

**Woods Charitable Fund, Inc.**

Independent Accountant's Review Report  
and Financial Statements

December 31, 2020 and 2019

**Woods Charitable Fund, Inc.**  
**December 31, 2020 and 2019**

**Contents**

<b>Independent Accountant's Review Report .....</b>	<b>1</b>
 <b>Financial Statements (Modified Cash Basis)</b>	
Statements of Financial Position .....	3
Statements of Activities.....	4
Notes to Modified Cash Basis Financial Statements.....	5
 <b>Supplementary Information</b>	
Summary of Grants Paid by Areas of Interest.....	9
Grants Paid - Year Ended December 31, 2020.....	10

## Independent Accountant's Review Report

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

We have reviewed the accompanying financial statements of Woods Charitable Fund, Inc. (the Fund), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Fund's 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's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management also is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Accountant's Responsibility***

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### ***Accountant's Conclusion***

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 accordance with the modified cash basis of accounting.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

### ***Other Matter***

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

*BKD, LLP*

Lincoln, Nebraska  
April 12, 2021

**Woods Charitable Fund, Inc.**  
**Statements of Financial Position**  
**Modified Cash Basis**  
**December 31, 2020 and 2019**

**Assets**

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 590,683	\$ 148,060
Investment securities, at cost		
Mutual funds	27,798,004	-
Institutional funds	-	22,622,588
Program related investment	18,000	26,000
Total assets	\$ 28,406,687	\$ 22,796,648
<b>Net Assets Without Donor Restrictions</b>	<b>\$ 28,406,687</b>	<b>\$ 22,796,648</b>

**Woods Charitable Fund, Inc.**  
**Statements of Activities**  
**Modified Cash Basis**  
**Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Income Collected</b>		
Investment income		
Net realized gain on sale of securities	\$ 7,583,131	\$ 734,525
Investment advisory fees	(177,291)	(253,026)
Interest	1,561	3,515
Dividends from mutual funds	482,869	-
	7,890,270	485,014
Excise tax refunds	24,720	28,039
Other	6,000	14,649
	7,920,990	527,702
<b>Grants and Expenses Paid</b>		
Grants paid	1,645,750	1,529,200
Expenses paid		
Salaries and benefits	508,569	491,812
Conferences and meetings	-	2,422
Legal, audit and financial services	11,636	11,128
Office expenses	9,570	6,280
Rent expense	63,898	67,740
Memberships and dues	5,725	7,225
Consultants	12,730	10,813
Annual report expenses	2,109	2,049
Other expenses	27,229	24,680
Excise tax payments	23,735	40,706
	665,201	664,855
	2,310,951	2,194,055
<b>Change in Net Assets</b>	5,610,039	(1,666,353)
<b>Net Assets, Beginning of Year</b>	22,796,648	24,463,001
<b>Net Assets, End of Year</b>	\$ 28,406,687	\$ 22,796,648

**Woods Charitable Fund, Inc.**  
**Notes to Modified Cash Basis Financial Statements**  
**December 31, 2020 and 2019**

**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. Additionally, the Fund carries its investments at cost and does not adjust these balances for changes in fair value, which may be material. 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, 2020 and 2019, 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. The Fund uses the weighted average method to determine the cost of mutual and 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, 2020 and 2019**

**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 2020 and 2019 were \$23,735 and \$40,706, respectively. In addition, in 2020 and 2019, the Fund received excise tax refunds of \$24,720 and \$28,039, respectively.

**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. 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.

Mutual funds at December 31, 2020 consisted of the following:

	<b>Cost</b>	<b>Fair Value</b>
High-yield bond	\$ 1,459,820	\$ 1,543,936
Corporate bond	1,525,243	1,516,415
International large growth	4,883,266	6,664,087
International large value	5,287,973	6,624,811
Intermediate core bond	3,744,670	3,749,526
International bond	737,562	748,908
Equity index	10,159,470	12,489,859
	<u>\$ 27,798,004</u>	<u>\$ 33,337,542</u>



**Woods Charitable Fund, Inc.**  
**Notes to Modified Cash Basis Financial Statements**  
**December 31, 2020 and 2019**

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

Institutional funds at December 31, 2019 consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>
Multi-asset	\$ 15,969,878	\$ 24,792,154
Real estate equity	2,500,000	2,898,588
Core bond	1,950,301	3,122,104
Fixed income	<u>2,202,409</u>	<u>2,447,803</u>
	<u>\$ 22,622,588</u>	<u>\$ 33,260,649</u>

Program related investments consist of non-interest bearing loans issued to qualifying agencies which require 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 pro-rata share of increases in direct building operating expenses over the lease term. Rent expense totaled \$63,898 and \$67,740 for 2020 and 2019, respectively.

Future minimum lease payments at December 31, 2020, were:

2021	\$ 62,995
2022	<u>64,460</u>
	<u>\$ 127,455</u>

**Note 4: Commitments**

The Fund is committed to pay grants in the future totaling \$1,160,000 as of December 31, 2020. Certain of these commitments are contingent on the fulfillment of specified conditions.

