

WELLINGTON MANAGEMENT FOUNDATION

2018 Annual Report



WELLINGTON
MANAGEMENT
FOUNDATION
investing in education

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**For more information about annual grant-making, please visit the Foundation's website
www.wellingtonfoundation.org or contact:**

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GMA Foundations
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Mission Statement



The **mission** of the Wellington Management Foundation **is to support** best-in-class programs and organizations in our communities that improve the education and **educational opportunities** for under-resourced youth.



Total grants and scholarships awarded
by Wellington Management Foundation
in 2018: **US\$6,281,000.00**

I am humbled to be writing my final letter as the Chair of the Wellington Management Foundation Advisory Board. As of June 30, I will step down from the Board, and Liz Kleinerman will take over as the new Chair of the Board.

As I reflect back on my years on the Board, I am proud to have served and learned alongside an extraordinarily caring, talented and impactful group of Advisory Board members who have given their time and expertise to our foundation. Our deepest gratitude to David Chang, Vice Chair, Karl Bandtel, Adam Berger, Michael Feder, Liz Kleinerman, Erin Murphy, Tom Pappas, Jawan Parker, Robert Rands, Liz Shortsleeve, Greg Williams, and Karen Pfefferle, Business Manager of the Wellington Management Foundation (the Foundation). As of June 30, Robert Rands and Karl Bandtel will also step down from the Board, and we will welcome Beth Piskorowski, Bradford Stoesser, and Duncan McFarland as new members. I cannot wait to see how the Foundation grows from here, driven by the collective energy and passion of this group of leaders!

In 2018, we awarded a record number and amount of grants, bringing the US foundation's total grant making to over \$6 million dollars. These grants went to best in class organizations in eastern Massachusetts, greater Philadelphia, Chicago, the San Francisco Bay Area, Toronto, and in Tokyo, Singapore, Hong Kong, and Sydney. Our colleagues in the UK also had a great year with our sister foundation, who awarded £472,823 in grants to 22 organizations in London, Frankfurt, and Zurich. For enabling these results and momentum, we are very grateful to the support of our donors, and the many colleagues who serve on our global grant review committees and engage as enthusiastic volunteers with the organizations we fund.

Over the past few years, as part of the Foundation's ongoing efforts to expand our impact, our grant making has evolved into 3 buckets: Annual Grants, Catalyst Gifts, and Strategic Partnerships.

Our Annual Grants, as our core grant making program, remains the central initiative as we strive to be a trusted, long term, valued partner to best in class organizations. This year we have awarded \$3.278 million dollars to 74 organizations. Our Catalyst Gifts and Strategic Partnerships are where we have the greatest potential to "move the needle" and affect systemic change. In 2018, we awarded \$2.2 million via our Catalyst Gifts to 8 organizations in order to boost early childhood education and pathways to careers, help organizations expand to new locations, and deepen their programming. Our Strategic Partnerships with City Year, Year Up, and the Social Innovation Forum have generated new venues for giving, and new pathways for underserved youth into our industry. And we are so energized by the opportunities ahead!

LETTER FROM THE BOARD CHAIR

As we look ahead, we are well positioned to keep growing while pacing our giving thoughtfully, and it remains our goal to be a stable and sustainable funder to the 75+ organizations we support. In times where economic hardships make fundraising difficult for education non-profits, our foundation hopes to be a ballast, providing steady, long term support.

We hope to leverage the Foundation's reach and efforts to inspire other donors to support these best-in-class organizations doing innovative and necessary work. Even amidst the uncertainty in the world around us, I remain optimistic that, together, our foundation and others like it can help close the opportunity and achievement gaps for underserved youth, and enrich the communities where we live and work.

