

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**



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YEARS ENDED DECEMBER 31, 2021 AND 2020**

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Bob Woodruff Family Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, 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.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
August 12, 2022

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

|                                       | 2021          | 2020          |
|---------------------------------------|---------------|---------------|
| <b>ASSETS</b>                         |               |               |
| Cash                                  | \$ 12,384,011 | \$ 12,056,811 |
| Investments                           | 541,592       | 529,791       |
| Accounts Receivable                   | 19,093        | 353,224       |
| Contributions Receivable, Net         | 883,791       | 4,663,500     |
| Inventory                             | 8,006         | 46,225        |
| Prepaid Expenses                      | 338,122       | 348,656       |
| Property and Equipment                | 92,840        | 75,883        |
| Total Assets                          | \$ 14,267,455 | \$ 18,074,090 |
| <b>LIABILITIES AND NET ASSETS</b>     |               |               |
| <b>LIABILITIES</b>                    |               |               |
| Accounts Payable and Accrued Expenses | \$ 273,511    | \$ 332,674    |
| Deferred Rent                         | 8,385         | 17,957        |
| Deferred Revenue                      | -             | -             |
| Total Liabilities                     | 281,896       | 350,631       |
| <b>NET ASSETS</b>                     |               |               |
| Without Donor Restrictions            | 12,038,159    | 9,705,802     |
| With Donor Restrictions               | 1,947,400     | 8,017,657     |
| Total Net Assets                      | 13,985,559    | 17,723,459    |
| Total Liabilities and Net Assets      | \$ 14,267,455 | \$ 18,074,090 |

See accompanying Notes to Financial Statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         |
|--|-------------------------------|----------------------------|---------------|
| <b>REVENUE AND SUPPORT</b>             |                               |                            |               |
| Special Events                         | \$ 4,990,766                  | \$ 334,521                 | \$ 5,325,287  |
| Contributions                          | 2,316,549                     | 5,774,979                  | 8,091,528     |
| In-Kind Contributions                  | 4,683,622                     | -                          | 4,683,622     |
| Investment Income, Net                 | 3,279                         | -                          | 3,279         |
| Other Income                           | 20,209                        | -                          | 20,209        |
| Net Assets Released from Restrictions: |                               |                            |               |
| Satisfaction of Purpose Restrictions   | 12,179,757                    | (12,179,757)               | -             |
| Total Revenue and Support              | 24,194,182                    | (6,070,257)                | 18,123,925    |
| <b>EXPENSES</b>                        |                               |                            |               |
| Program Services:                      |                               |                            |               |
| Community Partnerships                 | 3,053,384                     | -                          | 3,053,384     |
| Impact Grant Making                    | 10,623,358                    | -                          | 10,623,358    |
| Community Networking                   | 5,182,651                     | -                          | 5,182,651     |
| Total Program Services                 | 18,859,393                    | -                          | 18,859,393    |
| Supporting Services:                   |                               |                            |               |
| Management and General                 | 895,727                       | -                          | 895,727       |
| Fundraising                            | 2,106,705                     | -                          | 2,106,705     |
| Total Supporting Services              | 3,002,432                     | -                          | 3,002,432     |
| Total Expenses                         | 21,861,825                    | -                          | 21,861,825    |
| <b>CHANGE IN NET ASSETS</b>            | 2,332,357                     | (6,070,257)                | (3,737,900)   |
| Net Assets - Beginning of Year         | 9,705,802                     | 8,017,657                  | 17,723,459    |
| <b>NET ASSETS - END OF YEAR</b>        | \$ 12,038,159                 | \$ 1,947,400               | \$ 13,985,559 |

