

WOODS FUND OF CHICAGO
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018



CLAconnect.com

**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

**WOODS FUND OF CHICAGO
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION (CASH BASIS)	3
STATEMENTS OF ACTIVITIES (CASH BASIS)	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
NOTES TO FINANCIAL STATEMENTS	7



INDEPENDENT AUDITORS' REPORT

Board of Directors
Woods Fund of Chicago
Chicago, Illinois

We have audited the accompanying financial statements of the Woods Fund of Chicago, which comprise the statements of financial position (cash basis) as of December 31, 2019 and 2018, and the related statements of activities (cash basis) and functional expenses, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of the Woods Fund of Chicago as of December 31, 2019 and 2018, and its revenue and expenses for the years then ended, in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
November 13, 2020

**WOODS FUND OF CHICAGO
STATEMENTS OF FINANCIAL POSITION (CASH BASIS)
DECEMBER 31, 2019 AND 2018**

	2019	2018
ASSETS		
Cash and Temporary Cash Investments	\$ 1,295,932	\$ 1,038,002
Investments:		
Mutual and Hedge Funds, at Cost	45,597,634	48,070,983
Partnership Interests, at Cost	7,144,222	5,095,955
Total Assets	\$ 54,037,788	\$ 54,204,940
NET ASSETS		
Net Assets Without Donor Restrictions	\$ 53,628,697	\$ 54,131,416
Net Assets With Donor Restrictions	409,091	73,524
Total Net Assets	\$ 54,037,788	\$ 54,204,940

See accompanying Notes to Financial Statements.

**WOODS FUND OF CHICAGO
STATEMENTS OF ACTIVITIES (CASH BASIS)
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
REVENUES, GAINS, AND LOSSES WITHOUT DONOR RESTRICTIONS		
Investment Income:		
Interest on Cash and Temporary Cash Investments	\$ 18,512	\$ 12,844
Dividends	533,640	572,692
Realized Gain on Sale of Hedge and Mutual Funds	800,575	255,924
Realized Gain on Partial Liquidation of Partnership Interests	1,777,218	1,615,301
Capital Gains Distributions	297,965	432,088
Other Income:		
Class Action Settlements	18,441	2,910
Net Assets Released from Donor Restrictions	225,763	527,154
Total Revenues, Gains, and Losses	3,672,114	3,418,913
EXPENSES		
Program	3,023,888	3,257,174
Management and General	1,150,945	1,098,219
Total Expenses	4,174,833	4,355,393
 Decrease in Net Assets Without Donor Restrictions	(502,719)	(936,480)
REVENUE WITH DONOR RESTRICTIONS		
Contributions - Truth, Racial Healing, and Transformation	561,330	326,358
Net Assets Released from Donor Restrictions	(225,763)	(527,154)
Increase (Decrease) in Net Assets With Donor Restrictions	335,567	(200,796)
CHANGE IN NET ASSETS	(167,152)	(1,137,276)
Net Assets - Beginning of Year	54,204,939	55,342,216
NET ASSETS - END OF YEAR	\$ 54,037,787	\$ 54,204,939

See accompanying Notes to Financial Statements.

**WOODS FUND OF CHICAGO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	<u>Program Services</u>		<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
	<u>Grant Making</u>	<u>Truth, Racial Healing and Transformation</u>			
Grants	\$ 2,798,125	\$ 46,000	\$ 2,844,125	\$ -	\$ 2,844,125
Compensation of Officers, Directors, and Key Employees	-	-	-	285,278	285,278
Other Employee Salaries and Wages	-	-	-	215,600	215,600
Employee Benefits	-	-	-	104,239	104,239
Legal Fees	-	-	-	6,050	6,050
Accounting Fees	-	-	-	29,590	29,590
Other Professional Fees	-	97,818	97,818	165,225	263,043
Taxes	-	-	-	87,223	87,223
Occupancy	-	-	-	115,261	115,261
Travel, Conferences, and Meetings	-	77,783	77,783	34,988	112,771
Printing and Publications	-	-	-	1,339	1,339
Miscellaneous Expenses	-	4,162	4,162	106,152	110,314
Total	<u>\$ 2,798,125</u>	<u>\$ 225,763</u>	<u>\$ 3,023,888</u>	<u>\$ 1,150,945</u>	<u>\$ 4,174,833</u>

See accompanying Notes to Financial Statements.