With gratitude,



Sandhya Douglas

Advisory Board Chair

Wellington Management Foundation

Advisory Board Chairs

Sandhya Douglas

2017 – present

William Hannigan

2009 – 2010

Valerie Mosley Diamond

2001 – 2003

Molly K. Shannon

2014 – 2017

Maryann Carroll

2007 – 2009

Mary Ann Tynan

1998 – 2001

Jamie Rome

2010 – 2014

Joseph Schwartz

2003 – 2007

Jim Walters and

Dena Willmore

1992 – 1997

Board Vice Chairs

David Chang

2017 – present

Jennifer Hunnewell

2011 – 2013

William Hannigan

2007 – 2009

Sandhya Douglas

2016 – 2017

Sara Lou Sherman

2009 – 2010

Maryann Carroll

2004 – 2007

Fatima Penrose

2013 – 2016

2018 Grant Recipients

The US Foundation is pleased to announce the recipients of our 2018 Annual Grants. In total, 74 nonprofits in Singapore, Sydney, Hong Kong, Tokyo, and the five North American regions where we have offices received US\$3.278 million in grants.

EARLY CHILDHOOD EDUCATION & LITERACY

First Teacher \$50,000
 Generations Inc. \$50,000
 Smart from the Start \$50,000
 Parent-Child Home Program \$50,000
 Friends of the Children¹ \$50,000
 Julie's Family Learning Program² \$25,000
 Crispus Attucks Children's Center² \$25,000
TOTAL \$300,000

SCHOOLS

Boston Collegiate Charter \$50,000
 Esperanza Academy (Lawrence) \$50,000
 Boston Preparatory Charter \$50,000
 Friends of Excel Academy Charter Schools \$50,000
 Lowell Community Charter Schools² \$25,000
 Bridge Boston Charter \$50,000
 Atlantis Charter Educational Foundation (Fall River) \$50,000
 UP Education Network \$50,000
 Nativity School of Worcester¹ \$50,000
 Codman Academy Charter Foundation \$50,000
TOTAL \$475,000

ENRICHMENT

Community Boat Building \$50,000
 Boston Debate League¹ \$75,000
 Discovering Justice \$50,000
 Generation Citizen \$50,000
 WriteBoston \$50,000
 826 Boston \$50,000
 VSA Mass \$50,000
TOTAL \$375,000

AFTER SCHOOL SPORTS & ART HOOK

RAW Artworks (Lynn) \$50,000
 Harlem Lacrosse² \$25,000
 Boston Scores \$50,000
 Soccer Without Borders \$50,000
 Sportsmen's Tennis and Enrichment Center \$50,000
 Sociedad Latina¹ \$50,000
 Hyde Square Task Force¹ \$50,000
TOTAL \$325,000

AFTER SCHOOL & SUMMER

Brookview House \$50,000
 EV Kids \$50,000
 Friends of St. Stephens Youth Programs \$50,000
 Horizons at Dedham Country Day¹ \$50,000
 Immigrant Family Services² \$25,000
TOTAL \$225,000

CAREER READINESS

BUILD Boston \$50,000
 Artists for Humanity \$50,000
 Girls Inc., Worcester² \$25,000
 Invest in Girls \$50,000
 Silver Lining Mentoring² \$25,000
TOTAL \$200,000

COLLEGE ACCESS & SUCCESS

Breakthrough Greater Boston \$50,000
 Minds Matter Boston, Inc.¹ \$50,000
 LEAP for Education (Salem) \$50,000
 Jeremiah Endicott Program \$50,000
 Steppingstone Academy Scholars \$50,000
 Let's Get Ready \$50,000
 OneGoal \$50,000
 LaVida (Lynn) \$50,000
 SCS Noonan Scholars \$50,000
 Boston Chinatown Neighborhood Center² \$25,000
TOTAL \$475,000

TEACHER TRAINING

Sontag Prize (Lawrence)² \$25,000
TOTAL \$25,000

CHICAGO

Chicago Jesuit Academy \$50,000
 Tutoring Chicago \$50,000
 Sue Duncan Children's Center \$50,000
TOTAL \$150,000