See accompanying Notes to Financial Statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         |
|--|-------------------------------|----------------------------|---------------|
| <b>REVENUE AND SUPPORT</b>             |                               |                            |               |
| Special Events                         | \$ 2,500,928                  | \$ -                       | \$ 2,500,928  |
| Contributions                          | 2,915,517                     | 4,414,856                  | 7,330,373     |
| In-Kind Contributions                  | 248,951                       | -                          | 248,951       |
| Investment Income, Net                 | 4,027                         | -                          | 4,027         |
| Other Income                           | 2,512                         | -                          | 2,512         |
| Net Assets Released from Restrictions: |                               |                            |               |
| Satisfaction of Purpose Restrictions   | 9,950,350                     | (9,950,350)                | -             |
| Total Revenue and Support              | 15,622,285                    | (5,535,494)                | 10,086,791    |
| <b>EXPENSES</b>                        |                               |                            |               |
| Program Services:                      |                               |                            |               |
| Community Partnerships                 | 1,758,802                     | -                          | 1,758,802     |
| Impact Grant Making                    | 7,672,015                     | -                          | 7,672,015     |
| Community Networking                   | 2,408,778                     | -                          | 2,408,778     |
| Total Program Services                 | 11,839,595                    | -                          | 11,839,595    |
| Supporting Services:                   |                               |                            |               |
| Management and General                 | 800,236                       | -                          | 800,236       |
| Fundraising                            | 1,503,433                     | -                          | 1,503,433     |
| Total Supporting Services              | 2,303,669                     | -                          | 2,303,669     |
| Total Expenses                         | 14,143,264                    | -                          | 14,143,264    |
| <b>CHANGE IN NET ASSETS</b>            | 1,479,021                     | (5,535,494)                | (4,056,473)   |
| Net Assets - Beginning of Year         | 8,226,781                     | 13,553,151                 | 21,779,932    |
| <b>NET ASSETS - END OF YEAR</b>        | \$ 9,705,802                  | \$ 8,017,657               | \$ 17,723,459 |

See accompanying Notes to Financial Statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

|   | Program Services       |                      |                      |                      | Supporting Services    |                     |                     | Total                |
|---|------------------------|----------------------|----------------------|----------------------|------------------------|---------------------|---------------------|----------------------|
|   | Community Partnerships | Impact Grant Making  | Community Networking | Total                | Management and General | Fundraising         | Total               |                      |
| Collaborative Efforts                         | \$ 281,366             | \$ 9,016,564         | \$ 1,134,110         | \$ 10,432,040        | \$ -                   | \$ -                | \$ -                | \$ 10,432,040        |
| Contract Services                             | 1,391,913              | 165,598              | 3,601,858            | 5,159,369            | 202,418                | 1,011,761           | 1,214,179           | 6,373,548            |
| Salaries and Payroll Taxes                    | 1,089,384              | 1,112,961            | -                    | 2,202,345            | 453,321                | 613,920             | 1,067,241           | 3,269,586            |
| Employee Benefits                             | 75,280                 | 75,281               | -                    | 150,561              | 26,654                 | 41,843              | 68,497              | 219,058              |
| Travel and Meetings                           | 7,003                  | 40,615               | 50,452               | 98,070               | 20,619                 | 42,430              | 63,049              | 161,119              |
| Facility and Equipment                        | 97,284                 | 97,284               | 58,394               | 252,962              | 31,395                 | 86,571              | 117,966             | 370,928              |
| Gifts and Awards                              | 125                    | 7,482                | 32,496               | 40,103               | 8,385                  | 13,619              | 22,004              | 62,107               |
| Food Service                                  | -                      | -                    | 13,217               | 13,217               | 447                    | 5,665               | 6,112               | 19,329               |
| Audio Visual/Production                       | -                      | -                    | 25,826               | 25,826               | -                      | 10,147              | 10,147              | 35,973               |
| Printing and Copying                          | -                      | 13                   | 67,357               | 67,370               | 2,051                  | 35,206              | 37,257              | 104,627              |
| Fees  | -                      | -                    | 1,685                | 1,685                | 3,284                  | 41,949              | 45,233              | 46,918               |
| Dues, Books, Subscriptions,<br>and References | 11,018                 | 31,550               | 67,091               | 109,659              | 37,338                 | 97,886              | 135,224             | 244,883              |
| Depreciation and Amortization                 | 25,137                 | 10,238               | 3,052                | 38,427               | 2,925                  | 5,850               | 8,775               | 47,202               |
| Website                                       | 36,261                 | 29,718               | 1,248                | 67,227               | 8,491                  | 17,254              | 25,745              | 92,972               |
| Postage, Shipping, and Courier                | 637                    | 745                  | 507                  | 1,889                | 8,873                  | 4,337               | 13,210              | 15,099               |
| Telephone and Communication                   | 31,613                 | 27,602               | 65                   | 59,280               | 9,208                  | 18,240              | 27,448              | 86,728               |
| Supplies                                      | 332                    | 625                  | 4,445                | 5,402                | 21,851                 | 3,310               | 25,161              | 30,563               |
| Insurance                                     | 5,736                  | 5,736                | 33,088               | 44,560               | 1,639                  | 17,458              | 19,097              | 63,657               |
| Marketing and Promotion                       | 295                    | 1,346                | 87,374               | 89,015               | 424                    | 26,869              | 27,293              | 116,308              |
| Organization Expenses/Taxes                   | -                      | -                    | 386                  | 386                  | 56,404                 | 12,390              | 68,794              | 69,180               |
| <b>Total Expenses</b>                         | <b>\$ 3,053,384</b>    | <b>\$ 10,623,358</b> | <b>\$ 5,182,651</b>  | <b>\$ 18,859,393</b> | <b>\$ 895,727</b>      | <b>\$ 2,106,705</b> | <b>\$ 3,002,432</b> | <b>\$ 21,861,825</b> |

