

BOB WOODRUFF FAMILY FOUNDATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021



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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, 2022 and 2021, 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, 2022 and 2021, 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
May 22, 2023

BOB WOODRUFF FAMILY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash	\$ 7,880,277	\$ 12,384,011
Investments	15,217,468	541,592
Accounts Receivable	-	19,093
Contributions Receivable, Net	3,151,320	883,791
Inventory	8,007	8,006
Prepaid Expenses	399,367	338,122
Property and Equipment	52,659	92,840
Total Assets	\$ 26,709,098	\$ 14,267,455
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 199,621	\$ 273,511
Deferred Rent	-	8,385
Total Liabilities	199,621	281,896
NET ASSETS		
Without Donor Restrictions	21,155,008	12,038,159
With Donor Restrictions	5,354,469	1,947,400
Total Net Assets	26,509,477	13,985,559
Total Liabilities and Net Assets	\$ 26,709,098	\$ 14,267,455

See accompanying Notes to Financial Statements.

BOB WOODRUFF FAMILY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Special Events	\$ 4,020,436	\$ -	\$ 4,020,436
Contributions	17,109,509	8,576,234	25,685,743
In-Kind Contributions	10,173,978	-	10,173,978
Investment Income, Net	51,581	-	51,581
Other Income	54,623	-	54,623
Net Assets Released from Restrictions:			
Satisfaction of Purpose Restrictions	5,169,165	(5,169,165)	-
Total Revenue and Support	36,579,292	3,407,069	39,986,361
EXPENSES			
Program Services:			
Community Partnerships	1,581,467	-	1,581,467
Impact Grant Making	8,875,715	-	8,875,715
Community Networking	14,018,924	-	14,018,924
Total Program Services	24,476,106	-	24,476,106
Supporting Services:			
Management and General	865,454	-	865,454
Fundraising	2,120,883	-	2,120,883
Total Supporting Services	2,986,337	-	2,986,337
Total Expenses	27,462,443	-	27,462,443
CHANGE IN NET ASSETS	9,116,849	3,407,069	12,523,918
Net Assets - Beginning of Year	12,038,159	1,947,400	13,985,559
NET ASSETS - END OF YEAR	\$ 21,155,008	\$ 5,354,469	\$ 26,509,477

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
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
EXPENSES			
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
CHANGE IN NET ASSETS	2,332,357	(6,070,257)	(3,737,900)
Net Assets - Beginning of Year	9,705,802	8,017,657	17,723,459
NET ASSETS - END OF YEAR	\$ 12,038,159	\$ 1,947,400	\$ 13,985,559

See accompanying Notes to Financial Statements.

BOB WOODRUFF FAMILY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services				Supporting Services			
	Community Partnerships	Impact Grant Making	Community Networking	Total	Management and General	Fundraising	Total	Total
Collaborative Efforts	\$ -	\$ 7,236,587	\$ 783,235	\$ 8,019,822	\$ -	\$ 422	\$ 422	\$ 8,020,244
Contract Services	154,034	139,082	12,059,494	12,352,610	261,438	597,484	858,922	13,211,532
Salaries and Payroll Taxes	1,035,989	1,099,292	-	2,135,281	369,900	771,710	1,141,610	3,276,891
Employee Benefits	113,074	113,192	-	226,266	38,662	64,437	103,099	329,365
Travel and Meetings	22,774	37,036	282,264	342,074	31,002	94,787	125,789	467,863
Facility and Equipment	97,547	96,680	272,039	466,266	32,952	158,418	191,370	657,636
Gifts and Awards	1,344	1,325	15,226	17,895	9,433	15,002	24,435	42,330
Food Service	57	504	229,274	229,835	6,556	66,369	72,925	302,760
Audio Visual/Production	-	-	100,530	100,530	-	44,845	44,845	145,375
Printing and Copying	37	883	9,970	10,890	3,062	2,044	5,106	15,996
Fees	-	-	6,978	6,978	2,219	38,374	40,593	47,571
Dues, Books, Subscriptions, and References	41,093	43,468	83,974	168,535	36,079	103,065	139,144	307,679
Depreciation and Amortization	23,755	15,722	-	39,477	4,492	8,984	13,476	52,953
Website	45,611	45,610	901	92,122	13,032	26,097	39,129	131,251
Postage, Shipping, and Courier	841	868	2,923	4,632	6,205	1,875	8,080	12,712
Telephone and Communication	32,374	32,373	175	64,922	9,393	18,563	27,956	92,878
Supplies	625	815	11,784	13,224	12,165	4,184	16,349	29,573
Insurance	6,589	6,588	-	13,177	2,879	42,678	45,557	58,734
Marketing and Promotion	5,723	5,682	159,919	171,324	2,010	51,679	53,689	225,013
Organization Expenses/Taxes	-	8	238	246	23,975	9,866	33,841	34,087
Total Expenses	\$ 1,581,467	\$ 8,875,715	\$ 14,018,924	\$ 24,476,106	\$ 865,454	\$ 2,120,883	\$ 2,986,337	\$ 27,462,443

See accompanying Notes to Financial Statements.