All in Metro Boston, except where noted

¹Last year of funding | ²New organizations

RADNOR

Horizons at Episcopal Academy

\$50,000

Breakthrough of Greater Philadelphia¹

\$50,000

Steppingstone Foundation¹ \$50,000

TeenSHARP \$50,000

TOTAL \$200,000

SAN FRANCISCO

10,000 Degrees \$50,000

Aim High For High School \$50,000

First Graduate \$50,000

TOTAL \$150,000

TORONTO

Jessie's Centre² \$25,000

TOTAL \$25,000

ASIA/PACIFIC

Aidha (Singapore) \$25,000

Learning for All (Tokyo)² \$25,000

Back Track Youth Works (Sydney)²
\$25,000

Enrich (Hong Kong)² \$25,000

Multicultural Center (Tokyo) \$37,000

Child at Street 11 (Singapore) \$50,000

Kids Door (Tokyo) \$37,000

Principal Chan (Hong Kong) \$37,000

Katariba (Tokyo) \$37,000

Stewart House (Sydney)² \$25,000

Aboriginal Literacy Foundation
(Sydney) \$30,000

TOTAL \$353,000

KOFI FYNN SCHOLARSHIP RECIPIENT



**TYLER
JEFFERSON**

Tyler Jefferson has been part of Friends of the Children-Boston (Friends Boston) since he was selected in kindergarten. A professional mentoring program that provides Boston's most vulnerable youth with a full-time Professional Mentor (Friend) to be by their side throughout their school aged years. Tyler has grown up with Friends Boston. Now a ninth-grade student at Snowden International School in Boston, Massachusetts, Tyler will be studying the Japanese language for four years. His favorite subject in school is Algebra, because he is able to apply his amazing problem-solving skills. When not solving algebraic equations, he enjoys anime and hopes to visit Akihabara one day.

Tyler is a triplet and education costs will be very expensive when all three graduate high school at the same time; the scholarship will not only serve as a way for him to develop his skills but will also serve as a stepping stone that will encourage further scholarships and opportunities. Tyler has his sights set on going to college for Game Design and the Kofi Finn Scholarship will allow to enroll in the iD Tech Game Design and Development 101 program where he will begin to develop the skills necessary to pursue his dream of attending college and majoring in Game Design.

The US\$1,500 annual Kofi Fynn scholarship is named on behalf of a former Wellington Management employee. The recipient exhibits many of the qualities exemplified by Kofi Fynn, including a passion for education and personal development, a high level of intelligence and achievement, and commitment to the community.

Catalyst Gifts

We are also pleased to announce the 4th year of the Foundation's Catalyst Giving Initiative and the awarding of major gifts totaling US \$2.2 million to 7 organizations in eastern Massachusetts and 1 in Hong Kong.

This year's grants range from \$200,000 – \$375,000 and are intended to serve as a catalyst in helping educational nonprofits, that are having meaningful impact on the academic outcomes of disadvantaged youth, move forward in a significant way towards their strategic vision.

In addition to the cash grant, the Foundation will work with each nonprofit to identify their need for support beyond dollars that Wellington Management and its employees can help address.

BELLESINI ACADEMY, LAWRENCE

The Girls School – Bellesini will expand the girls' school to serve 60 girls in grades five through eight starting in September 2018 utilizing a co-institutional, rather than coeducational model.

<https://bellesiniacademy.org/>

BOSTON COLLEGIATE CHARTER SCHOOL

The BCCS Fund for Teaching Excellence – The Fund will provide teachers with a designated funding source on top of the standard pool of compensation dollars to reward excellence, create opportunities for innovation and increased student learning, and serve as a model for the greater charter movement.

<https://www.bostoncollegiate.org/>

EXCEL ACADEMY CHARTER SCHOOLS

Career Boost Service Model – Excel will build a comprehensive career development service based on the best practices of private staffing and training agencies. The initiative will focus on the front end of career development by creating supported pathways to a broad portfolio of vocational and professional training programs. At first the program will be focused on serving the first graduating classes of Excel, but will position itself to serve a broader clientele of schools and post-secondary support programs.

www.excelacademy.org

FRIENDS OF THE CHILDREN, BOSTON

One Child at Time Expansion Plan – The One Child at Time Expansion Plan includes serving more children and takes into account a review and enhancement of on-boarding practices and the mandatory increases in organizational capacity and

infrastructure that are based on our planned growth. As we continue to pursue horizontal growth (number of youth served), we will concurrently pursue vertical growth (program fidelity, quality and depth) to best serve our youth and their families.