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                |
| 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,<br>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               |
| <b>Total Expenses</b>                         | <b>\$ 1,758,802</b>    | <b>\$ 7,672,015</b> | <b>\$ 2,408,778</b>  | <b>\$ 11,839,595</b> | <b>\$ 800,236</b>      | <b>\$ 1,503,433</b> | <b>\$ 2,303,669</b> | <b>\$ 14,143,264</b> |

See accompanying Notes to Financial Statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

|   | 2021           | 2020           |
|---|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>       |                |                |
| Change in Net Assets                              | \$ (3,737,900) | \$ (4,056,473) |
| Adjustments to Reconcile Change in Net Assets to  |                |                |
| Net Cash Provided (Used) by Operating Activities: |                |                |
| Bad Debt  | 32,606         | 23,000         |
| Depreciation and Amortization                     | 47,202         | 65,162         |
| Realized (Gain) Loss on Investments               | (4,319)        | 816            |
| Unrealized (Gain) Loss on Investments             | 2,765          | 3,197          |
| Loss on Disposal of Equipment                     | 1,740          | -              |
| Changes in Assets and Liabilities:                |                |                |
| Accounts Receivable                               | 334,131        | (352,017)      |
| Contributions Receivable                          | 3,747,103      | 3,649,842      |
| Prepaid Expenses                                  | 10,534         | (56,001)       |
| Inventory   | 38,219         | (38,218)       |
| Accounts Payable and Accrued Expenses             | (59,163)       | 122,335        |
| Deferred Rent                                     | (9,572)        | (9,571)        |
| Deferred Revenue                                  | -              | -              |
| Net Cash Provided (Used) by Operating Activities  | 403,346        | (647,928)      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |                |                |
| Purchases of Investments                          | (36,658)       | (58,439)       |
| Proceeds from Sales of Investments                | 26,411         | 152,619        |
| Purchases of Property and Equipment               | (65,899)       | -              |
| Net Cash Provided (Used) by Investing Activities  | (76,146)       | 94,180         |
| <b>NET INCREASE (DECREASE) IN CASH</b>            | 327,200        | (553,748)      |
| Cash - Beginning of Year                          | 12,056,811     | 12,610,559     |
| <b>CASH - END OF YEAR</b>                         | \$ 12,384,011  | \$ 12,056,811  |

See accompanying Notes to Financial Statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Bob Woodruff Family Foundation, Inc. (the Foundation) 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, the Foundation complements the work of the federal government—diligently navigating the maze of more than 50,000 nonprofits providing services to veterans—to find, fund, and shape innovative programs and hold them accountable for results. To date, the Foundation has invested more than \$85 million in program services reaching the post-9/11 veterans, service members, their families, and caregivers whom the Foundation serves.

