

**Woody Williams Foundation, Inc.  
(Non-Profit)**

**Financial Report  
(Audit)**

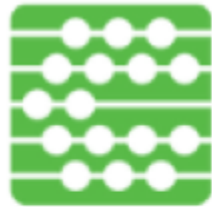
**December 31, 2021**

# Woody Williams Foundation, Inc.

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& C O M P A N Y

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**Independent Auditor's Report**

To the Board of Directors  
Woody Williams Foundation, Inc.  
Louisville, Kentucky

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

**Opinion**

We have audited the accompanying financial statements of Woody Williams Foundation, Inc. (a non profit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 Woody Williams Foundation, Inc. as of December 31, 2021 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepts in the United States of America.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Woody Williams Foundation, Inc.'s ability to continue as a going concern for the year ended December 31, 2021.

## **Auditor's 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 auditor's 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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.
- 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 Woody Williams Foundation, Inc.'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.

*CORWIN & COMPANY*

**CORWIN & COMPANY**

Wadsworth, Ohio

April 19, 2022

**Woody Williams Foundation, Inc.**  
**Statement of Financial Position**  
**December 31, 2021**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	150,670
Restricted cash		936,074
<b>Total Cash and Cash Equivalents</b>		1,086,744

Other Current Assets

Prepaid expenses		2,000
Investments		47,864
<b>Total Other Current Assets</b>		49,864

Property, Plant, & Equipment

Equipment		8,855
Less: Accumulated depreciation		(2,628)
<b>Net Property, Plant, and Equipment</b>		6,227

<b>TOTAL ASSETS</b>		<b>\$ 1,142,835</b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$	58,569
Accrued payroll		2,948
Accrued expenses		4,000
Loan payable		-
Other current liabilities		2,624
<b>TOTAL CURRENT LIABILITIES</b>		68,141

**LONG TERM LIABILITIES**

Long term debt		-
<b>TOTAL LONG TERM LIABILITIES</b>		-
<b>TOTAL LIABILITIES</b>		68,141

**NET ASSETS**

Unrealized gains on investments		20,827
Without donor restrictions		227,186
With donor restrictions		826,681
<b>Total Net Assets</b>		1,074,694

<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 1,142,835</b>
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The accompanying notes are an integral part of these financial statements.

**Woody Williams Foundation, Inc.**  
**Statement of Activities**  
**December 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Contributions			
In-Kind	\$ 500	\$ 10,641	\$ 11,141
Grants	-	-	-
Gov't and Non-Profits	125,119	735,369	860,488
Businesses	184,527	393,291	577,818
Individuals	146,946	302,128	449,074
Transfers	28,766	(28,766)	-
<b>Total Direct Public Support</b>	<u>485,858</u>	<u>1,412,663</u>	<u>1,898,521</u>
Miscellaneous Revenue			
Interest Income	278	-	278
PPP Loan	37,095	-	37,095
Other	-	-	-
<b>Total Miscellaneous Revenue</b>	<u>37,373</u>	<u>-</u>	<u>37,373</u>
<b>TOTAL REVENUES</b>	523,231	1,412,663	1,935,894
<b>EXPENSES</b>			
Accounting and Audit Fees	22,977	-	22,977
Banking and Processing Fees	1,587	3,139	4,726
Contributions	1,155	1,000	2,155
Community Outreach Promotional	5,904	3,477	9,381
Community Outreach Material	1,040	9,139	10,179
Community Outreach Events	6,564	2,265	8,829
Depreciation	1,033	-	1,033
Donor Drives and Expenses	37,674	(1,362)	36,312
Gold Star Family Memorials	9,938	1,039,086	1,049,024
Liability Insurance	1,474	673	2,147
Marketing and Media	28,013	5,512	33,525
Meals	3,085	-	3,085
Office	13,971	-	13,971
Payroll Taxes and Insurance	14,629	4,471	19,100
Postage	1,557	22	1,579
Printing and Copying	9,524	-	9,524
Rent	13,830	-	13,830
Salaries and Wages	145,659	86,271	231,930
Special Events	600	2,455	3,055
State Business Registrations	6,811	-	6,811
Travel	27,107	14,052	41,159
Website Maintenance	20,029	-	20,029
<b>Total Expenses</b>	<u>374,161.00</u>	<u>1,170,200</u>	<u>1,544,361</u>
Other (Income) Expense			
Other (Income) Expense	-	-	-
<b>Total Other (Income) Expense</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	\$ 149,070	\$ 242,463	\$ 391,533
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>78,116</u>	<u>584,218</u>	<u>662,334</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 227,186</u>	<u>\$ 826,681</u>	<u>\$ 1,053,867</u>

The accompanying notes are an integral part of these financial statements.

