

BOB WOODRUFF FAMILY FOUNDATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019



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**BOB WOODRUFF FAMILY FOUNDATION, INC.
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YEARS ENDED DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Bob Woodruff Family Foundation, Inc.
New York, New York

We have audited the accompanying financial statements of Bob Woodruff Family Foundation, Inc. (BWF), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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 auditors' 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.

Board of Directors
Bob Woodruff Family Foundation, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BWF as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
July 16, 2021

BOB WOODRUFF FAMILY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
ASSETS		
Cash	\$ 12,056,811	\$ 12,610,559
Investments	529,791	627,984
Accounts Receivable	353,224	1,207
Contributions Receivable, Net	4,663,500	8,336,342
Inventory	46,225	8,007
Prepaid Expenses	348,656	292,655
Total Assets	17,998,207	21,876,754
 PROPERTY AND EQUIPMENT, NET	 75,883	 141,045
Total Assets	\$ 18,074,090	\$ 22,017,799
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 332,674	\$ 210,339
Total Liabilities	332,674	210,339
 DEFERRED RENT	 17,957	 27,528
Total Liabilities	350,631	237,867
 NET ASSETS		
Without Donor Restrictions	9,705,802	8,226,781
With Donor Restrictions	8,017,657	13,553,151
Total Net Assets	17,723,459	21,779,932
Total Liabilities and Net Assets	\$ 18,074,090	\$ 22,017,799

See accompanying Notes to Financial Statements.

BOB WOODRUFF FAMILY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Special Events	\$ 2,500,928	\$ -	\$ 2,500,928	\$ 5,736,800	\$ -	\$ 5,736,800
Contributions	2,915,517	4,414,856	7,330,373	1,588,957	13,235,649	14,824,606
In-Kind Contributions	248,951	-	248,951	1,834,111	-	1,834,111
Investment Income, Net	4,027	-	4,027	8,227	-	8,227
Other Income	2,512	-	2,512	532	-	532
Net Assets Released from Restriction:						
Satisfaction of Purpose Restrictions	9,950,350	(9,950,350)	-	6,679,999	(6,679,999)	-
Total Revenue and Support	<u>15,622,285</u>	<u>(5,535,494)</u>	<u>10,086,791</u>	<u>15,848,626</u>	<u>6,555,650</u>	<u>22,404,276</u>
EXPENSES						
Program Services:						
Community Partnerships	1,758,802	-	1,758,802	2,220,692	-	2,220,692
Impact Grant Making	7,672,015	-	7,672,015	7,331,871	-	7,331,871
Community Networking	2,408,778	-	2,408,778	3,135,227	-	3,135,227
Total Program Services	<u>11,839,595</u>	<u>-</u>	<u>11,839,595</u>	<u>12,687,790</u>	<u>-</u>	<u>12,687,790</u>
Supporting Services:						
Management and General	800,236	-	800,236	1,073,526	-	1,073,526
Fundraising	1,503,433	-	1,503,433	961,252	-	961,252
Total Supporting Services	<u>2,303,669</u>	<u>-</u>	<u>2,303,669</u>	<u>2,034,778</u>	<u>-</u>	<u>2,034,778</u>
Total Expenses	<u>14,143,264</u>	<u>-</u>	<u>14,143,264</u>	<u>14,722,568</u>	<u>-</u>	<u>14,722,568</u>
CHANGE IN NET ASSETS	1,479,021	(5,535,494)	(4,056,473)	1,126,058	6,555,650	7,681,708
Net Assets - Beginning of Year	<u>8,226,781</u>	<u>13,553,151</u>	<u>21,779,932</u>	<u>7,100,723</u>	<u>6,997,501</u>	<u>14,098,224</u>
NET ASSETS - END OF YEAR	<u>\$ 9,705,802</u>	<u>\$ 8,017,657</u>	<u>\$ 17,723,459</u>	<u>\$ 8,226,781</u>	<u>\$ 13,553,151</u>	<u>\$ 21,779,932</u>

See accompanying Notes to Financial Statements.