**Income Taxes**

The Foundation 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.

The Foundation 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, the Foundation 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 collectability, which is assessed based on management's knowledge of the donor, the Foundation'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. Conditional promises to give outstanding as of December 31, 2021 and 2020 were \$50,000 and \$-0-, respectively.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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 two to five 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 Foundation maintain donor funds in any mid to high risk financial vehicles.

**Fair Value Hierarchy**

The Foundation 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, 2021 and 2020.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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 the Foundation, 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 the Foundation’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 \$255,906 and \$341,178 at December 31, 2021 and 2020, 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.

The Foundation had no perpetually restricted net assets at December 31, 2021 and 2020.

**Grants Payable**

Grants are reported as an expense and liability when approved by the Foundation 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, 2021 and 2020 were \$-0- and \$13,360, respectively. Unconditional grants that the Foundation 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**

The Foundation accounts for rent expense evenly over the term of the lease using the straight-line method. The unamortized deferred rent was \$8,385 and \$17,957 at December 31, 2021 and 2020, 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. The exchange portion was \$523,521 and \$-0- for the years ended December 31, 2021 and 2020, respectively. Contract liabilities are recognized for the exchange portion of amounts that are received as of December 31 for future events. There were no contract assets or liabilities as of December 31, 2021 and 2020.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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

**Revenue Recognition (Continued)**

Contributions are recognized when unconditionally promised to, or received by, the Foundation. 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 restrictions net asset class.

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 accounting principles generally accepted in the United States of America.

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 the Foundation. Donated services consist of legal services, information technology services, and other professional services that benefit program, fundraising, and management and general expenses. In addition, the Foundation 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 the Foundation at the estimated fair value when received.

The following contributed goods and services were received in 2021 and 2020:

|                              | <u>2021</u>         | <u>2020</u>       |
|------------------------------|---------------------|-------------------|
| Advertising Services         | \$ 581,829          | \$ -              |
| Legal Services               | 16,150              | 19,665            |
| IT Services                  | 59,700              | 59,050            |
| Public Service Announcements | 2,392,248           | -                 |
| Program Support              | 1,200,000           | -                 |
| Event Expenses               | 433,695             | 170,236           |
| Total                        | <u>\$ 4,683,622</u> | <u>\$ 248,951</u> |

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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

**In-Kind Contributions (Continued)**

Recorded Amounts (Continued)

The contributed goods and services were reported in the statements of activities as follows:

| <u>December 31, 2021</u> | <u>Program</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>Total</u> |
|--------------------------|----------------|-----------------------------------|--------------------|--------------|
| Contract Services        | \$ 3,989,430   | \$ 7,585                          | \$ 686,607         | \$ 4,683,622 |
| <br>                     |                |                                   |                    |              |
| <u>December 31, 2020</u> | <u>Program</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>Total</u> |
| Contract Services        | \$ 174,266     | \$ 7,872                          | \$ 66,813          | \$ 248,951   |

Unrecorded Amounts

The Foundation relies on contributions of both time and expertise from its pool of volunteers. In particular, volunteers work on the Foundation’s programs and fundraising activities. The Foundation’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 the Foundation. 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.

**Charitable Investments Program Services**

Program services descriptions are as follows:

*Community Partnerships:* The Foundation 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:* The Foundation finds, funds, and shapes innovative programs that focus on post-9/11 impacted service members, veterans, their families, and caregivers. The Foundation 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. The Foundation also provides financial assistance to individual impacted service members, veterans, and their families. This program includes the Foundation VIVA Fund, which provides financial assistance to individuals seeking IVF due to service-related fertility challenges.

*Community Networking:* The Foundation 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. The Foundation 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.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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

**Supporting Services**

Supporting services descriptions are as follows:

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

*Fundraising:* Fundraising includes activities that encourage and secure financial support for the Foundation.

**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.

**Reclassifications**

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. The reclassifications had no effect on the change in net assets or total net assets as previously reported.

