




Woods Charitable Fund, Inc.

Independent Accountant's Review Report and Financial Statements

December 31, 2023 and 2022



Woods Charitable Fund, Inc.
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December 31, 2023 and 2022

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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, 2023 and 2022, 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.

Board of Directors
Woods Charitable Fund, Inc.

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.

FORVIS,LLP

**Lincoln, Nebraska
May 8, 2024**

Woods Charitable Fund, Inc.
Statements of Financial Position
Modified Cash Basis
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 574,412	\$ 240,129
Investment securities, at cost		
Mutual funds	24,701,368	26,662,889
Private equity investments	529,938	60,000
Program related investments	<u>3,319</u>	<u>-</u>
Total assets	<u>\$ 25,809,037</u>	<u>\$ 26,963,018</u>
Net Assets Without Donor Restrictions	<u>\$ 25,809,037</u>	<u>\$ 26,963,018</u>

Woods Charitable Fund, Inc.
Statements of Activities
Modified Cash Basis
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Income Collected		
Investment income		
Net realized gain on sale of securities	\$ 336,360	\$ 470,564
Investment advisory fees	(118,331)	(56,518)
Interest	29,491	3,742
Dividends	665,390	835,434
	<u>912,910</u>	<u>1,253,222</u>
Total investment income, net		
Other	21,077	26,344
	<u>933,987</u>	<u>1,279,566</u>
Total income collected		
Grants and Expenses Paid		
Grants paid	1,322,100	1,547,000
Expenses paid		
Salaries and benefits	613,121	560,962
Conferences and meetings	749	2,188
Legal, audit and financial services	11,100	11,911
Office expenses	17,110	8,594
Rent expense	58,096	66,556
Memberships and dues	5,725	5,725
Consultants	7,475	14,134
Annual report expenses	1,627	3,634
Other expenses	36,907	27,496
Excise tax payments	13,958	25,453
	<u>765,868</u>	<u>726,653</u>
Total expenses paid		
Total grants and expenses paid	<u>2,087,968</u>	<u>2,273,653</u>
Change in Net Assets	(1,153,981)	(994,087)
Net Assets, Beginning of Year	<u>26,963,018</u>	<u>27,957,105</u>
Net Assets, End of Year	<u>\$ 25,809,037</u>	<u>\$ 26,963,018</u>

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, 2023 and 2022, 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 and investments in private equity funds would be carried at net asset value (NAV).

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.

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 2023 and 2022 were \$13,958 and \$25,453 respectively.

Woods Charitable Fund, Inc.
Notes to Modified Cash Basis Financial Statements
December 31, 2023 and 2022

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.

Investments at December 31, 2023 consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds		
High-yield bond	\$ 1,400,554	\$ 1,349,668
Corporate bond	1,620,145	1,366,594
International large growth	5,706,898	5,083,999
International large value	4,225,685	5,209,629
Intermediate core bond	3,916,556	3,341,285
International bond	758,237	658,740
Equity index	7,073,293	10,447,476
Private Equity Investments	529,938	704,042
	<u>\$ 25,231,306</u>	<u>\$ 28,161,433</u>

Investments at December 31, 2022 consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds		
High-yield bond	\$ 1,418,640	\$ 1,293,329
Corporate bond	1,633,929	1,311,139
International large growth	6,278,552	4,954,986
International large value	4,668,920	5,126,764
Intermediate core bond	3,883,081	3,217,216
International bond	755,519	626,618
Equity index	8,024,248	9,607,440
Private Equity Investments	60,000	77,803
	<u>\$ 26,722,889</u>	<u>\$ 26,215,295</u>

Woods Charitable Fund, Inc.
Notes to Modified Cash Basis Financial Statements
December 31, 2023 and 2022

The Fund's holdings in the private equity investments noted below can be redeemed at any time with 30 days written notice. The following table summarizes the fair value measurement of private equity investments calculated at NAV per share (or its equivalent) as of December 31, 2023:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>
HarbourVest - 2021	\$ 372,036	\$ 463,569	\$ 1,590,000
HarbourVest - 2022	155,553	229,039	1,810,000
HarbourVest - 2023	2,349	11,434	1,990,000
	<u>\$ 529,938</u>	<u>\$ 704,042</u>	<u>\$ 5,390,000</u>

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 2032. The Fund is responsible for a pro-rata share of increases in direct building operating expenses over the lease term. Rent expense totaled \$58,096 and \$66,556 for 2023 and 2022, respectively.

