

**BOB WOODRUFF FAMILY FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**BOB WOODRUFF FAMILY FOUNDATION, INC.  
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CliftonLarsonAllen

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## INDEPENDENT AUDITORS' REPORT

To the 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, 2012 and 2011, and the related statements of activities, functional expense 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bob Woodruff Family Foundation, Inc. as of December 31, 2012 and 2011 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

CliftonLarsonAllen LLP

Arlington, Virginia  
October 28, 2013

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 3,022,784	\$ 1,649,660
Investments	574,372	566,307
Accounts Receivable	68,596	30,211
Contributions Receivable, Net	271,840	430,525
Prepaid Expenses	12,441	17,942
Donated Goods	-	2,650
	3,950,033	2,697,295
<b>CONTRIBUTIONS RECEIVABLE, NET OF CURRENT PORTION</b>	-	99,616
<b>PROPERTY AND EQUIPMENT, NET</b>	11,958	14,136
Total Assets	\$ 3,961,991	\$ 2,811,047
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 1,266,389	\$ 95,896
Total Liabilities	1,266,389	95,896
<b>NET ASSETS</b>		
Unrestricted	2,225,657	1,834,842
Temporarily Restricted	469,945	880,309
Total Net Assets	2,695,602	2,715,151
Total Liabilities and Net Assets	\$ 3,961,991	\$ 2,811,047

See accompanying Notes to the Financial Statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Special Events	\$ 2,739,287	\$ -	\$ 2,739,287	\$ 2,700,956	\$ 299,616	\$ 3,000,572
Adjustment to Pledges	(100,000)	-	(100,000)	-	-	-
Contributions	771,622	478,245	1,249,867	779,101	578,443	1,357,544
In-Kind Contributions	427,046	-	427,046	87,814	-	87,814
Investment Income	2,806	-	2,806	2,020	-	2,020
Other Income	119	-	119	664	-	664
Net Assets Released from Restriction:						
Satisfaction of Purpose Restrictions	588,993	(588,993)	-	-	-	-
Satisfaction of Time Restrictions	299,616	(299,616)	-	297,033	(297,033)	-
Total Revenue and Support	<u>4,729,489</u>	<u>(410,364)</u>	<u>4,319,125</u>	<u>3,867,588</u>	<u>581,026</u>	<u>4,448,614</u>
<b>EXPENSES</b>						
Program Services:						
Charitable Giving	2,328,386	-	2,328,386	1,525,653	-	1,525,653
Public Awareness and Education	760,670	-	760,670	1,148,268	-	1,148,268
Individual Giving	522,795	-	522,795	392,555	-	392,555
Collaborative Efforts	61,992	-	61,992	38,008	-	38,008
Total Program Services	<u>3,673,843</u>	<u>-</u>	<u>3,673,843</u>	<u>3,104,484</u>	<u>-</u>	<u>3,104,484</u>
Supporting Services:						
Management and General	428,031	-	428,031	416,936	-	416,936
Fund Raising	236,800	-	236,800	172,129	-	172,129
Total Supporting Services	<u>664,831</u>	<u>-</u>	<u>664,831</u>	<u>589,065</u>	<u>-</u>	<u>589,065</u>
Total Expenses	<u>4,338,674</u>	<u>-</u>	<u>4,338,674</u>	<u>3,693,549</u>	<u>-</u>	<u>3,693,549</u>
<b>CHANGE IN NET ASSETS</b>	390,815	(410,364)	(19,549)	174,039	581,026	755,065
Net Assets - Beginning of Year	<u>1,834,842</u>	<u>880,309</u>	<u>2,715,151</u>	<u>1,660,803</u>	<u>299,283</u>	<u>1,960,086</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,225,657</u>	<u>\$ 469,945</u>	<u>\$ 2,695,602</u>	<u>\$ 1,834,842</u>	<u>\$ 880,309</u>	<u>\$ 2,715,151</u>

See accompanying Notes to the Financial Statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSE**  
**YEAR ENDED DECEMBER 31, 2012**

