

WOODSON CENTER
COMPILED FINANCIAL STATEMENTS
December 31, 2021

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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Woodson Center
Washington, DC

Management is responsible for the accompanying financial statements of Woodson Center (the Center), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements

We are not independent with respect to Woodson Center.

Brown, Edwards & Company, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Charleston, West Virginia
May 26, 2022

WOODSON CENTER

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 8,892,606	\$ 3,995,226
Contributions receivable	200,000	400,000
Other receivables	5,303	157
Prepaid expenses and deposits	<u>10,102</u>	<u>2,410</u>
Total assets	<u>\$ 9,108,011</u>	<u>\$ 4,397,793</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 40,205	\$ 60,556
Accrued expenses	<u>95,578</u>	<u>69,580</u>
Total liabilities	<u>135,783</u>	<u>130,136</u>
NET ASSETS		
Without donor restrictions	7,009,672	4,125,340
With donor restrictions (Note 3)	<u>1,962,556</u>	<u>142,317</u>
Total net assets	<u>8,972,228</u>	<u>4,267,657</u>
Total liabilities and net assets	<u>\$ 9,108,011</u>	<u>\$ 4,397,793</u>

See Accountant's Compilation Report and Notes to Financial Statements.

WOODSON CENTER

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions and grants	\$ 5,826,239	\$ 1,820,239	\$ 7,646,478
Interest and dividends	6,996	-	6,996
Other	54,796	-	54,796
	<u>5,888,031</u>	<u>1,820,239</u>	<u>7,708,270</u>
EXPENSES			
Program service	2,412,809	-	2,412,809
Management and general	322,436	-	322,436
Fundraising	268,454	-	268,454
	<u>3,003,699</u>	<u>-</u>	<u>3,003,699</u>
Change in net assets	2,884,332	1,820,239	4,704,571
NET ASSETS, beginning	<u>4,125,340</u>	<u>142,317</u>	<u>4,267,657</u>
NET ASSETS, ending	<u>\$ 7,009,672</u>	<u>\$ 1,962,556</u>	<u>\$ 8,972,228</u>

See Accountant's Compilation Report and Notes to Financial Statements.

WOODSON CENTER

STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions and grants	\$ 6,271,823	\$ 142,317	\$ 6,414,140
Interest and dividends	3,561	-	3,561
Other	125,005	-	125,005
	<u>6,400,389</u>	<u>142,317</u>	<u>6,542,706</u>
EXPENSES			
Program service	1,965,527	-	1,965,527
Management and general	296,057	-	296,057
Fundraising	237,288	-	237,288
	<u>2,498,872</u>	<u>-</u>	<u>2,498,872</u>
Change in net assets	3,901,517	142,317	4,043,834
NET ASSETS, beginning	<u>223,823</u>	<u>-</u>	<u>223,823</u>
NET ASSETS, ending	<u>\$ 4,125,340</u>	<u>\$ 142,317</u>	<u>\$ 4,267,657</u>

See Accountant's Compilation Report and Notes to Financial Statements.

WOODSON CENTER

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 4,704,571	\$ 4,043,834
Adjustments to reconcile change in net assets to net cash used in operating activities:		
(Increase) decrease in operating assets:		
Grants receivable	-	14,345
Contributions receivable	200,000	(400,000)
Other receivables	(5,146)	3,481
Prepaid expenses and deposits	(7,692)	468
Increase (decrease) in operating liabilities:		
Accounts payable	(20,351)	38,017
Accrued expenses	25,998	(118,811)
	<u>4,897,380</u>	<u>3,581,334</u>
Net cash provided by operating activities		
	4,897,380	3,581,334
CASH AND CASH EQUIVALENTS, beginning	<u>3,995,226</u>	<u>413,892</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$ 8,892,606</u>	<u>\$ 3,995,226</u>

See Accountant's Compilation Report and Notes to Financial Statements.