BOB WOODRUFF FAMILY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services				Supporting Services			
	Community Partnerships	Impact Grant Making	Community Networking	Total	Management and General	Fundraising	Total	Total
Collaborative Efforts	\$ 26,400	\$ 7,093,873	\$ 158,200	\$ 7,278,473	\$ -	\$ -	\$ -	\$ 7,278,473
Contract Services	315,214	145,871	1,321,701	1,782,786	263,712	673,223	936,935	2,719,721
Salaries and Payroll Taxes	1,150,450	301,892	604,070	2,056,412	352,369	568,107	920,476	2,976,888
Employee Benefits	67,841	21,454	42,909	132,204	18,056	37,239	55,295	187,499
Travel and Meetings	7,341	25,107	4,486	36,934	14,806	11,973	26,779	63,713
Facility and Equipment	98,991	32,764	68,385	200,140	28,228	57,156	85,384	285,524
Gifts and Awards	-	534	4,662	5,196	3,227	2,664	5,891	11,087
Food Service	-	-	6,177	6,177	-	-	-	6,177
Audio Visual/Production	-	-	-	-	-	-	-	-
Printing and Copying	-	185	11,352	11,537	18,294	4,776	23,070	34,607
Fees	-	-	-	-	930	28,124	29,054	29,054
Dues, Books, Subscriptions, and References	8,874	34,725	36,371	79,970	20,336	23,658	43,994	123,964
Depreciation and Amortization	32,719	3,871	18,618	55,208	3,317	6,637	9,954	65,162
Website	8,471	192	1,631	10,294	165	8,782	8,947	19,241
Postage, Shipping, and Courier	283	302	35,813	36,398	2,272	16,002	18,274	54,672
Telephone and Communication	26,303	8,749	17,498	52,550	7,698	14,999	22,697	75,247
Supplies	1,005	280	65,993	67,278	25,679	27,179	52,858	120,136
Insurance	5,729	1,910	3,819	11,458	1,853	3,274	5,127	16,585
Marketing and Promotion	9,181	306	4,393	13,880	6,555	525	7,080	20,960
Organization Expenses/Taxes	-	-	2,700	2,700	32,739	19,115	51,854	54,554
Total Expense	\$ 1,758,802	\$ 7,672,015	\$ 2,408,778	\$ 11,839,595	\$ 800,236	\$ 1,503,433	\$ 2,303,669	\$ 14,143,264

See accompanying Notes to Financial Statements.

BOB WOODRUFF FAMILY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services				Supporting Services			
	Community Partnerships	Impact Grant Making	Community Networking	Total	Management and General	Fundraising	Total	Total
Collaborative Efforts	\$ 352,050	\$ 5,765,565	\$ 215,071	\$ 6,332,686	\$ -	\$ -	\$ -	\$ 6,332,686
Contract Services	1,020,758	461,472	1,425,176	2,907,406	401,209	392,153	793,362	3,700,768
Salaries and Payroll Taxes	633,951	663,568	450,248	1,747,767	434,576	308,416	742,992	2,490,759
Employee Benefits	22,758	42,229	45,869	110,856	26,036	21,703	47,739	158,595
Travel and Meetings	80,637	111,659	139,875	332,171	26,790	40,303	67,093	399,264
Facility and Equipment	18,231	75,936	281,047	375,214	48,276	31,492	79,768	454,982
Gifts and Awards	208	788	2,356	3,352	2,661	1,299	3,960	7,312
Food Service	-	95,944	244,498	340,442	4,291	12,985	17,276	357,718
Audio Visual/Production	1,349	15,316	101,959	118,624	977	11,963	12,940	131,564
Printing and Copying	1,623	396	25,426	27,445	6,572	16,076	22,648	50,093
Fees	-	-	15,006	15,006	1,729	32,586	34,315	49,321
Dues, Books, Subscriptions, and References	5,308	45,441	29,437	80,186	13,941	17,637	31,578	111,764
Depreciation and Amortization	31,322	16,390	29,970	77,682	10,988	7,070	18,058	95,740
Website	24,393	180	20,072	44,645	112	75	187	44,832
Postage, Shipping, and Courier	696	3,477	5,794	9,967	1,102	2,929	4,031	13,998
Telephone and Communication	5,348	19,699	26,307	51,354	12,947	8,885	21,832	73,186
Supplies	930	6,825	17,284	25,039	16,735	16,005	32,740	57,779
Insurance	1,174	4,399	28,904	34,477	2,846	17,155	20,001	54,478
Marketing and Promotion	18,139	834	26,533	45,506	249	13,016	13,265	58,771
Organization Expenses/Taxes	1,817	1,753	4,395	7,965	61,489	9,504	70,993	78,958
Total Expense	\$ 2,220,692	\$ 7,331,871	\$ 3,135,227	\$ 12,687,790	\$ 1,073,526	\$ 961,252	\$ 2,034,778	\$ 14,722,568

See accompanying Notes to Financial Statements.