**NOTE 2 CONCENTRATIONS OF RISK**

**Credit Risk**

Financial instruments that subject the Foundation 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**

29% and 25% of the Foundation's revenue for the years ended December 31, 2021 and 2020, respectively, is from special event revenue from the Stand Up for Heroes event that the Foundation holds annually.

Total contribution and special event revenue for the years ended December 31, 2021 and 2020, consists of 45% from one donor and 41% from two donors, respectively.



**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 3 INVESTMENTS**

Investments consist of the following at December 31:

|                           | 2021       | 2020       |
|---------------------------|------------|------------|
| Cash and Cash Equivalents | \$ 524,889 | \$ 523,617 |
| Equity Stocks             | 16,703     | 6,174      |
| Total                     | \$ 541,592 | \$ 529,791 |

Investment expenses are included with investment income on the statements of activities in the amount of approximately \$152 and \$170 for the years ended December 31, 2021 and 2020, respectively.

**NOTE 4 FAIR VALUE HIERARCHY**

The following table presents fair value hierarchy information as of December 31, 2021 and 2020, measured at fair value on a recurring basis:

|               | 2021      |         |         |           |
|---------------|-----------|---------|---------|-----------|
|               | Level 1   | Level 2 | Level 3 | Total     |
| Equity Stocks | \$ 16,703 | \$ -    | \$ -    | \$ 16,703 |
|               | 2020      |         |         |           |
|               | Level 1   | Level 2 | Level 3 | Total     |
| Equity Stocks | \$ 6,174  | \$ -    | \$ -    | \$ 6,174  |

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:

|  | 2021       | 2020         |
|--|------------|--------------|
| Special Events                           | \$ 532,099 | \$ 363,500   |
| Contributions With Donor Restrictions    | 325,000    | 4,178,000    |
| Contributions Without Donor Restrictions | 61,171     | 172,000      |
| Subtotal                                 | 918,270    | 4,713,500    |
| Less: Discount on Long-Term Receivables  | (479)      | -            |
| Less: Allowance for Doubtful Receivables | (34,000)   | (50,000)     |
| Total                                    | \$ 883,791 | \$ 4,663,500 |
| Amounts Due in:                          |            |              |
| Less than One Year                       | \$ 768,270 | \$ 4,663,500 |
| One to Five Years                        | 150,000    | -            |
| Total                                    | \$ 918,270 | \$ 4,663,500 |

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 5 CONTRIBUTIONS RECEIVABLE (CONTINUED)**

Contributions receivable as of December 31, 2021 and 2020, consist of 70% from four donors and 89% from two donors, respectively.

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

|   | 2021             | 2020             |
|---|------------------|------------------|
| Furniture and Fixtures                          | \$ 143,015       | \$ 143,015       |
| Website   | 151,868          | 116,868          |
| Computer Software                               | 123,487          | 123,487          |
| Computer Hardware                               | 76,932           | 93,375           |
| Subtotal  | 495,302          | 476,745          |
| Less: Accumulated Depreciation and Amortization | (402,462)        | (400,862)        |
| Total   | <u>\$ 92,840</u> | <u>\$ 75,883</u> |

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

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

|   | 2021                | 2020                |
|---|---------------------|---------------------|
| Subject to Expenditure for Specific Purposes:   |                     |                     |
| Hurricane Harvey Relief for Impacted Military Veterans<br>in the Texas Coastal Region | \$ -                | \$ 90,175           |
| Healthy Lifestyles and Creating Community   | 750,000             | 3,142,150           |
| Rehabilitation and Recovery   | 87,500              | 50,000              |
| Veterans on Wall Street   | 100,000             | 135,000             |
| Communications and Fellow Support   | 149,149             | 518,703             |
| LPSAT   | 69,180              | 735,046             |
| COVID Support   | -                   | 205,500             |
| Food Insecurities   | -                   | 2,154,083           |
| Homelessness  | 148,800             | 182,000             |
| Pep Boys  | -                   | 100,000             |
| Workforce Development   | 110,000             | -                   |
| VIVA  | 30,000              | -                   |
| VIDA Seed Funding   | 12,000              | -                   |
| Total Subject to Expenditure for Specific Purposes                                    | <u>1,456,629</u>    | <u>7,312,657</u>    |
| Subject to Expenditure for Time Purposes:   |                     |                     |
| Operating Costs   | 156,250             | 260,000             |
| Future Stand Up For Heroes Events   | 334,521             | 445,000             |
| Total Subject to Expenditure for Time Purposes  | <u>490,771</u>      | <u>705,000</u>      |
| Total Net Assets With Donor Restrictions  | <u>\$ 1,947,400</u> | <u>\$ 8,017,657</u> |

