

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

**Financial Report  
(Audit)**

**December 31, 2023**

# Woody Williams Foundation, Inc.

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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, 2023, 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, 2023 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted 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, 2023.

### **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, but not for the purpose of expressing an opinion on the effectiveness of Woody Williams Foundation Inc.'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 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

July 8, 2024

**Woody Williams Foundation, Inc.**  
**Statement of Financial Position**  
**December 31, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash, cash equivalents, and restricted cash	\$ 633,579
Investments	27,024
<b>Total Current Assets</b>	660,603

**PROPERTY AND EQUIPMENT**

Equipment	8,007
Less: Accumulated depreciation	(3,168)
<b>Net Property and Equipment</b>	4,839

**TOTAL ASSETS**

**\$ 665,442**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 500
Accrued payroll	9,679
Accrued expenses	8,106
Other current liabilities	13,911

**TOTAL CURRENT LIABILITIES 32,196**

**TOTAL LIABILITIES 32,196**

**NET ASSETS**

Without donor restrictions	49,199
With donor restrictions	584,047
<b>TOTAL NET ASSETS</b>	633,246

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 665,442**

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

**Woody Williams Foundation, Inc.**  
**Statement of Activities**  
**December 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
<b>Contributions</b>			
Gov't and Non-Profits	\$ 220,310	\$ 665,788	\$ 886,098
Businesses	79,388	173,943	253,331
Individuals	45,805	241,833	287,638
Net assets released from restrictions	1,283,027	(1,283,027)	-
<b>Total Contributions</b>	<u>1,628,530</u>	<u>(201,463)</u>	<u>1,427,067</u>
<b>Miscellaneous Revenue</b>			
Investment income	3,700	-	3,700
Loss on disposal of equipment	(468)	-	(468)
Other	25	-	25
<b>Total Miscellaneous Revenue</b>	<u>3,257</u>	<u>-</u>	<u>3,257</u>
<b>TOTAL REVENUES</b>	1,631,787	(201,463)	1,430,324
<b>EXPENSES</b>			
Program services	1,444,465	-	1,444,465
Management and general	119,938	-	119,938
Fundraising	105,969	-	105,969
<b>TOTAL EXPENSES</b>	<u>1,670,372</u>	<u>-</u>	<u>1,670,372</u>
<b>CHANGE IN NET ASSETS</b>	(38,585)	(201,463)	(240,048)
<b>NET ASSETS - BEGINNING OF YEAR - AS PREVIOUSLY REPORTED</b>	165,356	707,938	873,294
<b>PRIOR PERIOD ADJUSTMENTS</b>	<u>(77,572)</u>	<u>77,572</u>	<u>-</u>
<b>NET ASSETS - BEGINNING OF YEAR - AS RESTATED</b>	<u>87,784</u>	<u>785,510</u>	<u>873,294</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 49,199</u>	<u>\$ 584,047</u>	<u>\$ 633,246</u>

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

**Woody Williams Foundation, Inc.**  
**Statement of Functional Expenses**  
**December 31, 2023**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting and Audit Fees	\$ 22,572	\$ 9,674	\$ -	\$ 32,246
Banking and Processing Fees	-	3,591	-	3,591
Contributions	6,073	-	-	6,073
Community Outreach Promotional	24,092	-	-	24,092
Community Outreach Material	2,134	-	-	2,134
Community Outreach Events	24,730	-	-	24,730
Depreciation	1,294	-	-	1,294
Donor Drives and Expenses	-	-	16,000	16,000
Gold Star Family Memorials	1,002,432	-	-	1,002,432
Liability Insurance	-	1,366	-	1,366
Marketing and Media	16,942	5,648	-	22,590
Meals	1,639	321	11,481	13,441
Office	1,956	14,313	2,188	18,457
Payroll Taxes and Insurance	20,315	3,773	4,934	29,022
Postage	1,559	935	623	3,117
Printing and Copying	3,238	360	-	3,598
Rent	-	21,175	-	21,175
Salaries and Wages	247,111	45,892	60,013	353,016
Scholarships	4,000	-	-	4,000
Special Events	-	-	5,894	5,894
State Business Registrations	-	5,444	-	5,444
Travel	38,137	5,902	1,749	45,788
Website Maintenance	26,241	1,544	3,087	30,872
<b>TOTAL</b>	<u>\$ 1,444,465</u>	<u>\$ 119,938</u>	<u>\$ 105,969</u>	<u>\$ 1,670,372</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, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from contributors	\$ 1,427,393
Cash paid to vendors	(1,328,995)
Cash paid to employees	(348,912)
Interest and dividends received	<u>258</u>
<b>CASH USED IN OPERATING ACTIVITIES</b>	<b>(250,256)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investments	(263)
Proceeds from sale of investments	3,449
Purchase of property and equipment	<u>(1,493)</u>
<b>CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b><u>1,693</u></b>

**NET DECREASE IN CASH, CASH EQUIVALENTS &  
RESTRICTED CASH**

(248,563)

**CASH, CASH EQUIVALENTS & RESTRICTED CASH -  
BEGINNING OF YEAR**

882,142

**CASH, CASH EQUIVALENTS & RESTRICTED CASH -  
END OF YEAR**

\$ 633,579

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

**Woody Williams Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2023**

**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 Foundation 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	\$ 49,531
Restricted funds	<u>584,048</u>
Total cash, cash equivalents, and restricted cash as shown on the statement of cash flows	<u>\$ 633,579</u>

Statement of Cash Flows - The Foundation did not pay any interest or Federal or State income taxes during 2023. 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.