BOB WOODRUFF FAMILY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (4,056,473)	\$ 7,681,708
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Bad Debt	23,000	48,000
Depreciation and Amortization	65,162	95,740
Realized (Gain) Loss on Investments	816	(3,391)
Unrealized (Gain) Loss on Investments	3,197	(6,833)
Noncash Contributions	(56,058)	(74,088)
Changes in Assets and Liabilities:		
Accounts Receivable	(352,017)	312
Contributions Receivable	3,649,842	(2,017,418)
Prepaid Expenses	(56,001)	263,064
Inventory	(38,218)	1,310
Accounts Payable and Accrued Expenses	122,335	(10,102)
Grants Payable	-	(66,830)
Deferred Revenue	-	(13,500)
Deferred Rent	(9,571)	(4,827)
Net Cash Provided (Used) by Operating Activities	(703,986)	5,893,145
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,381)	-
Proceeds from Sales of Investments	152,619	28,676
Purchases of Property and Equipment	-	(79,961)
Net Cash Provided (Used) by Investing Activities	150,238	(51,285)
NET INCREASE (DECREASE) IN CASH	(553,748)	5,841,860
Cash - Beginning of Year	12,610,559	6,768,699
CASH - END OF YEAR	\$ 12,056,811	\$ 12,610,559
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Donated Securities and Property and Equipment	\$ 56,058	\$ 74,088

See accompanying Notes to Financial Statements.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Bob Woodruff Family Foundation, Inc. (BWF) is the nonprofit dedicated to ensuring that post-9/11 injured service members, veterans, and their families thrive long after they return home. A national organization with grassroots reach, BWF complements the work of the federal government—diligently navigating the maze of more than 40,000 nonprofits providing services to veterans—to find, fund, and shape innovative programs and hold them accountable for results. To date, BWF has invested more than \$77 million in program services reaching the post-9/11 veterans, service members, their families, and caregivers whom BWF serves.

Income Taxes

BWF is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code (IRC), and has been classified by the Internal Revenue Service (IRS) as other than a private foundation within the meaning of Section 509(a)(1) of the IRC.

BWF evaluated its tax positions and determined that its positions are more likely than not to be sustained on examination.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Revenue is recognized when earned and expensed when the obligation is incurred.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash

For financial statement purposes, BWF considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash.

Contributions Receivable

Management periodically reviews the status of all receivable balances for collectibility, which is assessed based on management's knowledge of the donor, BWF's relationship with the donor, and the age of the receivable balance. As a result of these reviews, receivable balances for which collection is deemed doubtful are charged to bad debt expense and an allowance is recorded. Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise is received. Conditional promises to give are not included as revenue and support until such time as the conditions are substantially met.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Inventory is valued at the lower of cost and net realizable value.

Property and Equipment

Acquisitions of property and equipment that have a useful life of more than one year and a cost greater than \$5,000 are capitalized and depreciated using the straight-line method over estimated useful lives of 2 to 5 years.

Investments

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decrease in net assets without donor restrictions unless its use is limited by donor-imposed restrictions or law. Donations received in the form of stocks, bonds, or other equities, will be recorded at the cash value equivalent at the time of donation. At no time will the BWF maintain donor funds in any mid to high risk financial vehicles.

Fair Value Hierarchy

BWF has categorized its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs that reflect quoted prices for identical assets or liabilities that an entity has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at December 31, 2020 and 2019.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

To ensure the observance of limitations and restrictions placed on the use of resources available to BWF, its net assets and revenue have been classified into net asset groups based on the existence or absence of donor-imposed restrictions. For financial statement purposes, net assets are as follows:

Without Donor Restrictions – Net assets for use in general operations and are not subject to donor-imposed restrictions. Portions of BWF's net assets without donor restrictions have been designated for Veterans on Wall Street by the board of directors. The amount that was board designated was \$341,178 and \$282,275 at December 31, 2020 and 2019, respectively.

With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

BWF had no perpetually restricted net assets at December 31, 2020 and 2019.