Future minimum lease payments at December 31, 2023, were:

2024	\$ 56,783
2025	57,919
2026	59,077
2027	60,259
2028	61,464
Thereafter	<u>258,398</u>
	<u>\$ 553,900</u>

Note 4. Commitments

The Fund is committed to pay grants in the future totaling \$785,000 as of December 31, 2023. Certain of these commitments are contingent on the fulfillment of specified conditions.

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

2024	\$ 620,000
2025	<u>165,000</u>
	<u>\$ 785,000</u>

Woods Charitable Fund, Inc.
Notes to Modified Cash Basis Financial Statements
December 31, 2023 and 2022

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, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 574,412	\$ 240,129
Investment securities, at cost		
Mutual funds	<u>24,701,368</u>	<u>26,662,889</u>
	<u>\$ 25,275,780</u>	<u>\$ 26,903,018</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 May 8, 2024, 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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Arts and Culture	\$ 25,000	\$ 67,500
Civic and Community	490,000	580,500
Education	194,000	257,500
Human Services	598,100	641,500
Miscellaneous	<u>15,000</u>	<u>-</u>
Total grants paid	<u>\$ 1,322,100</u>	<u>\$ 1,547,000</u>

Woods Charitable Fund, Inc.
Grants Paid
Year Ended December 31, 2023

Arts and Culture

Lincoln Arts Council	\$ 15,000
LUX Center for the Arts	10,000
Total Arts and Culture	25,000

Civic and Community

Center for Legal Immigration Assistance (aka CLIA) UPLIFT project	40,000
Center for Legal Immigration Assistance (aka CLIA) general operating	20,000
City of Lincoln-Lincoln Police Department	35,000
Civic Nebraska	200,000
Family Service Association of Lincoln (aka Family Service Lincoln)	10,000
Leadership Lincoln, Inc.	10,000
Lega Aid of Nebraska (Housing Justice Project)	20,000
Legal Aid of Nebraska (UPLIFT project)	110,000
Lincoln Community Foundation, Inc.	10,000
Nebraska Appleseed Center for Law in the Public Interest, Inc.	20,000
Outlinc, Inc. (aka OutNebraska)	15,000
Total Civic and Community	490,000

Education

Educare of Lincoln, Inc.	15,000
History Nebraska Foundation	20,000
Lincoln Literacy Council (aka LLC)	75,000
**Lincoln Littles (Wellness Workforce Navigator's salary, Director Designated)	10,000
Lincoln Littles (Wellness Workforce Navigator's salary)	61,500
Northeast Family Resource Center	12,500
Total Education	194,000

Woods Charitable Fund, Inc.
Grants Paid - Continued
Year Ended December 31, 2023

Human Services

Asian Community and Cultural Center (general operating)	\$ 55,000
Big Brothers Big Sisters Lincoln (general operating)	30,000
CASA for Lancaster County	15,000
Center for People in Need, Inc.	20,000
Community Action Partnership of Lancaster and Saunders Counties (aka Community Action)	10,000
County of Lancaster, Health and Human Services	600
El Centro de Las Americas (general operating)	60,000
**El Centro de Las Americas (general operating)	15,000
Family Violence Council	150,000
Food Bank of Lincoln, Inc.	10,000
Good Neighbor Community Center, Inc.	30,000
HopeSpoke	30,000
HUB Central Access Point for Young Adults	25,000
Indian Center, Inc.	25,000
Lincoln YWCA (aka YWCA Lincoln)	10,000
Malone Community Center	25,000
Mourning Hope (aka Mourning Hope Grief Center)	15,000
Planned Parenthood of the Heartland, Inc. (aka Planned Parenthood North Central States)	10,000
St. Monica's Home (aka St. Monica's)	30,000
The Set Me Free Project	10,000
Visionary Youth	15,000
Yazda	7,500
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Total Human Services	598,100

Miscellaneous

Cause Collective	15,000
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Total Miscellaneous	15,000
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Total Grants Paid	\$ 1,322,100
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** Indicates Director/Officers/Staff/Honorary Awards