**Woody Williams Foundation, Inc.**  
**Statement of Functional Expenses**  
**December 31, 2021**

	<u>Fundraising</u>	<u>Administrative</u>	<u>Program</u>	<u>Total</u>
Accounting and Audit Fees	\$ -	\$ 9,191	\$ 13,786	\$ 22,977
Banking and Processing Fees	-	4,726		4,726
Contributions	-	-	2,155	2,155
Community Outreach Promotional	-	-	9,381	9,381
Community Outreach Material	-	-	10,179	10,179
Community Outreach Events	-	-	8,829	8,829
Depreciation	-	-	1,033	1,033
Donor Drives and Expenses	36,312	-	-	36,312
Gold Star Family Memorials	-	-	1,049,024	1,049,024
Liability Insurance	-	2,147	-	2,147
Marketing and Media	-	5,888	27,637	33,525
Meals	-	1,438	1,647	3,085
Office	-	13,971	-	13,971
Payroll Taxes and Insurance	393	3,372	15,335	19,100
Postage	-	1,579	-	1,579
Printing and Copying	-	952	8,572	9,524
Rent	-	13,830	-	13,830
Salaries and Wages	4,220	34,196	193,514	231,930
Special Events	3,055	-	-	3,055
State Business Registrations	-	6,811	-	6,811
Travel	528	2,877	37,754	41,159
Website Maintenance	2,003	4,006	14,020	20,029
<b>TOTAL</b>	<u>\$ 46,511</u>	<u>\$ 104,984</u>	<u>\$ 1,392,866</u>	<u>\$ 1,544,361</u>

The accompanying notes are an integral part of these financial statements.

**Woody Williams Foundation, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from contributors	\$ 1,935,616
Cash paid to vendors	(1,258,927)
Cash paid to employees	(251,226)
Interest/dividends received	278
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>425,741</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investments	(229)
Purchase of property, plant and equipment	(1,292)
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,521)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Loan payable	(54,000)
<b>CASH USED IN FINANCING ACTIVITIES</b>	<b>(54,000)</b>

<b>NET INCREASE IN CASH, CASH EQUIVALENTS &amp; RESTRICTED CASH</b>	370,220
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<b>CASH, CASH EQUIVALENTS &amp; RESTRICTED CASH - BEGINNING OF YEAR</b>	716,524
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<b>CASH, CASH EQUIVALENTS &amp; RESTRICTED CASH - END OF YEAR</b>	<b>\$ 1,086,744</b>
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The accompanying notes are an integral part of these financial statements.



**Woody Williams Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021**

**1. Nature of Operations**

Woody Williams Foundation, Inc. (the "Foundation") is 501(c)(3) which began operations in October 2010. The Foundation pursues specific endeavors and goals through the vision of Medal of Honor recipient Hershel "Woody" Williams. The Foundation encourages, with the assistance of the American public and community, the recognition of Gold Star Families and the tremendous sacrifices each has endured. The Foundation pursues establishing permanent Gold Star Families Memorial Monuments in communities throughout the country, providing scholarships to eligible Gold Star Families, as well as sponsoring and hosting outreach programs for Gold Star Families.

**2. Accounting Policies**

These financial statements have been prepared in accordance with generally accepted accounting principles. A summary of the Foundation's accounting policies are as follows:

Cash, Cash Equivalents and Restricted Cash - The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The following tables provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown in the statement of cash flows.

Cash and cash equivalents	\$ 150,670
Restricted funds	<u>936,074</u>
Total cash, cash equivalents, and restricted cash as shown on the statement of cash flows	<u>\$ 1,086,744</u>

Statement of Cash Flows - The Foundation did not pay any interest or Federal or State income taxes during 2021. In accordance with ASU 2018-16, "Statement of Cash Flows", restricted cash has been included in cash and cash equivalents in the accompanying Statement of Cash Flows.

Accounts Receivable and Revenue – Accounts receivable and revenue are recorded in the month the contribution is received.

Property, Equipment, and Depreciation – Property and equipment are recorded at cost. Donated assets are recorded at fair value at the date of donation. The Foundation capitalizes acquisitions of property and equipment over \$500. Repairs and maintenance costs are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful life of the asset, ten years for furniture and equipment.

Depreciation expense was \$1,033 for the year ended December 31, 2021.

Income Taxes – The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal, state, or local income taxes have been made in the accompanying financial statements.