Grants Payable

Grants are reported as an expense and liability when approved by BWF unless conditions imposed on the grantee have not yet been fulfilled. Such conditional grants are recorded when the conditions have been satisfied. Conditional grants outstanding as of December 31, 2020 and 2019 were \$13,360 and \$-0-. Unconditional grants that BWF anticipates will be paid over more than one year are recorded at the estimated present value of future cash flows as of the date the grant is made. All grants are anticipated to be paid within one year.

Deferred Rent

BWF accounts for rent expense evenly over the term of the lease using the straight-line method. The unamortized deferred rent was \$17,957 and \$27,528 at December 31, 2020 and 2019, respectively.

Revenue Recognition

Revenue is recognized on the accrual basis and generally consists of special events income, grants, and donations. Special event revenue could contain a portion that is considered exchange revenue and a portion that is considered a contribution. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event. Contributions are recognized when unconditionally promised to, or received by, BWF. All contributions are considered to be available for general use, unless specifically restricted by the donor. Amounts received that are designated for future periods, or are restricted by the donor for specific purposes, are reported as donor restricted support, which increases the net asset with donor restriction net asset class.

**BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

In-Kind Contributions

Recorded Amounts

In-kind contributions of goods, services, and facilities used for operations or special events are recognized as in-kind contributions in accordance with generally accepted accounting principles.

Donated goods used for special events are included in the costs of direct benefit to donors and donated services are included in contract services expense. In particular, donated auction items are recorded at their estimated fair value as provided by a third-party charity auctioneer or subject matter expert as required. Donated auction items of value that have not been auctioned at the end of the year are capitalized at their estimated fair value. Capitalized donated goods are adjusted for the cash received at auction.

Donated services are recognized at fair value if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased by BWF. Donated services consist of legal services, information technology services, and other professional services that benefit program, fundraising, and management and general expenses. In addition, BWF receives contributions of services from celebrities related to the annual Stand Up for Heroes event. These contributions of services are reflected in the accompanying financial statements as support to BWF at the estimated fair value when received.

The following contributed goods and services were received in 2020 and 2019:

	2020	2019
Advertising Services	\$ -	\$ 180,000
Legal Services	19,665	15,470
IT Services	59,050	76,450
Consulting Services	-	930,000
Event Expenses	170,236	632,191
Total	<u>\$ 248,951</u>	<u>\$ 1,834,111</u>

Unrecorded Amounts

BWF relies on contributions of both time and expertise from its pool of volunteers. In particular, volunteers work on BWF's programs and fundraising activities. BWF's volunteers donate hundreds of hours of service, the total value of which cannot be easily calculated or estimated, yet these volunteers contribute significantly to the work, impact, and success of BWF. These volunteer services have not been reflected in the accompanying financial statements because the volunteer services provided do not meet the criteria necessary for recognition.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charitable Investments Program Services

Program services descriptions are as follows:

Community Partnerships: BWF maintains a robust local partner network that increases the collaborative capacity of local communities to steward a national ecosystem working to achieve optimal well-being for veterans and their families, wherever they are.

Impact Grant Making: BWF finds, funds, and shapes innovative programs that focus on post-9/11 impacted service members, veterans, their families, and caregivers. BWF identifies, invests in, and improves evidence-based programs, both local and national, that address three core issue areas: education and employment, rehabilitation and recovery, and quality of life. BWF also provides financial assistance to individual impacted service members, veterans, and their families. This program includes the BWF VIVA Fund, which provides financial assistance to individuals seeking IVF due to service-related fertility challenges.

Community Networking: BWF provides investments to educate and inform the public at the local and national level about 1) the emerging and long-term needs of post-9/11 impacted veterans, service members, their families, and caregivers, and 2) how to ensure our heroes, their families, and caregivers thrive long after service. BWF also hosts a series of High Impact Collaboration convenings on a range of issues that can drive change. The convenings are designed to spotlight leading-edge advances in select fields and to generate strategic partnerships among government, military, nonprofit and corporate stakeholders that have the capacity to support our mission.

Supporting Services

Supporting services descriptions are as follows:

Management and General: Management and general include activities necessary for the administrative process of BWF and managing the financial responsibilities of BWF.

Fundraising: Fundraising includes activities that encourage and secure financial support for BWF.