WOODSON CENTER

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	Support Services			Total Support Services	Total
	Program Service	Development Campaign (Fundraising)	Management and General		
Salaries and benefits	\$ 683,559	\$ 92,752	\$ 83,147	\$ 175,899	\$ 859,458
Professional fees	317,372	24,631	30,084	54,715	372,087
Communicate, write, and research consultant fees	316,124	41,250	-	41,250	357,374
Digital media and information technology services	201,445	957	14,579	15,536	216,981
Community affiliate network grants and service fees	118,128	-	-	-	118,128
Office expenses and service fees	34,570	97,707	76,706	174,413	208,983
Grants and other assistance	414,816	-	-	-	414,816
Computer expenses	8,767	-	15,947	15,947	24,714
Insurance	-	-	5,815	5,815	5,815
Postage and delivery	5,335	1,512	1,597	3,109	8,444
Printing and publications	10,902	5,433	907	6,340	17,242
Advertising	79,892	40	-	40	79,932
Rent	-	-	74,764	74,764	74,764
Telecommunications	902	-	8,245	8,245	9,147
Conference and seminars	85,596	-	-	-	85,596
Travel and entertainment	69,783	4,172	4,652	8,824	78,607
Other	65,618	-	5,993	5,993	71,611
Total expenses	\$ 2,412,809	\$ 268,454	\$ 322,436	\$ 590,890	\$ 3,003,699

See Accountant's Compilation Report and Notes to Financial Statements.

WOODSON CENTER

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Service	Support Services			Total
		Development Campaign (Fundraising)	Management and General	Total Support Services	
Salaries and benefits	\$ 499,836	\$ 87,527	\$ 81,467	\$ 168,994	\$ 668,830
Professional fees	212,083	21,153	26,392	47,545	259,628
Communicate, write, and research consultant fees	187,039	7,500	1,786	9,286	196,325
Digital media and information technology services	284,600	20,187	1,879	22,066	306,666
Community affiliate network grants and service fees	385,725	2,150	8,530	10,680	396,405
Office expenses	16,102	98,500	25,103	123,603	139,705
Grants and other assistance	205,000	-	-	-	205,000
Computer expenses	270	90	6,193	6,283	6,553
Insurance	-	-	5,937	5,937	5,937
Postage and delivery	1,391	132	2,961	3,093	4,484
Printing and publications	3,844	-	2,115	2,115	5,959
Advertising	36,447	-	-	-	36,447
Rent	-	-	98,558	98,558	98,558
Telecommunication	1,082	-	8,904	8,904	9,986
Conference and banquets	43,910	-	4,500	4,500	48,410
Travel and entertainment	22,353	49	1,746	1,795	24,148
Other	65,845	-	19,986	19,986	85,831
Total expenses	\$ 1,965,527	\$ 237,288	\$ 296,057	\$ 533,345	\$ 2,498,872

See Accountant's Compilation Report and Notes to Financial Statements.

WOODSON CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Note 1. Description of Organization and Summary of Significant Accounting Policies

Organization

The Woodson Center (the Center) is a nonprofit organization incorporated in the District of Columbia. Since its founding in 1981, the Center has been dedicated to supporting the efforts of residents of low-income communities throughout the nation to promote community revitalization and supporting the efforts of low-income individuals and families to become self-sufficient and independent. Its mission is to empower neighborhood leaders to promote solutions that reduce crime and violence, restore families, revitalize low-income communities, and create economic enterprise. The Center has offered support for effective grassroots initiatives in the form of training, technical assistance, and linkages to sources of funding or other support.

Cash and cash equivalents

Cash and cash equivalents include demand deposits and money market funds with a financial institution and brokerage firm.

Contributions and grants

Contributions are recognized when cash, securities and other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a risk-adjusted discount rate applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Total amounts outstanding at December 31, 2021 and 2020, were \$200,000 and \$400,000, respectively, and no allowance for potential losses was considered necessary. At December 31, 2021 and 2020, all amounts outstanding were attributable to one donor, with the remainder to be received in 2022.

The Center analyzes grant agreements to determine whether such agreements constitute contributions or exchange transactions, and if determined to be contributions, whether such contributions are conditional or unconditional. Grant revenue is recognized as revenues increasing net assets without donor restrictions when the conditions and restrictions are met in the same period, or when the grants were initially determined to be conditional contributions.