	Program Services					Supporting Services			Total
	Charitable Giving	Public Awareness and Education	Individual Giving	Collaborative Efforts	Total	Management and General	Fund Raising	Total	
Grants	\$ 1,957,588	\$ -	\$ 123,375	\$ -	\$ 2,080,963	\$ -	\$ -	\$ -	\$ 2,080,963
Contract Services	164,227	346,575	168,121	2,760	681,683	183,800	90,944	274,744	956,427
Salaries and Payroll Taxes	134,854	36,550	30,279	3,590	205,273	103,222	15,799	119,021	324,294
Travel and Meetings	21,734	82,233	182,533	52,810	339,310	6,226	32,447	38,673	377,983
Facility and Equipment	21,883	130,049	8,422	583	160,937	20,537	53,026	73,563	234,500
Gifts and Awards	-	113	2,649	-	2,762	12,247	76	12,323	15,085
Food Service	-	75,854	-	-	75,854	-	12,317	12,317	88,171
Audio Visual	-	40,758	-	-	40,758	-	2,497	2,497	43,255
Printing and Copying	2,137	21,980	50	6	24,173	3,824	12,219	16,043	40,216
Fees	-	729	-	-	729	33,439	4,468	37,907	38,636
Bad Debt	-	-	-	-	-	23,000	-	23,000	23,000
Dues, Books and Subscriptions	1,774	1,317	53	39	3,183	9,580	4,138	13,718	16,901
Depreciation and Amortization	1,581	511	355	42	2,489	4,303	191	4,494	6,983
Employee Benefits	5,047	1,630	1,133	134	7,944	3,951	598	4,549	12,493
Website	-	4,500	-	1,482	5,982	3,282	-	3,282	9,264
Postage, Shipping and Courier	527	2,732	1,972	74	5,305	2,822	1,646	4,468	9,773
Telephone and Communication	10,005	3,727	2,246	276	16,254	6,856	1,509	8,365	24,619
Publication Costs	-	2,409	-	-	2,409	-	1,606	1,606	4,015
Supplies	2,051	5,204	489	52	7,796	2,940	2,867	5,807	13,603
Insurance	4,978	1,788	1,118	133	8,017	2,151	253	2,404	10,421
Other	-	1,607	-	-	1,607	5,851	199	6,050	7,657
Marketing and Promotion	-	404	-	11	415	-	-	-	415
<b>Total Expense</b>	<b>\$ 2,328,386</b>	<b>\$ 760,670</b>	<b>\$ 522,795</b>	<b>\$ 61,992</b>	<b>\$ 3,673,843</b>	<b>\$ 428,031</b>	<b>\$ 236,800</b>	<b>\$ 664,831</b>	<b>\$ 4,338,674</b>

See accompanying Notes to the Financial Statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSE**  
**YEAR ENDED DECEMBER 31, 2011**

	Program Services					Supporting Services			
	Charitable Giving	Public Awareness and Education	Individual Giving	Collaborative Efforts	Total	Management and General	Fund Raising	Total	Total
Grants	\$ 1,251,468	\$ -	\$ 103,195	\$ -	\$ 1,354,663	\$ -	\$ -	\$ -	\$ 1,354,663
Contract Services	79,150	230,212	73,976	21,634	404,972	159,542	87,475	247,017	651,989
Salaries and Payroll Taxes	152,110	111,493	39,139	3,789	306,531	120,089	1,049	121,138	427,669
Travel and Meetings	3,758	162,242	106,508	6,952	279,460	15,484	31,523	47,007	326,467
Facility and Equipment	15,348	80,474	5,787	435	102,044	13,770	2,072	15,842	117,886
Gifts and Awards	-	5,344	6,790	-	12,134	7,332	3,520	10,852	22,986
Food Service	-	238,701	39,240	-	277,941	2,786	-	2,786	280,727
Audio Visual	-	203,935	10,233	256	214,424	-	16,494	16,494	230,918
Printing and Copying	852	27,792	219	3,551	32,414	8,525	12,149	20,674	53,088
Fees	-	13,598	-	6	13,604	31,468	3,829	35,297	48,901
Bad Debt	-	-	-	-	-	12,760	-	12,760	12,760
Dues, Books and Subscriptions	320	759	79	8	1,166	12,307	1,983	14,290	15,456
Depreciation and Amortization	1,225	898	315	31	2,469	5,139	8	5,147	7,616
Employee Benefits	6,971	5,110	1,794	174	14,049	6,575	60	6,635	20,684
Website	-	-	-	-	-	1,947	-	1,947	1,947
Postage, Shipping and Courier	628	10,218	1,006	645	12,497	4,214	4,154	8,368	20,865
Telephone and Communication	9,258	10,203	2,608	359	22,428	7,324	302	7,626	30,054
Publication Costs	-	4,840	-	-	4,840	1,105	4,227	5,332	10,172
Supplies	1,820	38,194	960	100	41,074	1,827	3,039	4,866	45,940
Insurance	2,745	2,222	706	68	5,741	2,773	140	2,913	8,654
Other	-	2,033	-	-	2,033	1,954	5	1,959	3,992
Marketing and Promotion	-	-	-	-	-	15	100	115	115
<b>Total Expense</b>	<b>\$ 1,525,653</b>	<b>\$ 1,148,268</b>	<b>\$ 392,555</b>	<b>\$ 38,008</b>	<b>\$ 3,104,484</b>	<b>\$ 416,936</b>	<b>\$ 172,129</b>	<b>\$ 589,065</b>	<b>\$ 3,693,549</b>