Functional Allocation of Expenses

The costs of providing various program and supporting service activities have been summarized on a functional basis in the statements of activities. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated generally on the amount of time spent by employees on each function. Accordingly, certain costs have been allocated across the program and supporting services that have benefited.

**BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on total net assets or change in total net assets.

Risks and Uncertainties

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies, and our communities. As a result, COVID-19 may impact various parts of BWF's 2021 operations and financial results. Management believes BWF is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

NOTE 2 CONCENTRATIONS OF RISK

Credit Risk

Financial instruments that subject BWF to a concentration of credit risk consist of demand deposits placed with financial institutions, which may, at times, exceed federally insured limits.

Concentration of Revenue

25 and 26% of BWF's revenue for the years ended December 31, 2020 and 2019, respectively, is from special event revenue from the Stand Up for Heroes event that BWF holds annually.

Total contribution revenue for the years ended December 31, 2020 and 2019, consists of 41% and 85% from two donors, respectively.

NOTE 3 INVESTMENTS

Investments consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 523,617	\$ 618,697
Equity Stocks	6,174	9,287
Total	<u>\$ 529,791</u>	<u>\$ 627,984</u>

Investment expenses are included with investment income on the statements of activities in the amount of approximately \$170 and \$500 for the years ended December 31, 2020 and 2019, respectively.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 4 FAIR VALUE HIERARCHY

The following table presents fair value hierarchy information as of December 31, 2020 and 2019, measured at fair value on a recurring basis:

	2020			
	Level 1	Level 2	Level 3	Total
Equity Stocks	\$ 6,174	\$ -	\$ -	\$ 6,174
	2019			
	Level 1	Level 2	Level 3	Total
Equity Stocks	\$ 9,287	\$ -	\$ -	\$ 9,287

Cash and cash equivalents are recorded at cost and, accordingly, are excluded from the fair value hierarchy.

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at December 31:

	2020	2019
Special Events	\$ 363,500	\$ 288,500
Temporarily Restricted Contributions	4,178,000	8,251,000
Unrestricted Contributions	172,000	50,000
Subtotal	4,713,500	8,589,500
Less: Discount on Long-Term Receivables	-	(122,658)
Less: Allowance for Doubtful Receivables	(50,000)	(130,500)
Total	\$ 4,663,500	\$ 8,336,342
	2020	2019
Amounts Due in:		
Less than One Year	\$ 4,663,500	\$ 4,581,000
One to Five Years	-	3,755,342
Total	\$ 4,663,500	\$ 8,336,342

Outstanding contributions receivable were discounted at a rate of 1.62% based on imputed interest rates applicable to the year in which the promise was received.

Contributions receivable as of December 31, 2020 and 2019, consist of 89% and 94% from two donors, respectively.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2020	2019
Furniture and Fixtures	\$ 143,015	\$ 143,015
Website	116,868	116,868
Computer Software	123,487	123,487
Computer Hardware	93,375	93,375
Subtotal	<u>476,745</u>	<u>476,745</u>
Less: Accumulated Depreciation and Amortization	<u>(400,862)</u>	<u>(335,700)</u>
Total	<u><u>\$ 75,883</u></u>	<u><u>\$ 141,045</u></u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	2020	2019
Subject to Expenditure for Specific Purposes:		
Hurricane Harvey Relief for Impacted Military Veterans in the Texas Coastal Region	\$ 90,175	\$ 2,720,787
Healthy Lifestyles and Creating Community	3,142,150	5,857,763
21st Century Skills For Veterans	-	85,000
Rehabilitation and Recovery	50,000	25,000
Veterans on Wall Street	135,000	282,275
BWF Fellow	518,703	888,001
LPSAT	735,046	1,299,325
COVID Support	205,500	-
Food Insecurities	2,154,083	-
Homelessness	182,000	-
Pep Boys	100,000	-
Total Subject to Expenditure for Specific Programs	<u>7,312,657</u>	<u>11,158,151</u>
Subject to Expenditure for Time Purposes:		
Operating Costs	260,000	1,060,000
Future Stand Up For Heroes Events	445,000	1,335,000
Total Subject to Expenditure for Time Purposes	<u>705,000</u>	<u>2,395,000</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 8,017,657</u></u>	<u><u>\$ 13,553,151</u></u>

NOTE 8 SPECIAL EVENTS

BWF conducts special events in which a portion of the gross proceeds paid represents both a contribution and a payment for the direct benefits received by the participant at the event. The fair value of meals and entertainment provided at the special events is measured at the actual cost to BWF. The direct costs of the special events, which ultimately benefit the donor rather than BWF, amounted to \$-0- and \$409,578 during the years ended December 31, 2020 and 2019, respectively. This is recognized as revenue when the event occurs.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 ALLOCATION OF JOINT COSTS

BWF conducted special events that had both a program services component and an appeal for contributions. As a result, BWF incurred joint costs of \$1,891,397 and \$1,068,248 during the years ended December 31, 2020 and 2019, respectively.

