

# **Woods Charitable Fund, Inc.**

Independent Accountants' Review Report  
and Financial Statements

December 31, 2014 and 2013



**Woods Charitable Fund, Inc.**  
**December 31, 2014 and 2013**

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## Independent Accountants' Review Report on Financial Statements and Supplementary Information

Board of Directors  
Woods Charitable Fund, Inc.  
Lincoln, Nebraska

We have reviewed the accompanying modified cash basis statements of financial position of Woods Charitable Fund, Inc. as of December 31, 2014 and 2013, and the related statements of activities for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of fund management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note 1.

Our reviews were made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note 1. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the reviews of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

*BKD, LLP*

March 25, 2015

**Woods Charitable Fund, Inc.**  
**Statements of Financial Position**  
**Modified Cash Basis**  
**December 31, 2014 and 2013**

**Assets**

	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	\$ 43,896	\$ 124,315
Investment securities, at cost		
Institutional funds	30,378,446	32,019,486
Partnership	8,372	42,589
Program related investment	20,954	32,954
Total assets	<b>\$ 30,451,668</b>	<b>\$ 32,219,344</b>
<b>Unrestricted Net Assets</b>	<b>\$ 30,451,668</b>	<b>\$ 32,219,344</b>

**Woods Charitable Fund, Inc.**  
**Statements of Activities**  
**Modified Cash Basis**  
**Years Ended December 31, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Income Collected</b>		
Investment income		
Net realized gain on sale of securities	\$ 201,812	\$ 12,127,394
Interest	461	453
Dividends from mutual funds	-	24,179
	202,273	12,152,026
Excise tax refunds	88,997	13,684
Other	8,379	265,435
	299,649	12,431,145
<b>Grants and Expenses Paid</b>		
Grants paid	1,205,000	1,165,500
Expenses paid		
Salaries and benefits	393,974	340,218
Investment advisory fees	282,761	206,641
Conferences and meetings	847	2,675
Legal, audit and financial services	9,353	9,563
Office expenses	9,682	11,042
Rent expense	56,098	55,670
Memberships and dues	7,710	7,748
Consultants	14,174	11,139
Annual report expenses	1,320	2,103
Other expenses	18,406	74,680
Excise tax payments	68,000	120,000
	862,325	841,479
	2,067,325	2,006,979
<b>Change in Net Assets</b>	(1,767,676)	10,424,166
<b>Net Assets, Beginning of Year</b>	32,219,344	21,795,178
<b>Net Assets, End of Year</b>	\$ 30,451,668	\$ 32,219,344

**Woods Charitable Fund, Inc.**  
**Notes to Modified Cash Basis Financial Statements**  
**December 31, 2014 and 2013**

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

***Nature of Operations***

Woods Charitable Fund, Inc. (the “Fund”) is a private philanthropic foundation incorporated in the state of Nebraska in 1941. The Fund’s purpose is to improve the quality of life in Lincoln, Nebraska by expanding prosperity and justice, advancing diverse and balanced participation of community residents and stimulating creativity and ingenuity. The Fund’s revenues and other support are derived principally from earnings on investments.

***Method of Accounting***

The Fund’s accounts are maintained on a modified cash basis, and the statements of activities reflect only cash received and disbursed. Therefore, receivables and payables, long-lived assets, accrued income and expenses and amortization and depreciation, which may be material, are not reflected in the accompanying financial statements. The statements are not intended to present the financial position, results of operations, or cash flows in conformity with accounting principles generally accepted in the United States of America.

***Use of Estimates***

The preparation of financial statements on the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Cash Equivalents***

The Fund considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2014 and 2013, cash equivalents consisted primarily of money market funds.

***Investments and Investment Return***

Investments are carried at cost. Under accounting principles generally accepted in the United States of America, investments in equity securities having a readily determinable fair value and in all debt securities would be carried at fair value.

Investment return includes dividend, interest and other investment income, and realized gains and losses on investments. Net profits or losses of limited partnership interests are reported as investment income upon allocation to the Fund’s capital account. The Fund uses the weighted average method to determine the cost of institutional funds sold and the first-in, first-out method to determine the cost of all other securities sold.

**Woods Charitable Fund, Inc.**  
**Notes to Modified Cash Basis Financial Statements**  
**December 31, 2014 and 2013**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***Income Taxes***

The Fund is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Fund is subject to federal income tax on any unrelated business taxable income. The Fund is classified as a private foundation as defined in Section 509(a) of the Internal Revenue Code. As a private foundation, the Fund is also subject to excise tax on net investment income. Excise tax payments made in 2014 and 2013 were \$68,000 and \$120,000, respectively. In addition, in 2014 and 2013, the Fund received excise tax refunds of \$88,997 and \$13,684, respectively.

The Fund files tax returns in the U.S. federal jurisdiction. With few exceptions, the Fund is no longer subject to U.S. federal examinations by tax authorities for years before 2011.

**Note 2: Investments and Fair Value Disclosures**

Fair value is the estimated amount at which financial assets could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments and because management does not intend to sell these financial instruments, the Fund does not know whether the fair values shown below represent values at which the respective financial instruments could be sold individually or in the aggregate.

Fair value is based on quoted market prices, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the Fund's financial statements.

**Woods Charitable Fund, Inc.**  
**Notes to Modified Cash Basis Financial Statements**  
**December 31, 2014 and 2013**

**Note 2: Investments and Fair Value Disclosures - Continued**

Institutional funds at December 31, 2014 and 2013 consisted of the following:

	<b>2014</b>		<b>2013</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
Multi-asset	\$ 28,044,912	\$ 30,132,561	\$ 29,535,956	\$ 30,092,238
Fixed income	2,333,534	3,249,784	2,483,530	3,261,361
	<u>\$ 30,378,446</u>	<u>\$ 33,382,345</u>	<u>\$ 32,019,486</u>	<u>\$ 33,353,599</u>

The Fund has an investment in a private limited partnership with a cost of \$8,372 and \$42,589 at December 31, 2014 and 2013, respectively, for which a fair value was not ascertainable.

