

Woods Charitable Fund, Inc.

Independent Accountant's Review Report
and Financial Statements

December 31, 2021 and 2020

Woods Charitable Fund, Inc.
December 31, 2021 and 2020

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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, 2021 and 2020, 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.

We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

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.

Supplementary Information

The accompanying supplementary information listed in the table of contents 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 21, 2022

Woods Charitable Fund, Inc.
Statements of Financial Position
Modified Cash Basis
December 31, 2021 and 2020

Assets

	2021	2020
Cash and cash equivalents	\$ 128,697	\$ 590,683
Investment securities, at cost		
Mutual funds	27,828,408	27,798,004
Program related investment	-	18,000
Total assets	\$ 27,957,105	\$ 28,406,687
Net Assets Without Donor Restrictions	\$ 27,957,105	\$ 28,406,687

Woods Charitable Fund, Inc.
Statements of Activities
Modified Cash Basis
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Income Collected		
Investment income		
Net realized gain on sale of securities	\$ 520,711	\$ 7,583,131
Investment advisory fees	(63,842)	(177,291)
Interest	1,877	1,561
Dividends from mutual funds	<u>1,458,537</u>	<u>482,869</u>
Total investment income, net	<u>1,917,283</u>	<u>7,890,270</u>
Excise tax refunds	12,660	24,720
Other	<u>97</u>	<u>6,000</u>
Total income collected	<u>1,930,040</u>	<u>7,920,990</u>
Grants and Expenses Paid		
Grants paid	<u>1,710,000</u>	<u>1,645,750</u>
Expenses paid		
Salaries and benefits	529,078	508,569
Conferences and meetings	785	-
Legal, audit and financial services	14,425	11,636
Office expenses	9,254	9,570
Rent expense	64,274	63,898
Memberships and dues	5,725	5,725
Consultants	4,687	12,730
Annual report expenses	2,307	2,109
Other expenses	27,112	27,229
Excise tax payments	<u>11,975</u>	<u>23,735</u>
Total expenses paid	<u>669,622</u>	<u>665,201</u>
Total grants and expenses paid	<u>2,379,622</u>	<u>2,310,951</u>
Change in Net Assets	(449,582)	5,610,039
Net Assets, Beginning of Year	<u>28,406,687</u>	<u>22,796,648</u>
Net Assets, End of Year	<u>\$ 27,957,105</u>	<u>\$ 28,406,687</u>

Woods Charitable Fund, Inc.
Notes to Modified Cash Basis Financial Statements
December 31, 2021 and 2020

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, 2021 and 2020, 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 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, 2021 and 2020

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 2021 and 2020 were \$11,975 and \$23,735, respectively. In addition, in 2021 and 2020, the Fund received excise tax refunds of \$12,660 and \$24,720, 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, 2021 consisted of the following:

	Cost	Fair Value
High-yield bond	\$ 1,526,027	\$ 1,602,343
Corporate bond	1,583,904	1,499,114
International large growth	5,453,954	6,334,386
International large value	5,109,382	6,543,084
Intermediate core bond	3,755,612	3,623,395
International bond	763,857	732,312
Equity index	9,635,672	14,622,204
	<u>\$ 27,828,408</u>	<u>\$ 34,956,838</u>

Woods Charitable Fund, Inc.
Notes to Modified Cash Basis Financial Statements
December 31, 2021 and 2020

Note 2: Investments and Fair Value Disclosures - Continued

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

	<u>Cost</u>	<u>Fair Value</u>
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>

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 \$64,274 and \$63,898 for 2021 and 2020, respectively.

Future minimum lease payments at December 31, 2021, were:

2022	<u>\$ 64,460</u>
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Note 4: Commitments

The Fund is committed to pay grants in the future totaling \$1,602,500 as of December 31, 2021. Certain of these commitments are contingent on the fulfillment of specified conditions.