These future grant payments are scheduled to be made as follows:

2021	\$ 725,000
2022	<u>435,000</u>
	<u>\$ 1,160,000</u>

**Woods Charitable Fund, Inc.**  
**Notes to Modified Cash Basis Financial Statements**  
**December 31, 2020 and 2019**

**Note 5: Liquidity and Availability**

The Fund's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 and 2019, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 590,683	\$ 148,060
Investment securities, at cost		
Mutual funds	27,798,004	-
Institutional funds	-	22,622,588
Program related investment	18,000	26,000
	\$ 28,406,687	\$ 22,796,648

As part of the Fund's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other obligations come due.

**Note 6: Significant Estimates and Concentrations**

***Investments***

The Fund invests in various investment 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 changes could materially affect the amounts reported in the accompanying statements of financial position.

**Note 7: Subsequent Events**

Subsequent events have been evaluated through April 12, 2021, 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, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Arts and Culture</b>	\$ 80,000	\$ 91,000
<b>Civic and Community</b>	780,000	836,500
<b>Education</b>	300,000	178,600
<b>Human Services</b>	426,750	418,100
<b>Miscellaneous</b>	10,000	5,000
<b>COVID-19</b>	<u>49,000</u>	<u>-</u>
Total grants paid	<u>\$ 1,645,750</u>	<u>\$ 1,529,200</u>

**Woods Charitable Fund, Inc.**  
**Grants Paid**  
**Year Ended December 31, 2020**

**Arts and Culture**

Lincoln Arts Council	\$	20,000
Lux Center for the Arts		15,000
Nebraska Cultural Endowment		10,000
Nebraska Writers Collective		15,000
Omaha Performing Arts Society		10,000
Willa Cather Pioneer Memorial and Educational Foundation		10,000
		10,000
Total Arts and Culture		80,000

**Civic and Community**

ACLU Nebraska Foundation, Inc.		20,000
Asian Community and Cultural Center (Collaborative Citizenship Ed Program)		70,000
Center for Legal Immigration Assistance (CLIA)		25,000
Center for Legal Immigration Assistance (Project UPLIFT, Breakthrough 2.0)		40,000
Civic Nebraska (Community Impact Lincoln-Phase 2)		300,000
Community CROPS		7,500
Leadership Lincoln, Inc.		15,000
Legal Aid of Nebraska (Lincoln Housing Justice project)		20,000
Legal Aid of Nebraska (Project UPLIFT, Breakthrough 2.0)		160,000
Lincoln Community Foundation, Inc.		5,000
Lincoln Lancaster County Habitat for Humanity, Inc.		20,000
Nebraska Civic Engagement Table (General Operating)		30,000
Nebraska Domestic Violence Sexual Assault Coalition (General Operating)		12,500
Nebraska Domestic Violence Sexual Assault Coalition (Youth Advocacy)		10,000
Outline, Inc.		20,000
South of Downtown Community Development Organization		25,000
		25,000
Total Civic and Community		780,000

**Woods Charitable Fund, Inc.**  
**Grants Paid - Continued**  
**Year Ended December 31, 2020**

**Education**

Dimensions Educational Research Foundation	\$ 15,000
Lincoln Community Learning Centers	65,000
Lincoln Literacy Council (Breakthrough 3.0 Bridgeway to a Better Life)	200,000
National Audubon Society, Inc. (Spring Creek Prairie Audubon Center)	<u>20,000</u>
Total Education	<u>300,000</u>

**Human Services**

Asian Community and Cultural Center (General Operating)	30,000
Bridges to Hope	25,000
Community Action Partnership of Lancaster and Saunders Counties	30,000
Disability Rights Nebraska	20,000
El Centro De Las Americas	30,000
Food Bank of Lincoln, Inc.	20,000
Girl Scouts-Spirit of Nebraska	10,000
Good Neighbor Community Center, Inc. (General Operating)	30,000
HUB Central Access Point for Young Adults	30,000
Lincoln Medical Education Partnership	10,000
Malone Community Center (General Operating)	12,500
Matt Talbot Kitchen & Outreach, Inc.	25,000
Mental Health Association of Nebraska	30,000
Planned Parenthood of the Heartland, Inc.	20,000
Rabble Mill	30,000
The Set Me Free Project (Programming in L/L County Public Schools)	24,250
Voices of Hope Lincoln, Inc.	20,000
Willard Community Center Corporation (Roper After School Program)	20,000
Yazda (Yazidi Cultural Center)	<u>10,000</u>
Total Human Services	<u>426,750</u>

**Miscellaneous**

Good Neighbor Community Center	<u>10,000</u>
Total Miscellaneous	<u>10,000</u>

**COVID - 19**

Economic Empowerment Center	10,000
Malone Community Center (Youth Program Director)	10,000
Northeast Family Resource Center	9,000
St. Monica's Home	10,000
Willard Community Center Corporation (General Operating)	<u>10,000</u>
Total COVID-19	<u>49,000</u>

Total Grants Paid	<u><u>\$ 1,645,750</u></u>
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