See accompanying Notes to the Financial Statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (19,549)	\$ 755,065
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Bad Debt	23,000	12,760
Depreciation and Amortization	6,983	7,616
Unrealized (Gain) Loss on Investments	(905)	119
Reductions in Donated Goods	2,650	3,850
Changes in Assets and Liabilities:		
Accounts Receivable	(38,385)	(26,278)
Contributions Receivable	235,301	(274,472)
Prepaid Expenses	5,501	32,591
Accounts Payable and Accrued Expenses	1,170,493	13,668
Deferred Revenue	-	(44,671)
Net Cash Provided by Operating Activities	1,385,089	480,248
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(7,159)	(2,139)
Purchases of Property and Equipment	(4,806)	(7,099)
Net Cash Used in Investing Activities	(11,965)	(9,238)
<b>NET INCREASE IN CASH</b>	1,373,124	471,010
Cash - Beginning of Year	1,649,660	1,178,650
<b>CASH - END OF YEAR</b>	\$ 3,022,784	\$ 1,649,660
<b>SCHEDULE OF NONCASH INVESTING ACTIVITIES</b>		
Donated Securities	\$ 5,259	\$ -

See accompanying Notes to the Financial Statements.



**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Bob Woodruff Family Foundation, Inc. (BWF) was incorporated in September 2007 under the State of New York as a not-for-profit corporation. BWF is the nonprofit dedicated to ensuring injured service members and their families are thriving 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—finds, funds and shapes innovative programs, and holds them accountable for results. To date, BWF has invested more than \$15 million in public education and solutions, reaching more than a million service members, support personnel, veterans and their families. BWF was co-founded in 2006 by award-winning anchor Bob Woodruff and his family, whose own experiences inspired them to help make sure our nation's heroes have access to the high level of support and resources they deserve, for as long as they need it.

**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, and has been classified by the Internal Revenue Service as other than a private foundation within the meaning of Section 509(a)(1) of the Internal Revenue Code.

BWF evaluated its tax positions and determined that its positions are more likely than not to be sustained on examination. BWF's 2009 through 2011 tax years are open for examination by the IRS.

**Basis of Accounting**

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

**Use of Estimates**

The preparation of financial statements in accordance with U.S. generally accepted accounting principles 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**

Contributions receivable primarily consists of Stand Up for Heroes special event receivables and short-term promises to give from donors. Management periodically reviews the status of all receivable balances for collectability, 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.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Acquisitions of property and equipment that have a useful life of more than one year and a cost greater than \$1,000 are capitalized and depreciated using the straight-line method over estimated useful lives of 2 to 5 years.

**Deferred Revenue**

Deferred revenue consists of revenue received in advance of the period in which it is earned. Deferred revenue consists primarily of the estimated direct benefit to the donor portion of amounts received in advance for future special events.

**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, 2012 and 2011.

**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:

*Unrestricted:* Represents those net assets whose use is not restricted by donors.

*Temporarily restricted:* Represents those net assets whose use has been donor restricted for specified purpose or time limitations.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Revenue is recognized on the accrual basis and generally consists of special events income and donations. Contributions are recognized when unconditionally promised to, or received by, BWF. Contributions consist of temporarily restricted and unrestricted amounts. Contributions are recorded as unrestricted or restricted support depending upon the existence and/or nature any of donor restrictions. Donor-restricted support is reported as an increase in restricted net assets.

When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions on the statement of activities.

Promises to give are classified as temporarily restricted net assets until they are received by BWF. These time-restricted net assets are available for use once the promise to give is received.

If a donor changes the facts and circumstances relative to a promise to give, an adjustment is made to revenue and support in the current period.

**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. 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 non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise have been purchased by BWF.

**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 fund raising 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 THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Program Services**

Program services descriptions are as follows:

*Charitable giving:* Through the charitable investment program, BWF seeks out innovative charitable programs that promote meaningful activity—education, employment, entrepreneurship, volunteering and community integration—for post-9/11 injured service members and their families. BWF is finding and funding organizations that build strong bodies and sound minds and administer programs that bring a sense of hope and fulfillment. BWF has invested \$15 million in over 81 organizations, impacting more than 1,000,000 service members, support personnel, veterans and their families nationwide.

*Public awareness and education:* Through a movement called ReMIND.org, BWF educates the public about 1) the needs of service members returning from war and 2) our nation's greater responsibility to ensure our heroes and their families receive the support necessary to successfully reintegrate into their communities.