www.friendsboston.org

JEREMIAH PROGRAM, BOSTON

New Partnership with Epiphany Early Center & Building Organizational Capacity – The Early Learning Center will provide space to administer and expand upon Jeremiah's empowerment and life skills training for mothers, increase family social capital through a supportive community, and provide a steady referral source for achieving our overarching goal to expand our impact to more Boston families. As we grow this partnership, funding will also be applied to hire additional program staff to deliver programming to more families and develop improved systems to support our growth into the future.

www.jeremiahprogram.org

THE PARENT-CHILD HOME PROGRAM, MALDEN, MA

Expansion into Malden, a Gateway City – PCHP is establishing a new site in Malden, a high-need Gateway City with the goal of reaching 45 families over a period of three years. The model includes: well-trained community-based site Coordinators, extensive training and regular reflective supervision for Early Learning Specialists, and a proven curriculum, utilizing gifts of books and toys as the curricular materials. The model is well-designed to work with the growing number of immigrant families in Gateway Cities because of its cultural competency.

www.parent-child.org

PRINCIPAL CHAN FREE TUTORIAL WORLD, HONG KONG

Principal Chan Free Tutorial Word has grown rapidly since its founding in 2011 to meet the needs of low income students lacking access to high quality tutors to compete in the examination-oriented system and the competitive nature of education in Hong Kong. To further our mission of “Education for All”, our strategic plan challenges us to both broaden and deepen our programs, and to improve our operational capabilities and effectiveness particularly around information and communications technology.

<http://hkcnc.org.hk/?lang=en>

SOCIEDAD LATINA, BOSTON

Building Staff Capacity in the Pathways to Success Program – Sociedad Latina has more than doubled the number of youth and families in their Pathways to Success programs – from 2,000 in 2011 to 5,000 in 2017. During this time, they maintained a relatively flat staff structure and there is a critical need to provide funding for the following positions: STEM Pathways Manager, College and Career Pathways Manager, Student Success Team Leader, and Evaluation Associate as well as stipends for the alumni-to-staff pipeline.

www.sociedadlatina.org

Strategic Partnerships

In the 2018, the US foundation extended its six-year relationship with **City Year Boston** by continuing our sponsorship of the Trotter School in Dorchester and adding support to East Boston High School. This partnership provides a multitude of community engagement, volunteer, and mentoring opportunities for dozens of employees of the firm under the auspices of our Wellington Young Professionals business network.

The Foundation is also pleased to announce ongoing support of **Year Up in Boston**, a career development and workforce training program through which Wellington has hired numerous interns, consultants and fulltime employees over the last many years.

Additionally, the Foundation in 2018 sponsored a track in early childhood through **Social Innovation Forum’s (SIF)** Nonprofit Accelerator Program that will offer two years of focused support from SIF and its partners to a selected nonprofit in eastern Massachusetts implementing solutions for children birth through 3rd grade to close the achievement gap in reading, writing and critical thinking.

MARY ANN TYNAN SCHOLARSHIP RECIPIENT



HASNA
IQBAL

Hasna Iqbal is a Junior at Boston Latin Academy and a member of the BLA debate team. She began her debate career in middle school and has been a passionate and consistent competitor and leader on her team. She regularly attends Boston Debate League’s (BDL) tournaments during each school year and has also represented Boston at regional and national competitions.

Most recently, Hasna was a member of the BDL’s inaugural dual enrollment program with Suffolk University this past Fall, through which she was able to take a debate course at Suffolk University where she developed advanced argumentation skills, researched and developed debate cases, and presented her work to a panel of Suffolk educators.

The US\$1,500 annual Mary Ann Tynan scholarship is distributed annually to a deserving graduating woman from among the organizations that the Wellington Management Foundation supports. The scholarship is named for former Wellington Management Partner Mary Ann Tynan, and is awarded to encourage and assist the recipient in achieving her educational goals.

Thank you!

We would like to thank our Advisory Board and volunteer staff for their dedication and hard work throughout 2018. We are also extremely thankful to Wellington Management Company LLP for providing the funds to manage our operations, enabling us to devote 100% of our capital to programs.