On January 1, 2020, the Foundation adopted Accounting Standards Update 2014-09 ("ASC 606"), *Revenue from Contracts with Customers*, which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets. The majority of the Foundation's revenues come from donations, including governmental entities, other non-profit organizations, businesses and individuals. The Foundation also receives in kind donations. The revenue is recognized at the time the donations are received. The Foundation determined that there was no impact on the financial statements due to the adoption of this standard.

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.

See independent accountant's audit report.

**Woody Williams Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2023**

Depreciation is calculated using the straight-line method over the estimated useful life of the asset, 5-10 years for equipment.

Depreciation expense was \$1,294 for the year ended December 31, 2023.

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 Foundation's tax returns to determine whether the tax positions are more-likely-than-not to be sustained when challenged or when examined by the applicable taxing authority. There are no uncertain tax positions requiring recognition.

The Foundation has made a reasonable estimate of the tax impact of the CARES Act in its financial statements, and while the Foundation does not believe that there will be further material impacts to the financial statements related to the CARES Act tax provisions, the Foundation 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.

See independent accountant's audit report.

**Woody Williams Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2023**

**3. Concentrations of Credit Risk**

At various times during the year ended December 31, 2023, bank balances have exceeded federally insured limits. At December 31, 2023, bank balances exceeded federally insured limits by \$383,575. 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.

**5. Investments**

Investments in securities are recorded at fair value and consist of cash equivalents and equities. The approximate fair value of these investments was \$27,024 at December 31, 2023 based on quoted market prices. All investments are Level 1 investments based on the frequency and availability of market pricing and the ability to directly control the investment.

	<u>Level 1</u>
Cash equivalents	\$ 7,139
Equities	<u>19,885</u>
Total investments	<u>\$ 27,024</u>

**6. Donation of Airline Miles**

The Foundation did not receive any donated airline lines during 2023. The Foundation has 135,506 of donated airline miles remaining at December 31, 2023. Because the value of the airline miles cannot be reasonably estimated, they are not recorded on the financial statements at December 31, 2023. The Foundation will use these miles for traveling to and from each memorial build.

**7. Operating Leases**

On January 1, 2022, the Foundation adopted Accounting Standards Update ("ASU") 2016-02, Lease Accounting. This ASU requires companies to record a right to use asset and offsetting lease liability to be recorded on the balance sheet when operating leases meet certain requirements. The Foundation has determined that there is no impact on the financial statements for the year ended December 31, 2023 and has determined that their operating lease does not qualify for treatment under this new standard. The Foundation made an accounting policy election not to recognize lease assets and liabilities on the balance sheet with terms of 12 months or less and that do not include a purchase option that is "reasonably certain" to be exercised.

Beginning May 2018, the Foundation leased office space on a month to month basis. The monthly rent amount was approximately \$1,100 (January – May) and \$1,425 (June – December) for the year ended December 31, 2023. The Foundation also leases storage units on a month to month basis beginning October 2017. The monthly rent amount was approximately \$232 for the year ended

See independent accountant's audit report.

**Woody Williams Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2023**

December 31, 2023. For the year ended December 31, 2023, total rent expense was \$21,175. The Foundation has the ability to cancel both leases with five to seven days' advance written notice.

**8. Net Assets With Donor Restrictions**

Net assets with donor restrictions for the years ended December 31, 2023 consisted of the following:

Subject to expenditure for specified purpose:	
Location based restriction	\$ 579,252
Education	1,995
Operation caretaker	1,550
Other	1,250
	<u>\$ 584,047</u>

**9. 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 \$584,048 in restricted cash at December 31, 2023. The Foundation also had \$49,531 in unrestricted cash and cash equivalents available to meet obligations for general expenditures.

**10. Prior Period Adjustment**

The Foundation elected to correct \$77,572 of transfers between net assets without donor restrictions and net assets with donor restrictions during the year ended December 31, 2023 as a prior period adjustment as noted on the statement of activities. The prior period adjustment had no net effect on overall net assets.

**11. Subsequent Events**

No reportable subsequent events have been identified. Subsequent events were evaluated through July 12, 2024, which is the date the financial statements were available to be issued.

See independent accountant's audit report.