Program related investments consist of a non-interest bearing loan issued to a qualifying agency which requires repayment of principal in accordance with the terms of the related agreement.

**Note 3: Operating Leases**

The Fund entered into a lease agreement for its office space under a noncancelable ten year operating lease, which expires in 2022. The Fund is responsible for a prorata share of increases in direct building operating expenses over the lease term. Rent expense totaled \$56,098 and \$55,670 for 2014 and 2013, respectively.

Future minimum lease payments at December 31, 2014, were:

2015	\$ 57,135
2016	57,135
2017	58,600
2018	58,600
2019	60,065
Later years	<u>188,985</u>
	<u>\$ 480,520</u>



**Woods Charitable Fund, Inc.**  
**Notes to Modified Cash Basis Financial Statements**  
**December 31, 2014 and 2013**

**Note 4: Commitments**

The Fund is committed to pay grants totaling \$510,000 at December 31, 2014. Certain of these commitments are contingent on the fulfillment of specified conditions.

**Note 5: Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Accountants' Review Report, which is the date the financial statements were available to be issued.

## **Supplementary Information**

**Woods Charitable Fund, Inc.**  
**Summary of Grants Paid by Areas of Interest**  
**Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Human Services</b>	\$ 425,500	\$ 502,500
<b>Arts and Culture</b>	364,500	149,500
<b>Education</b>	217,500	196,500
<b>Civic and Community</b>	172,500	297,000
<b>Other</b>	<u>25,000</u>	<u>20,000</u>
Total grants paid	<u><u>\$ 1,205,000</u></u>	<u><u>\$ 1,165,500</u></u>

# Woods Charitable Fund, Inc.

## Grants Paid

Year Ended December 31, 2014

### Human Services

CASA for Lancaster County	\$ 7,500
Catholic Social Services	3,000
CenterPointe, Inc.	10,000
Community Action Partnership of Lancaster & Saunders Counties	10,000
El Centro de las Americas (Family Support Services program)	15,000
El Centro de las Americas (Incorporation of Cultural Centers Coalition)	2,000
Family Health Services	5,000
Family Violence Council	25,000
Fresh Start, Inc.	20,000
Friendship Home of Lincoln	20,000
Good Neighbor Community Center, Inc.	20,000
Guidance to Success Youth Club	20,000
Heartland Big Brothers Big Sisters	20,000
Indian Center, Inc. (Commodity Supplemental Food Program)	15,000
Indian Center, Inc. (General Operation)	12,500
Lincoln Medical Education Partnership	15,000
Malone Community Center (General Operation)	12,500
Matt Talbot Kitchen and Outreach, Inc.	20,000
Nebraska Children and Families Foundation	20,000
Nebraska Foster and Adoptive Parent Association	3,000
Planned Parenthood of the Heartland	25,000
Ponca Tribe of Nebraska	20,000
Provider's Network, Inc.	10,000
Released and Restored, Inc.	30,000
St. Monica's Home	10,000
The Mediation Center	18,000
University of Nebraska-Lincoln, Center on Children, Families and the Law (Eyes of a Child project)	20,000
University of Nebraska-Lincoln, Center on Children, Families and the Law (Protective Custody Parent's Guide)	5,000
Voices for Children in Nebraska	10,000
VolunteerLinc dba Volunteer Partners (Hunger Rally 2014)	2,000

Total Human Services 425,500

### Arts and Culture

Grand Island Community Foundation	8,000
Hear Nebraska	30,000
Lincoln Arts Council	20,000
Lincoln Community Playhouse, Inc.	20,000
Lincoln Parks and Recreation Foundation	100,000
Meadowlark Music Festival	10,000
Merrick Foundation	5,000
The Nebraska Cultural Endowment	60,000
OmniArts Nebraska	5,000
University of Nebraska-Lincoln Center for Great Plains Studies	5,000
University of Nebraska-Lincoln Lied Center for Performing Arts	61,500
University of Nebraska-Lincoln Plains Humanities Alliance	5,000
Woods Hall Craft Shop	35,000

Total Arts and Culture 364,500

**Woods Charitable Fund, Inc.**  
**Grants Paid - Continued**  
**Year Ended December 31, 2014**

**Education**

Educare of Lincoln	\$ 30,000
Lincoln Childrens Museum	40,000
Lincoln Housing Charities	5,000
Lincoln Literacy Council	35,000
Lincoln Public Schools (Behavior Intervention Support Team)	60,000
Lincoln Public Schools (Family Literacy Program)	10,000
The Madonna Foundation	10,000
Malone Community Center (Expansion of Out-of-School Program)	7,500
Nebraska Human Resources Research Foundation, Inc.	20,000

Total Education	217,500
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**Civic and Community**

ACLU Nebraska Foundation, Inc.	10,000
Common Cause Education Fund (Nebraska)	20,000
League of Human Dignity, Inc.	10,000
Legal Aid of Nebraska	15,000
Lincoln Community Foundation, Inc.	1,000
Lutheran Family Services of Nebraska, Inc.	5,500
Nebraska Appleseed Center for Law in the Public Interest, Inc.	10,000
Nebraska Lawyers Foundation	25,000
Nebraskans for Civic Reform	20,000
University of Nebraska-Lincoln Department of Community and Regional Planning	36,000
VolunteerLinc dba Volunteer Partners (General Operation)	20,000

Total Civic and Community	172,500
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**Other**

Town of La Pointe Volunteer Fire Department	25,000
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Total grants paid	\$ 1,205,000
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