Property and equipment

Property and equipment are recorded at cost at the date of purchase, or in the case of donated assets, at fair value at the date of receipt. Depreciation is calculated on a straight-line basis over the estimated useful lives of property and equipment, which range from three to five years. Equipment purchased with federal grant monies that cost up to \$5,000 are expensed as allowed by federal cost circulars. Maintenance and repairs are charged to operations as incurred and major improvements are capitalized. At December 31, 2021 and 2020, property and equipment of \$34,136 was fully depreciated.

(Continued)

WOODSON CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Net Assets Classification

The Center has classified its net assets and its revenues, gains, and losses, based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

- Without Donor Restriction – Net assets that are not subject to or are no longer subject to donor-imposed restrictions. Net assets without donor restriction are available for use by the Center. In addition, contributions received with donor-imposed restrictions are reported as without donor restriction provided restrictions are met in the same reporting period.
- With Donor Restriction – Net assets subject to stipulations imposed by donors. The Center's donor restrictions are temporary in nature, whose use is limited by donor-imposed time and/or purpose restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Expenses

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the various programs, fundraising and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and fundraising activities benefited. Such allocations are determined by management on an equitable basis based on time and effort.

Income taxes

The Center is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Center qualifies for charitable contributions deductions under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

Use of estimates

Certain estimates and assumptions are required by management in the preparation of the financial statements in accordance with generally accepted accounting principles (GAAP). Actual results in the near-term could differ from the estimates used to prepare these financial statements.

Reclassification

Certain 2020 amounts have been reclassified to conform to the 2021 presentation.

Subsequent events

Subsequent events were considered through May 26, 2022, the date the financial statements were available to be issued.

WOODSON CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Note 2. Liquidity Management

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The following table reflects the Center's financial assets as of December 31, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date. Amounts not available include net assets with donor restrictions.

	2021	2020
Cash and cash equivalents	\$ 8,892,606	\$ 3,995,226
Contribution receivable	200,000	400,000
Other receivable	5,303	157
Prepaid expenses and deposits	10,102	2,410
Total financial assets	9,108,011	4,397,793
Less:		
Amounts restricted by donors	1,962,556	142,317
Contributions receivable greater than one year	-	200,000
Prepaid and deposits	10,102	2,410
Financial assets available to meet cash needs for general expenditures within one year	\$ 7,135,353	\$ 4,053,066

Note 3. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes or in future periods as time restrictions expire:

	2021	2020
Subject to expenditure for specified purpose:		
Gothix	\$ 49,722	\$ -
Voices of Black Mothers United	107,261	-
Rosenwald School	250,000	-
1776 Unites	1,555,573	142,317
1776 Unites	\$ 1,962,556	\$ 142,317

Note 4. Retirement Plan

The Center maintains a defined contribution retirement plan (the Plan) under Section 403(b) of the Internal Revenue Code which covers all full-time employees. Employees are eligible to contribute up to the IRS maximum allowable portion of their annual salary. At the end of the second year of service, the Center will begin contributing to the Plan on behalf of the participant. Contributions from the Center range from 3% to 5% of each eligible employee's annual salary based on years of service. Retirement expense was approximately \$27,400 and \$26,200 for 2021 and 2020, respectively.

WOODSON CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Note 5. Concentrations

During 2021 and 2020, approximately 26% and 32%, respectively, of the Center's contribution revenue were received from two donors.

Note 6. Credit Risk

Financial instruments which potentially subject the Center to concentrations of credit risk consist of cash and cash equivalents. Cash and cash equivalents include demand deposits and money market funds with a financial institution and brokerage firm. To limit concentration of credit risk, demand deposits are protected under the Federal Depository Insurance Corporation (FDIC) up to \$250,000, and money market funds are protected under the Securities Investor Protection Corporation (SIPC) up to \$500,000.

Note 7. Lease

The Center leases its office space through one year lease terms in place through June 30, 2023. Rent expense for the years ended December 31, 2021 and 2020, was \$74,764 and \$98,558, respectively.

Future minimum payments required under the lease are as follows:

Year ending December 31,

2022	\$ 88,316
2023	<u>\$ 44,158</u>
	<u>\$ 132,474</u>