Advisory Board

Sandhya Douglas, Chair
 David Chang, Vice Chair
 Karl Bandtel (retired)
 Adam Berger
 Michael Feder
 Liz Kleinerman
 Erin Murphy
 Tom Pappas (retired)
 Jawan Parker
 Bob Rands (retired)
 Liz Shortsleeve
 Greg Williams

Business Manager

Karen Pfefferle

SUPPORT STAFF	FINANCE SUPPORT	TAX SUPPORT	INVESTMENT RELATIONSHIP MANAGER	GMA FOUNDATIONS	LEGAL SUPPORT
Kasey Pak	Eugene Ferri	Elizabeth Reiser	Cara Lafond	Phil Hall	Colin Sullivan
Stephanie Ptak	Scott Little	Ting Chen	Angelique Richardson	Phil Cappello	
Lamiya Tasnuva	Jeffrey Ng			Joel Springer	
	Elze Guillen			Alfonso Perillo	
	Raj Virdee				
	Tom Morton				

2018 GRANT REVIEW COMMITTEE MEMBERS

GRC TEAM

LEADERS:

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Beth Piskorowski
Drew Snow
Jen McCarthy
Margy Halloran
Matt Hand
Mike DiGregorio
Mike Dugan
Monica Keyes
Nicole Thomas
Ross Perlmutter
Shena Lambright

GRC FINANCIAL

REPORTS:

Sinead O'Brien
Greg Barry

GRC REVIEWERS:

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Amit Fernandes
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Brian Kerr
Brian Schmeer
Calantha Lee
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Chance Nyi

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Chrissie Dahlstrom
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Christopher Durlacher
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Com Mu
Connor Fitzgerald
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Daniel Concessi
Danielle Seamans
Danielle Williams
David Caulfield
David Rittner
Dean Bradley
Delia Dunbar
Diana Thompson
Dick tenEyck
Donna Gee
Ed Landseidel
Elise Douglas
Emily Bannister
Erika Murphy
Farzin Kahn
Geoffrey Austein-Miller
Greg Barry
Hari Golla
Ian Spencer
Jacqueline Spitler
Jake Kidder
James Mathenge
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Jarlath Forde
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Jeffrey Morrissey
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Jen Malkauskas
Jen Soule
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Jessica Theophile
Jo Sugita

Joey Ayee
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Jose Ciciollo
Jose Gonzalez
Joseph Carroll
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Josh Riefler
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Kathy O'Leary
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Kayla Mac
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Kristin O'Donnell
Kumiko Takahashi
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Lindsey Curley
Liz Maroney
Liz Sheehy
Liz Tully
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Manny Hunjan
Margaret Jennings
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Michael Elias
Michael Huber
Michael Shavel
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Michelle Hunter
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Mona Yuan
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Robert Lin
Roberto Rossicone
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Ryan Brennan
Ryan Stuntz
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Samuel Livingston
Sandesh Iyer
Santiago Milan
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Sara Martin
Sarah Belhaouari
Sarah Ferry
Sarah Ingoldsby
Sarah Lewis
Scott Cokely
Scott Janes
Sean Higgins
Seema Dasgupta
Shelly Kuhn
Sho Ikeda
Sinead O'Brien
Sofia Giordano
Stephanie Herrera
Stephanie Kowalski
Steven Perlmutter
Suchita Malik
Sunita Patel
Susanna Barros
Tanya Duplessy
Ted Morton
Tina Sun
Toshiki Izumi
Trupti Sawant
Vera Horgan
Veronique Falkovich
Vicky Tom
Victor Cherian
Wayne Patterson

Wendy Cromwell
Will Vahey
Wyatt Queirolo
Zachary Costello

GRANTEE RELATIONSHIP MANAGERS:

AJ Doyle
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Ana Yurrita
Bill Gagliardi
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Courtney Madden
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Morgan Kennedy
Ross Perlmutter
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Sinead O'Brien
Sofia Giordano
Sue Anderson
Ted Morton
Welbis Ortiz
Will Vahey

TO THE TRUSTEES OF WELLINGTON MANAGEMENT FOUNDATION

We have audited the accompanying financial statements of Wellington Management Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wellington Management Foundation as of December 31, 2018, 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.