BWF's joint costs were allocated between program services and fund raising as follows for the years then ended December 31:

	2020	2019
Program Services	\$ 1,327,323	\$ 804,780
Fundraising	564,074	263,468
Total	<u>\$ 1,891,397</u>	<u>\$ 1,068,248</u>

NOTE 10 PENSION PLAN

Effective January 1, 2014, BWF adopted a defined contribution pension plan which covers all of its eligible employees. Employees may contribute up to IRS limitations. Additionally, BWF may make discretionary matching contributions. Upon enrollment in the plan, employees immediately vest 100% with regard to their individual contributions and elective contributions made by BWF. Employees vest over a period of two to six years in regard to BWF's nonelective contributions. BWF recorded contribution expense of \$75,347 and \$59,882 for 2020 and 2019, respectively.

NOTE 11 COMMITMENTS

Office Lease

BWF entered into a seven-year lease agreement for office space with one month rent abated commencing November 16, 2015. Annual commitments for rent expense escalate from \$213,480 to \$227,712 after 42 months, exclusive of escalating shared operating expense.

Rent expense under the lease agreements, excluding pass through operating expenses and storage fees, amounted to \$218,141 for the years ended December 31, 2020 and 2019.

Total future minimum rental payments for the years ending December 31 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 227,712
2022	227,712
Total	<u>\$ 455,424</u>

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 COMMITMENTS (CONTINUED)

Hotel Agreement

BWF entered into an agreement with a hotel for guest rooms, meeting space, food, and beverages for the 2021 annual Stand Up For Heroes event.

The minimum fee for guest rooms, meeting rooms, food, and beverage is \$96,599. In the event the annual event is cancelled, BWF is required to pay liquidating damages for the amount of anticipated revenues lost by the hotel. The liquidating damage will be prorated based on the timing of cancellation from the first contracted room arrival as follows:

<u>Days</u>	<u>Percentage Due</u>
0 – 30	100%
31 – 90	75%
91 – 180	50%
181 or Greater	25%

NOTE 12 TRANSACTIONS WITH RELATED PARTIES

During 2020, BWF received contributions from board members totaling \$3,216,272. Amounts due from board members totaled \$1,650,000 as of December 31, 2020, and are included in contributions receivable in the accompanying statements of financial position.

During 2019, BWF received contributions from board members totaling \$5,265,720. Amounts due from board members totaled \$3,081,000 as of December 31, 2019, and are included in contributions receivable in the accompanying statements of financial position.

NOTE 13 LIQUIDITY AND AVAILABILITY

BWF receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. BWF also receives support without donor restrictions. The Foundation considers contributions without donor restrictions and contributions with donor restrictions but can be used in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs.

The Foundation has a liquidity policy to maintain financial assets available to meet general expenditures at a level that represents 20% of prior fiscal year expenses. To achieve this objective, the Foundation forecasts its future cash flows and monitors its liquidity quarterly.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets to fund near-term operating needs, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 13 LIQUIDITY AND AVAILABILITY (CONTINUED)

The table below represents financial assets available for general expenditures within one year at December 31:

	<u>2020</u>	<u>2019</u>
Financial Assets at Year-End:		
Cash	\$ 12,056,811	\$ 12,610,559
Investments	529,791	627,984
Accounts Receivable	353,224	1,207
Contributions Receivable, Net	4,663,500	8,336,342
Total Financial Assets	<u>17,603,326</u>	<u>21,576,092</u>
Less: Donor Restricted Amounts Unavailable for		
General Expenditure	<u>(7,122,658)</u>	<u>(11,710,876)</u>
Total Financial Assets Available Within One Year	<u><u>\$ 10,480,668</u></u>	<u><u>\$ 9,865,216</u></u>

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