The Financial Accounting Standards Board has provided guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are more-likely-than-not to be

See independent accountant's audit report.

**Woody Williams Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021**

sustained when challenged or when examined by the applicable taxing authority. There are no uncertain tax positions requiring recognition.

The Company has made a reasonable estimate of the tax impact of the CARES Act in its financial statements, and while the Company does not believe that there will be further material impacts to the financial statements related to the CARES Act tax provisions, the Company will continue to evaluate the impact of the CARES Act and any guidance provided by the U.S. Treasury and the IRS on its financial statements. It is possible our estimates could differ materially from the actual tax impact to us of the CARES Act.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Classification of Net Assets – The Foundation has adopted ASU 2016-14, “Not-For-Profit Entities: Presentation of Financial Statements of Not-For-Profit Entities.” This requires that net assets be reported in two classes as follows:

- Net assets without restrictions represent the portion of expendable funds that are available for support of the Foundation’s operations or that have been designated by the Board for a particular purpose.
- Net assets with donor restrictions represent donations requiring that the amount be used for a particular memorial to be built in a particular location.

Expenses are summarized and categorized based upon their functional classification as either program, administrative services or fundraising. Specific expenses that are readily identifiable to the program or service are charged directly to that function. Certain categories of expenses are attributable to more than one function; therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses are allocated on the basis of estimates of time and effort.

**3. Concentrations of Credit Risk**

At various times during the year ended December 31, 2021, bank balances have exceeded federally insured limits. At December 31, 2021, bank balances exceeded federally insured limits by \$825,817. The Foundation’s policy is to limit credit exposure on financial instruments and to place cash, cash equivalents and restricted cash with financial institutions that are credit worthy.

**4. Restricted Contribution Policy**

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

See independent accountant’s audit report.

**Woody Williams Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021**

**5. Investments**

Investments in securities are recorded at fair value and consist of common stock. The approximate fair value of these investments was \$47,864 at December 31, 2021 based on quoted market prices. The original basis of these investments was \$27,037. All investments are Level 1 investments based on the frequency and availability of market pricing and the ability to directly control the investment.

**6. SBA PPP Loan**

Woody Williams Foundation, Inc. was granted a loan ("Loan") in the amount of \$37,095 pursuant to the Paycheck Protection Program ("PPP") under the CARES Act. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent and utilities. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. As of December 31, 2021, the Company has recognized the full amount of the Loan as other income based upon its estimates of its satisfaction of the conditions of the Loan.

**7. Loan Payable**

The Foundation had a loan payable to the Calvin H. Reed Family Foundation for \$44,000 at December 31, 2020. The loan bears no interest rate and has no maturity date. The loan was an advance to pay a vendor for a specific project. This loan was paid in full in 2021.

**8. Long Term Debt**

The Foundation had a loan payable to Hershel "Woody" Williams for \$10,000 at December 31, 2020. The loan bears no interest rate and has no maturity date. The original loan was for the purpose of funding a matching requirement for a fundraiser held by The Matching Fund. The loan was paid in full in 2021.

**9. Donation of Airline Miles**

The Foundation received 3 million airline miles from a donor in 2021. The Foundation has 2,618,200 miles remaining at December 31, 2021. Because the value of the airline miles cannot be reasonably estimated, they are not recorded on the financial statements at December 31, 2021. The Foundation will use these miles for traveling to and from each memorial build.

**10. Liquidity**

The Foundation's primary source of revenue are contributions from donors. Because the Foundation's has an unrestricted revenue stream, the Foundation anticipates it will have no difficulty maintaining sufficient resources to meet any restrictions imposed by its donors during the upcoming year. The Foundation had \$936,074 in restricted cash at December 31, 2021. The Foundation also had \$150,670 in unrestricted cash and cash equivalents available to meet obligations for general expenditures.

**11. COVID-19 Pandemic**

The United States broadly continues to experience the COVID-19 pandemic, which has significantly disrupted, and likely will continue to significantly disrupt for some period, the nation's economy and the senior living industry. The extent to which the COVID-19 pandemic impacts the Company's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain

See independent accountant's audit report.

**Woody Williams Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021**

the pandemic or mitigate its impact and the direct and indirect economic effects of the pandemic and containment measures, among others. Management cannot predict if the COVID-19 pandemic will have a material or adverse effects on the Company's financial condition, results of operations or cash flows in the future.

**12. Subsequent Events**

No reportable subsequent events have been identified. Subsequent events were evaluated through April 20, 2022, which is the date the financial statements were available to be issued.

See independent accountant's audit report.