August 28, 2019

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

WELLINGTON MANAGEMENT FOUNDATION

Statement of Financial Position

December 31, 2018

<i>Assets</i>	
Cash and cash equivalents	\$ 6,087,167
Contributions receivable	484,546
Prepaid expenses	86,494
Investments	<u>38,391,256</u>
Total assets	<u>\$ 45,049,463</u>
 <i>Liabilities and Net Assets</i>	
<i>Liabilities:</i>	
Accounts payable	\$ 27,456
Due to related party	107,494
Grants payable	<u>5,241,000</u>
Total liabilities	<u>5,375,950</u>
 <i>Net Assets:</i>	
Without donor restrictions	39,476,125
With donor restrictions	<u>197,388</u>
Total net assets	<u>39,673,513</u>
Total liabilities and net assets	<u>\$ 45,049,463</u>

See accompanying notes to financial statements.

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

WELLINGTON MANAGEMENT FOUNDATION

Statement of Activities for the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor restrictions	Total
<i>Changes in Unrestricted Net Assets:</i>			
<i>Revenue and Support:</i>			
Contributions	\$ 5,177,997	\$ 220,040	\$ 5,398,037
Dividends and interest	1,016,965	2,928	1,019,893
Net realized gain on investments	79,870	-	79,870
Unrealized loss on investments	(4,136,302)	-	(4,136,302)
Net assets released from restrictions	<u>377,114</u>	<u>(377,114)</u>	<u>-</u>
Total unrestricted revenue and support	<u>2,515,644</u>	<u>(154,146)</u>	<u>2,361,498</u>
<i>Expenses:</i>			
Program services	6,843,187	-	6,843,187
Management and general	192,875	-	192,875
Fundraising	<u>29,421</u>	<u>-</u>	<u>29,421</u>
Total expenses	<u>7,065,484</u>	<u>-</u>	<u>7,065,484</u>
Change in net assets	(4,549,840)	(154,146)	(4,703,986)
Net assets, beginning of year	<u>44,025,965</u>	<u>351,534</u>	<u>44,377,499</u>
Net assets, end of year	<u>\$ 39,476,125</u>	<u>\$ 197,388</u>	<u>\$ 39,673,513</u>

See accompanying notes to financial statements.

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

WELLINGTON MANAGEMENT FOUNDATION

Statement of Financial Expenses for the Year Ended December 31, 2018

	Program Services	Management and General	Fundraising	Total
Grants	\$ 6,644,204	\$ -	\$ -	\$ 6,644,204
Accounting	-	28,972	-	28,972
Bad debt expenses	-	5,824	-	5,824
Bank fees	-	2,215	-	2,215
Information technology	-	-	7,573	7,573
Management services	91,464	102,303	15,244	209,011
Occupancy	41,276	34,671	6,604	82,551
Office	-	1,965	-	1,965
Professional fees	56,479	16,000	-	72,479
State filing fees	-	925	-	925
Travel and meetings	9,765	-	-	9,765
	<u>9,765</u>	<u>-</u>	<u>-</u>	<u>9,765</u>
Total expenses	<u>\$ 6,843,187</u>	<u>\$ 192,875</u>	<u>\$ 29,421</u>	<u>\$ 7,065,484</u>

See accompanying notes to financial statements.

WELLINGTON MANAGEMENT FOUNDATION

Statement of Cash Flows for the Year Ended December 31, 2018

<i>Cash Flows From Operating Activities:</i>	
Change in net assets	\$ (4,703,986)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Realized gain on investments	(79,870)
Unrealized loss on investments	4,136,302
Uncollectible contributions	5,824
Decrease (increase) in operating assets:	
Contributions receivable	259,672
Prepaid expenses	(86,494)
(Decrease) increase in operating liabilities:	
Accounts payable	(27,226)
Due to related party	107,494
Grants payable	<u>1,116,000</u>
Net cash provided by operating activities	<u>727,716</u>
<i>Cash Flows From Investing Activities:</i>	
Proceeds from sales of investments	79,870
Purchases of investments	<u>(1,061,148)</u>
Net cash used in investing activities	<u>(981,278)</u>
Net increase in cash and cash equivalents	(253,562)
Cash and cash equivalents, beginning of year	<u>6,340,729</u>
Cash and cash equivalents, end of year	<u><u>\$ 6,087,167</u></u>

See accompanying notes to financial statements.

