements.

In December 2019 and early 2020, the coronavirus that causes COVID-19 was widely reported to have surfaced. The spread of this virus in early 2020 has caused business disruption globally and domestically in the United States, the area in which the Foundation primarily operates. While the disruption is currently expected to be temporary, there is considerable uncertainty as to the duration of the pandemic. Therefore, while the Foundation expects the pandemic to impact the Foundation's financial condition, results of operations and cash flows, the extent of the financial impact and duration cannot be reasonably estimated at this time.

Supplementary Information

Bill, Hillary & Chelsea Clinton Foundation

Consolidating Statement of Financial Position December 31, 2019

	Clinton Foundation	Acceso Worldwide Fund, Inc.	Acacia Development Co.	Eliminations	Consolidated
<u>Assets</u>					
Cash	\$ 5,215,584	\$ 41,379	\$ 100	\$ -	\$ 5,257,063
Assets limited as to use	3,887,233	-	-	-	3,887,233
Accounts receivable, net	1,062,748	-	44	(44)	1,062,748
Loan receivable	279,386	-	-	-	279,386
Prepaid expenses and other	536,821	-	-	-	536,821
Contributions receivable, net	24,583,434	-	-	-	24,583,434
Grants receivable	1,636,878	-	-	-	1,636,878
Investments	195,791,690	-	-	-	195,791,690
Programmatic investment	1,857,484	-	-	-	1,857,484
Due from related parties, net	41,523	-	-	(41,523)	-
Property and equipment, net	83,738,778	-	-	-	83,738,778
Total assets	\$ 318,631,559	\$ 41,379	\$ 144	\$ (41,567)	\$ 318,631,515
<u>Liabilities and Net Assets</u>					
Liabilities					
Accounts payable and accrued expenses	\$ 4,173,231	\$ -	\$ -	\$ (44)	\$ 4,173,187
Deferred revenue	1,699,720	-	-	-	1,699,720
Total liabilities	5,872,951	-	-	(44)	5,872,907
Net assets					
Without donor restrictions	86,327,338	-	-	-	86,327,338
With donor restrictions	226,431,270	41,379	144	(41,523)	226,431,270
Total net assets	312,758,608	41,379	144	(41,523)	312,758,608
Total	\$ 318,631,559	\$ 41,379	\$ 144	\$ (41,567)	\$ 318,631,515

See Independent Auditor's Report.

Bill, Hillary & Chelsea Clinton Foundation

Consolidating Statement of Activities Year Ended December 31, 2019

	Clinton Foundation	Acceso Worldwide Fund, Inc.	Acacia Development Co.	Eliminations	Consolidated
Revenues and support					
Contributions	\$ 18,864,072	\$ -	\$ -	\$ -	\$ 18,864,072
Grants	10,043,918	-	-	-	10,043,918
Net investment return	31,128,474	-	-	-	31,128,474
Presidential Center	4,231,427	-	-	-	4,231,427
Recovery of uncollectible pledges	687,515	-	-	-	687,515
Gain on program investments	190,539	-	-	21,502	212,041
Other income	182,902	-	-	-	182,902
Total revenue and support	65,328,847	-	-	21,502	65,350,349
Expenses and losses					
Salaries and benefits	22,915,582	7,459	-	-	22,923,041
Grant expense	1,808,579	-	-	-	1,808,579
Program formation and development	107,337	-	-	-	107,337
Cost of sales	1,231,835	-	-	-	1,231,835
Repairs and maintenance	985,124	-	-	-	985,124
Program evaluation and assessment	202,177	-	-	-	202,177
Supplies	410,508	-	-	-	410,508
Professional and consulting	3,180,178	4,310	6,100	-	3,190,588
Conferences and events	2,303,451	-	-	-	2,303,451
Travel	1,853,944	-	-	-	1,853,944
Telecommunications	294,913	-	-	-	294,913
Meetings and trainings	64,020	-	-	-	64,020
Bank and other fees	240,506	2,751	-	-	243,257
Occupancy costs	2,225,908	672	-	-	2,226,580
Office expenses	714,813	210	-	-	715,023
Depreciation and amortization	4,127,492	-	-	-	4,127,492
Other	2,296,927	-	-	-	2,296,927
Total expenses and losses	44,963,294	15,402	6,100	-	44,984,796
Change in net assets before transactions between commonly controlled entities	20,365,553	(15,402)	(6,100)	21,502	20,365,553
Investor contributions	-	-	6,100	(6,100)	-
Investor distributions	-	(584,000)	-	584,000	-
Change in net assets	20,365,553	(599,402)	-	599,402	20,365,553
Shareholders' equity	-	640,781	144	(640,925)	-
Net assets, beginning	292,393,055	-	-	-	292,393,055
Net assets, end	\$ 312,758,608	\$ 41,379	\$ 144	\$ (41,523)	\$ 312,758,608

See Independent Auditor's Report.



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