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

	Program Services				Supporting Services			
	Community Partnerships	Impact Grant Making	Community Networking	Total	Management and General	Fundraising	Total	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
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, 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
Total Expenses	\$ 3,053,384	\$ 10,623,358	\$ 5,182,651	\$ 18,859,393	\$ 895,727	\$ 2,106,705	\$ 3,002,432	\$ 21,861,825

See accompanying Notes to Financial Statements.

**BOB WOODRUFF FAMILY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 12,523,918	\$ (3,737,900)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Bad Debt	-	32,606
Depreciation and Amortization	52,953	47,202
Realized (Gain) Loss on Investments	-	(4,319)
Unrealized (Gain) Loss on Investments	(2,912)	2,765
Loss on Disposal of Equipment	5,118	1,740
Changes in Assets and Liabilities:		
Accounts Receivable	19,093	334,131
Contributions Receivable	(2,267,529)	3,747,103
Prepaid Expenses	(61,245)	10,534
Inventory	(1)	38,219
Accounts Payable and Accrued Expenses	(73,890)	(59,163)
Deferred Rent	(8,385)	(9,572)
Net Cash Provided by Operating Activities	10,187,120	403,346
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(14,673,029)	(36,658)
Proceeds from Sales of Investments	65	26,411
Purchases of Property and Equipment	(17,890)	(65,899)
Net Cash Used by Investing Activities	(14,690,854)	(76,146)
NET INCREASE (DECREASE) IN CASH	(4,503,734)	327,200
Cash - Beginning of Year	12,384,011	12,056,811
CASH - END OF YEAR	\$ 7,880,277	\$ 12,384,011

See accompanying Notes to Financial Statements.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 \$124 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 collectibility, 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, 2022 and 2021 were \$-0- and \$50,000, respectively.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 \$-0- and \$255,906 at December 31, 2022 and 2021, 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, 2022 and 2021.

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. There were no conditional grants outstanding as of December 31, 2022 and 2021. 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 \$-0- and \$8,385 at December 31, 2022 and 2021, 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 \$813,562 and \$523,521 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021.

**BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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 2022 and 2021:

	2022	2021
Advertising Services	\$ -	\$ 581,829
Legal Services	11,286	16,150
IT Services	60,750	59,700
Public Service Announcements	9,864,999	2,392,248
Program Support	-	1,200,000
Event Expenses	236,943	433,695
Total	\$ 10,173,978	\$ 4,683,622

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Contract Services	\$ 10,080,235	\$ 7,204	\$ 86,539	\$ 10,173,978
<u>December 31, 2021</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Contract Services	\$ 3,989,430	\$ 7,585	\$ 686,607	\$ 4,683,622

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, 2022 AND 2021

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.

Leases

The Foundation determines if an arrangement is a lease at inception. Leases are reported on the statement of financial position as a right-of-use (ROU) asset and lease liability. ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position. As of December 31, 2022, the Foundation no longer has any leases.

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Foundation adopted the requirement of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. There was no impact on the Foundation's financial position and change in net assets as a result of the adoption of this accounting standard.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards (Continued)

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires that contributed nonfinancial assets are reported on a separate line item in the statements of activities, apart from contributions of cash and other financial assets. It also requires disclosure of disaggregated amounts of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets along with additional qualitative information about the monetization of such assets, donor restrictions and valuation techniques. The adoption of this standard did not have any significant impact on the accompanying financial statements or disclosures.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 22, 2023, the date the financial statements were available to be issued.

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

9% and 29% of the Foundation's revenue for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, consists of 69% from two donors and 45% from one donor, respectively.

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 INVESTMENTS

Investments consist of the following at December 31:

	2022	2021
Cash and Cash Equivalents	\$ 3,276,308	\$ 524,889
Equity Stocks	129,320	16,703
Mutual Funds	1,530	-
Fixed Income	11,810,310	-
Total	\$ 15,217,468	\$ 541,592

Investment expenses are included with fees on the statement of functional expenses in the amount of approximately \$65 and \$152 for the years ended December 31, 2022 and 2021, respectively.