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 8 SPECIAL EVENTS**

The Foundation 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 the Foundation. The direct costs of the special events, which ultimately benefit the donor rather than the Foundation, amounted to \$523,521 and \$-0- during the years ended December 31, 2021 and 2020, respectively. This is considered to be the exchange portion of the revenue and is recognized as revenue when the event occurs.

**NOTE 9 ALLOCATION OF JOINT COSTS**

The Foundation conducted special events that had both a program services component and an appeal for contributions. As a result, the Foundation incurred joint costs of \$1,287,550 and \$1,891,397 during the years ended December 31, 2021 and 2020, respectively.

The Foundation's joint costs were allocated between program services and fundraising as follows for the years then ended December 31:

|                  | 2021         | 2020         |
|------------------|--------------|--------------|
| Program Services | \$ 901,285   | \$ 1,327,323 |
| Fundraising      | 386,265      | 564,074      |
| Total            | \$ 1,287,550 | \$ 1,891,397 |

**NOTE 10 PENSION PLAN**

Effective January 1, 2014, the Foundation adopted a defined contribution pension plan which covers all of its eligible employees. Employees may contribute up to IRS limitations. Additionally, the Foundation 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 the Foundation. Employees vest over a period of two to six years in regard to the Foundation's nonelective contributions. The Foundation recorded contribution expense of \$84,777 and \$75,347 for 2021 and 2020, respectively.

**NOTE 11 COMMITMENTS**

**Office Lease**

The Foundation 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.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 11 COMMITMENTS (CONTINUED)**

**Office Lease (Continued)**

Rent expense under the lease agreements, excluding pass through operating expenses and storage fees, amounted to \$218,141 for the years ended December 31, 2021 and 2020.

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

| <u>Year Ending December 31,</u> | <u>Amount</u>     |
|---------------------------------|-------------------|
| 2022                            | <u>\$ 227,712</u> |
| Total                           | <u>\$ 227,712</u> |

**Hotel Agreement**

The Foundation entered into an agreement with a hotel for guest rooms, meeting space, food, and beverages for the 2022 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, the Foundation 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 to 30        | 100%                  |
| 31 to 90       | 75                    |
| 91 to 180      | 50                    |
| 181 or Greater | 25                    |

In addition, the Foundation entered into an agreement for space for the 2022 annual Stand Up For Heroes event. A nonrefundable rental fee of \$108,000 was paid to commit to the use of the property.

**NOTE 12 TRANSACTIONS WITH RELATED PARTIES**

During 2021, the Foundation received contributions from board members totaling \$6,529,600. Amounts due from board members totaled \$26,000 as of December 31, 2021, and are included in contributions receivable in the accompanying statements of financial position.

During 2020, the Foundation 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.

**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 13 LIQUIDITY AND AVAILABILITY**

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. The Foundation 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.

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

|  | 2021          | 2020          |
|--|---------------|---------------|
| Financial Assets at Year-End:                    |               |               |
| Cash   | \$ 12,384,011 | \$ 12,056,811 |
| Investments                                      | 541,592       | 529,791       |
| Accounts Receivable                              | 19,093        | 353,224       |
| Contributions Receivable, Net                    | 883,791       | 4,663,500     |
| Total Financial Assets                           | 13,828,487    | 17,603,326    |
| Less: Donor-Restricted Amounts Unavailable for   |               |               |
| General Expenditure                              | (1,427,640)   | (7,122,658)   |
| Total Financial Assets Available Within One Year | \$ 12,400,847 | \$ 10,480,668 |



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