WELLINGTON MANAGEMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. ORGANIZATION

Wellington Management Foundation (the "Foundation"), is a qualified charitable organization established, pursuant to a trust agreement dated February 6, 1992, which was amended and restated by the Second Amended and Restated Trust Agreement, dated March 1, 2008, as further amended on November 1, 2012, between Wellington Management Group LLP ("WMG") and Wellington Trust Company, NA (as "Trustee" or "WTC") to support programs and organizations in our communities that improve and/or provide educational opportunities for disadvantaged youths.

To accomplish its mission, the Foundation makes grants to charitable organizations in communities where WMG has offices. Wellington Management Company LLP ("WMC"), a subsidiary of WMG, provides the principal financial support for the Foundation through its contributions and its employees' contributions. The Foundation's operations are also funded by investment income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Any references to particular accounting topics in US GAAP in the accompanying financial statements are referring to the corresponding accounting topics in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Events or transactions occurring after December 31, 2018, through the date the financial statements were available to be issued, August 28, 2019, have been evaluated in the preparation of the financial statements.

Net Assets Classification

Net assets of the Foundation are classified into two categories. The classifications are related to the existence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.
- *Net Assets With Donor Restrictions* – net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Foundation had no funds that are to be maintained in perpetuity.

Estimates

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

Contributions

Contributions are recognized when a donor makes a promise to give to the Foundation that is, in substance, unconditional. Such contributions are typically received in less than one year and, therefore, the carrying value approximates fair value. Contributions that are restricted by donors, which are primarily for the payments of grants, are reported as increases as net assets without restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Foundation uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At December 31, 2018, management believes that all outstanding contributions receivable were collectible and due within one year.

Cash and Cash Equivalents

For purposes of the statements of financial position and the statements of cash flows, cash and cash equivalents consist of cash and other highly liquid investments, except for short-term cash held for investment purposes, with an original maturity of three months or less when purchased.

WELLINGTON MANAGEMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2018

Contributed Services

Contributed services are recognized if the services create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under Chapter 180 of the Massachusetts General Laws. Unrelated business taxable income, however, would be subject to federal and state income taxes. Unrelated business taxable income is generated from an unrelated trade or business of an exempt organization which is not substantially related to the exercise or performance of its exempt purpose. The Foundation had no activity that did not substantially relate to the exercise or performance of its exempt purpose in 2018. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Fair Value Measurements

The Foundation determines fair value for its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs to valuation techniques used to measure fair value categorized into three broad levels, as follows:

- Level 1 Inputs – Quoted prices for identical assets or liabilities in active markets. Level 1 assets include listed mutual funds;
- Level 2 Inputs – Quoted prices in active markets for similar investments; quoted prices for identical investments in markets that are inactive; prices based on observable inputs other than an unadjusted quoted price; and prices based on market-corroborated inputs (such as interest rates, yield curves, volatilities, prepayment rates, credit risks, and default rates); and
- Level 3 Inputs – Prices based on significant unobservable inputs; valued in good faith by the Foundation. In these situations, it is possible that a different valuation model could produce materially different fair value measurements.

Transfers into and transfers out of levels are recognized at the end of the reporting period. There were no significant transfers into or out of Level 1, 2, or 3 during the year ended December 31, 2018.

Investments

The Foundation's investments consist principally of pooled investment vehicles, which includes WTC Common Trust Funds ("CTFs"). The CTFs consist primarily of investments in active markets. The NAV of the CTF pools is determined daily for the daily priced CTF pools and as of the last business day of the month for the monthly priced CTF pools. Admissions to and withdrawals from the CTFs can generally be made in cash, or in WTC's discretion by securities-in-kind transfer, and are based on the NAV per unit as determined on the relevant valuation date. There was no change in the valuation technique during 2018.

Generally, the Foundation may withdraw its assets from any of the CTFs as of any valuation date upon notice to the Trustee of at least ten business days for the monthly CTFs, or such other period as determined by the Trustee for a particular fund. WTC, in its capacity as Trustee, reserves the right to require a longer notice period or delay withdrawal requests payments, in certain circumstances.