NOTE 4 FAIR VALUE HIERARCHY

The following table presents fair value hierarchy information as of December 31, 2022 and 2021, measured at fair value on a recurring basis:

	2022			
	Level 1	Level 2	Level 3	Total
Equity Stocks	\$ 129,320	\$ -	\$ -	\$ 129,320
Mutual Funds	1,530	-	-	1,530
Fixed Income	-	11,810,310	-	11,810,310
Total	\$ 130,850	\$ 11,810,310	\$ -	\$ 11,941,160

	2021			
	Level 1	Level 2	Level 3	Total
Equity Stocks	\$ 16,703	\$ -	\$ -	\$ 16,703
Mutual Funds	-	-	-	-
Fixed Income	-	-	-	-
Total	\$ 16,703	\$ -	\$ -	\$ 16,703

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

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Special Events	\$ 268,631	\$ 532,099
Contributions With Donor Restrictions	2,852,000	325,000
Contributions Without Donor Restrictions	<u>58,249</u>	<u>61,171</u>
Subtotal	3,178,880	918,270
Less: Discount on Long-Term Receivables	-	(479)
Less: Allowance for Doubtful Receivables	<u>(27,560)</u>	<u>(34,000)</u>
Total	<u><u>\$ 3,151,320</u></u>	<u><u>\$ 883,791</u></u>
Amounts Due in:		
Less than One Year	\$ 3,151,320	\$ 768,270
One to Five Years	-	115,521
Total	<u><u>\$ 3,151,320</u></u>	<u><u>\$ 883,791</u></u>

Contributions receivable as of December 31, 2022 and 2021, consist of 89% from one donor and 70% from four donors, respectively.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Furniture and Fixtures	\$ -	\$ 143,015
Website	151,868	151,868
Computer Software	123,487	123,487
Computer Hardware	<u>66,006</u>	<u>76,932</u>
Subtotal	341,361	495,302
Less: Accumulated Depreciation and Amortization	<u>(288,702)</u>	<u>(402,462)</u>
Total, Net	<u><u>\$ 52,659</u></u>	<u><u>\$ 92,840</u></u>

BOB WOODRUFF FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specific Purposes:		
Healthy Lifestyles and Creating Community	\$ 3,711,848	\$ 750,000
Rehabilitation and Recovery	5,000	87,500
Veterans on Wall Street	50,000	100,000
Communications and Fellow Support	500,981	149,149
LPSAT	-	69,180
Children's Mental Health	10,000	-
G6 Summit	580,271	-
Homelessness	-	148,800
Wheelchair Football	45,869	-
Workforce Development	75,000	110,000
VIVA	-	30,000
VIDA Seed Funding	-	12,000
Other	500	-
Total Subject to Expenditure for Specific Purposes	<u>4,979,469</u>	<u>1,456,629</u>
Subject to Expenditure for Time Purposes:		
Operating Costs	275,000	156,250
Future Stand Up For Heroes Events	100,000	334,521
Total Subject to Expenditure for Time Purposes	<u>375,000</u>	<u>490,771</u>
Total Net Assets With Donor Restrictions	<u>\$ 5,354,469</u>	<u>\$ 1,947,400</u>

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 \$813,562 and \$523,521 during the years ended December 31, 2022 and 2021, respectively. This is considered to be the exchange portion of the revenue and 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

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 \$2,022,036 and \$1,287,550 during the years ended December 31, 2022 and 2021, respectively.

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

	2022	2021
Program Services	\$ 1,415,425	\$ 901,285
Fundraising	606,611	386,265
Total	\$ 2,022,036	\$ 1,287,550

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 \$87,533 and \$84,777 for 2022 and 2021, 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.

Rent expense under the lease agreements, excluding pass through operating expenses and storage fees, amounted to \$218,141 for the years ended December 31, 2022 and 2021.

The lease expired on December 31, 2022 and was not renewed as the Foundation no longer leases office space.

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NOTE 12 TRANSACTIONS WITH RELATED PARTIES

During 2022, the Foundation received contributions from board members totaling \$3,144,017. Amounts due from board members totaled \$-0- as of December 31, 2022, and are included in Contributions Receivable in the accompanying statements of financial position.

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.

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:

	2022	2021
Financial Assets at Year-End:		
Cash	\$ 7,880,277	\$ 12,384,011
Investments	15,217,468	541,592
Accounts Receivable	-	19,093
Contributions Receivable, Net	3,151,320	883,791
Total Financial Assets	26,249,065	13,828,487
Less: Donor-Restricted Amounts Unavailable for		
General Expenditure	(4,929,470)	(1,427,640)
Total Financial Assets Available Within One Year	\$ 21,319,595	\$ 12,400,847



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