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

2022	\$ 1,162,500
2023	<u>440,000</u>
	<u>\$ 1,602,500</u>

Woods Charitable Fund, Inc.
Notes to Modified Cash Basis Financial Statements
December 31, 2021 and 2020

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, 2021 and 2020, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 128,697	\$ 590,683
Investment securities, at cost		
Mutual funds	27,828,408	27,798,004
Program related investment	-	18,000
	<u>\$ 27,957,105</u>	<u>\$ 28,406,687</u>

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 21, 2022, 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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Arts and Culture	\$ 100,000	\$ 80,000
Civic and Community	585,000	780,000
Education	320,000	300,000
Human Services	705,000	426,750
Miscellaneous	-	10,000
COVID-19	-	49,000
Total grants paid	<u>\$ 1,710,000</u>	<u>\$ 1,645,750</u>

Woods Charitable Fund, Inc.
Grants Paid
Year Ended December 31, 2021

Arts and Culture

Lincoln Community Playhouse, Inc.	\$	20,000
Lincoln Crossroads Festival (dba Lincoln Crossroads Music Festival)		10,000
Lincoln Orchestra Association (aka Lincoln's Symphony Orchestra)		10,000
Lux Center for the Arts		10,000
Nebraska Humanities Council (dba Humanities Nebraska)		20,000
Nebraska Writers Collective		10,000
University of Nebraska - Lincoln, Nebraska Repertory Theatre		20,000
		20,000
Total Arts and Culture		100,000

Civic and Community

ACLU Nebraska Foundation, Inc. (Smart Justice for Lancaster County)		20,000
ACLU Nebraska Foundation, Inc. (Vote by Mail Project)		10,000
Center for Legal Immigration Assistance (aka CLIA)		20,000
Civic Nebraska (Capitol Experience Day)		20,000
Civic Nebraska (Collective Impact Lincoln Phase 2)		300,000
Common Cause Education Fund (aka CCEF)		10,000
Community Services Fund of Nebraska (Give Nebraska)		10,000
Legal Aid of Nebraska		110,000
Nebraska Applesed Center for Law in the Public Interest, Inc.		20,000
Nebraska Civic Engagement Table		30,000
Neighborhoods, Inc. (dba NeighborWorks Lincoln)		25,000
South of Downtown Community Development Organization		10,000
		10,000
Total Civic and Community		585,000

Education

Dimensions Educational Research Foundation (aka Dimensions Education Programs)		10,000
Educare of Lincoln, Inc.		25,000
Lincoln Community Learning Centers (Fiscal Sponsor Lincoln Community Foundation, Inc.)		65,000
Lincoln Literacy Council (dba Lincoln Literacy) (Breakthrough 3.0)		165,000
Lincoln Public Schools		20,000
National Audubon Society, Inc. (Spring Creek Prairie Audubon Center)		20,000
Nebraska Children and Families Foundation (aka Nebraska Children)		15,000
		15,000
Total Education		320,000

Woods Charitable Fund, Inc.
Grants Paid - Continued
Year Ended December 31, 2021

Human Services

Asian Community & Cultural Center	\$ 30,000
Big Brothers Big Sisters Lincoln (aka Heartland Big Brothers-Big Sisters)	30,000
Bridges to Hope	20,000
Cause Collective	20,000
Cedars Youth Services, Inc. (aka Cedars)	20,000
CenterPointe, Inc.	10,000
El Centro De Las Americas	30,000
Family Violence Council (Breakthrough 4.0)	300,000
Fresh Start, Inc.	45,000
Friendship Home of Lincoln	35,000
Good Neighbor Community Center, Inc.	30,000
HopeSpoke	30,000
Lincoln YWCA (aka YWCA Lincoln)	20,000
Matt Talbot Kitchen & Outreach, Inc.	15,000
Mentor Nebraska (aka Midlands Mentoring Partnership)	10,000
Rabble Mill (aka The Bay)	20,000
The Set Me Free Project	10,000
Voices of Hope Lincoln, Inc.	20,000
Yazda	<u>10,000</u>
Total Human Services	<u>705,000</u>
Total Grants Paid	<u>\$ 1,710,000</u>