Investment Income

Dividends, interest, and gains and losses on investments are reported as increases or decreases

in net assets without donor restrictions unless a donor or law temporarily or permanently restricts their use. Dividends, interest, and restricted gains whose restrictions are met in the same reporting period are reported as unrestricted support.

Adoption of FASB Accounting Standards Update ("ASU") No. 2016-14

On August 8, 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and lack of consistency in the type of information provided about expenses and investment returns. The Foundation has adjusted the presentation of these financial statements accordingly.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program and support service are reported directly according to their natural expenditure classification. Certain costs have been allocated among program and general and administrative services benefited on the basis of time and effort, including management services and occupancy.

WELLINGTON MANAGEMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2018

3. LIQUIDITY AND AVAILABILITY

Financial assets available for grant expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets at year end:

Cash and cash equivalents	\$ 6,087,167
Contributions receivable	484,546
Investments	<u>38,391,256</u>
Total financial assets	44,962,969

Less amounts not available to be used within one year:

Net assets with donor restrictions	197,388
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Amounts designated for future years per spending policy	<u>37,940,581</u>
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Financial assets available for grant expenditures over the next twelve months

\$ <u><u>6,825,000</u></u>

The Foundation's spending policy provides for investment assets to be available annually to support its grant-making. The available grant-making budget is determined each year at the discretion of the board of directors, and is based on contributions and a spending rate of 4.5% of the average assets at the end of each of the last five calendar years. WMC pays the operating expenses of the Foundation, and provides office space and administrative support at no charge to the Foundation (see note 5).

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

WELLINGTON MANAGEMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS — CONTINUED

December 31, 2018

4. INVESTMENTS

	Quoted in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV ⁽¹⁾	Total
Assets:					
Mutual Funds					
Money market account	\$ 2,937	\$ -	\$ -	\$ -	\$ 2,937
Equity	3,140,786	-	-	-	3,140,786
Common Trust Funds					
Fixed income	-	-	-	12,192,640	12,192,640
Equity	-	-	-	23,054,893	23,054,893
Total Investments	\$ 3,143,723	\$ -	\$ -	\$ 35,247,533	\$ 38,391,256
Percentage of Total Investments	8%	0%	0%	92%	100%

(1) Amounts are comprised of certain investments measured at fair value using NAV as a practical expedient. These investments have not been classified in the fair value hierarchy. However, the amounts are presented to enable reconciliation with amounts presented in the statements of financial position.

5. RELATED PARTY TRANSACTIONS

At December 31, 2018, 92% of the Foundation's investments were invested in certain CTFs for which WTC acts as trustee and WMC acted as investment sub-advisor. In addition, WMC was the largest donor, paid the operating expenses of the Foundation, and provides office space and administrative support at no charge to the Foundation. During 2018, WMC contributed Foundation expenses that totaled \$412,305. The value of the support has been recognized in the financial statements. At December 31, 2018, \$107,494 was due to WMC for gala expenses paid on the Foundation's behalf.

WELLINGTON MANAGEMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2018

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2018 were restricted for the following:

Grants to charitable organizations:	
Scholarship grants	\$ 31,087
General grants	166,301
	<hr/>
Total	\$ 197,388
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7. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

Contributions

During 2018, the Foundation received 65% of its total contributions from WMC. At December 31, 2018, there was a receivable of \$26,661 from WMC that represented 6% of the contributions receivable balance.

Credit and Investment Risk

The Foundation's cash and cash equivalents and investments in mutual funds, money market, and CTF portfolios are not insured. The Foundation has not experienced any losses in the accounts due to institutional insolvency. It is the opinion of management that the solvency of the institutions is not of particular concern at this time. The Foundation's investments are subject to market fluctuations. Due to the level of risk associated with investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the financial statements.

8. GRANTS PAYABLE

As of December 31, 2018, unconditional grants payable are due as follows:

Less than one year	\$ 4,363,000
One to two years	878,000
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Total	\$ 5,241,000
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For more information about the Wellington Management Foundation, please visit:

www.wellingtonfoundation.org

APPLYING FOR A GRANT

For more information about the grant application and review process, please contact:

Phil Cappello

GMA Foundations

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