*Individual giving:* BWF provides discreet, direct financial assistance to individual injured service members and their families.

*Collaborative efforts:* BWF collaborates with key federal, state, and local experts to identify and solve issues related to the successful return of service members from combat to civilian life.

**Supporting Services**

Supporting services descriptions are as follows:

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

*Fund raising:* Fund raising 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. Accordingly certain costs have been allocated among the program and supporting services benefited.

**Subsequent Events**

In preparing these financial statements, BWF has evaluated events and transactions for potential recognition or disclosure through October 28, 2013, the date the financial statements were available to be issued. Other than the disclosure in Note 11 regarding the lease agreement signed July 25, 2013, there were no additional events noted that required adjustment to or disclosure in these financial statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**NOTE 2 CONCENTRATION OF REVENUE**

Sixty-three and sixty-seven percent of BWF's revenue for the years ended December 31, 2012 and 2011, respectively, is from special events revenue from the Stand Up for Heroes events that BWF holds annually.

**NOTE 3 INVESTMENTS**

Investments consist of the following at December 31:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Certificates of Deposit	\$ 562,037	\$ 562,037	\$ 560,350	\$ 560,350
Money Funds	464	464	315	315
Equity Stocks	11,085	11,871	5,761	5,642
	<u>\$ 573,586</u>	<u>\$ 574,372</u>	<u>\$ 566,426</u>	<u>\$ 566,307</u>

Investment income consisted of the following for the years ended December 31:

	2012	2011
Interest Income	\$ 1,901	\$ 2,139
Unrealized Gain (Loss) on Investments	905	(119)
Total	<u>\$ 2,806</u>	<u>\$ 2,020</u>

**NOTE 4 FAIR VALUE HIERARCHY**

The following table presents fair value hierarchy information as of December 31, 2012 and 2011 measured at fair value on a recurring basis:

	2012			
	Level 1	Level 2	Level 3	Total
Equity Stocks	\$ 11,871	\$ -	\$ -	\$ 11,871
	<u>\$ 11,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,871</u>
	2011			
	Level 1	Level 2	Level 3	Total
Equity Stocks	\$ 5,642	\$ -	\$ -	\$ 5,642
	<u>\$ 5,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,642</u>

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

Contributions receivable consist of the following at December 31:

	2012	2011
Stand Up For Heroes	\$ 255,000	\$ 357,700
Special Families Fund	26,000	184,925
Unrestricted Contributions	11,840	-
	292,840	542,625
Less: Allowance for Doubtful Receivables	(21,000)	(12,100)
Less: Unamortized Discount	-	(384)
	\$ 271,840	\$ 530,141
	2012	2011
Amounts Due in:		
Less than One Year	\$ 271,840	\$ 430,525
One to Four Years	-	99,616
	\$ 271,840	\$ 530,141

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	2012	2011
Website	\$ 47,602	\$ 47,602
Computer Software	20,175	20,175
Computer Hardware	24,304	19,498
	92,081	87,275
Less Accumulated Depreciation and Amortization	(80,123)	(73,139)
	\$ 11,958	\$ 14,136

**NOTE 7 NET ASSETS**

Temporarily restricted net assets consist of the following at December 31:

	2012	2011
Time Restricted	\$ -	\$ 299,616
Purpose Restricted		
Special Family Fund	467,695	578,443
Other Programs	2,250	2,250
	\$ 469,945	\$ 880,309

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**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, are recorded as program services expense. Special events revenue relating only to the direct benefit to donors amounted to \$275,668 and \$448,274, during the years ended December 31, 2012 and 2011, respectively.

**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 \$265,012 and \$437,225 during the years ended December 31, 2012 and 2011, respectively.

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

	2012	2011
Program Services	\$ 159,007	\$ 292,645
Fund Raising	106,005	144,580
Total	\$ 265,012	\$ 437,225

**NOTE 10 COMMITMENT**

BWF leased office space under two annual operating lease agreements. One of the agreements terminated February 2012 and the other terminated March 2012. In addition, one of the agreements included an abatement of four months' rent. In April 2012 BWF moved its operations from Virginia to New York. BWF signed a sublease agreement in March 2012 to receive in-kind office rental space through September 2013. Rent expense under the lease agreements, excluding pass through operating expenses and storage fees, amounted to approximately \$9,000 and \$40,000 for the years ended December 31, 2012 and 2011, respectively.

**NOTE 11 SUBSEQUENT EVENT**

On July 25, 2013, BWF signed a five-year lease agreement for office space with two months' rent abated. Annual commitments for rent expense escalate from \$129,030 to \$137,445 after thirty months, exclusive of escalating shared operating expenses.