**WOODS FUND OF CHICAGO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	<u>Program Services</u>		<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
	<u>Grant Making</u>	<u>Truth, Racial Healing and Transformation</u>			
Grants	\$ 2,730,020	\$ 98,250	\$ 2,828,270	\$ -	\$ 2,828,270
Compensation of Officers, Directors, and Key Employees	-	-	-	319,537	319,537
Other Employee Salaries and Wages	-	-	-	317,233	317,233
Employee Benefits	-	-	-	161,546	161,546
Legal Fees	-	-	-	1,138	1,138
Accounting Fees	-	-	-	29,118	29,118
Other Professional Fees	-	273,743	273,743	32,221	305,964
Taxes	-	-	-	22,492	22,492
Occupancy	-	-	-	104,894	104,894
Travel, Conferences, and Meetings	-	151,194	151,194	40,119	191,313
Miscellaneous Expenses	-	3,967	3,967	69,921	73,888
Total	<u>\$ 2,730,020</u>	<u>\$ 527,154</u>	<u>\$ 3,257,174</u>	<u>\$ 1,098,219</u>	<u>\$ 4,355,393</u>

See accompanying Notes to Financial Statements.

**WOODS FUND OF CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Woods Fund of Chicago (the Fund) was created pursuant to a Plan of Reorganization for Woods Charitable Fund, Inc. (Charitable Fund) and was incorporated in the state of Illinois on November 16, 1993, as a charitable corporation not for pecuniary gain. In accordance with the Asset Transfer Agreement, 70% of the market value of assets of the Charitable Fund was allocated to the Fund. The Fund is a grant-making foundation whose goal is to increase opportunities for less-advantaged people and communities in the metropolitan area, including the opportunity to shape decisions affecting them. The Fund works primarily as a funding partner with nonprofit organizations. The Fund supports nonprofits in their important roles of engaging people in civic life, addressing the causes of poverty and other challenges facing the region, promoting more effective public policies, reducing racism and other barriers to equal opportunity, and building a sense of community and common ground. The Fund's primary sources of revenue are investment income and realized gains. The Fund's fiscal year ends on December 31. Significant accounting policies followed by the Fund are presented below.

Basis of Accounting

The financial statements of the Fund have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred.

Financial Statement Presentation

The Fund is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions are available to finance the general operations of the Fund. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Fund, the environment in which it operates and the purposes specified in the articles of incorporation. Net assets without donor restrictions include net assets subject to designations that may be imposed or removed at the discretion of the Fund's board of directors.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations, either by purpose and/or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity and the income earned thereon used in accordance with the donor's stated purpose. The Fund has no net assets of a perpetual nature as of December 31, 2019 and 2018.

Temporary Cash Investments

The Fund considers all highly liquid investments to be temporary cash investments. The Fund's temporary cash investments consist of money market funds.

**WOODS FUND OF CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable equity securities and partnerships are stated at cost. The Fund evaluates partnership interests yearly for impairment.

Refunds from Grants Awarded to Other Funds

Unexpended balances of grants awarded by the Fund are required to be returned to the Fund. Grant refunds to the Fund are recorded when received.

Income Taxes

The Fund has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 (IRC) as an organization described in Section 501(c)(3) of the IRC. The Fund is a private foundation as described in Section 509(a) and qualifies for the charitable contribution deduction under Section 170(b). It is subject to a 2% (1% if certain criteria are met) federal excise tax on net investment income, including realized gains, as defined by the IRC. Current excise taxes were provided at 2% for 2019 and 2018. The Fund is also liable for any taxes on unrelated business net income.

The Fund determined that it was not required to record a liability related to uncertain tax positions.

Functional Allocation of Expenses

The Fund is a grant-making entity, which supports nonprofits in their important roles of engaging people in civic life, addressing the causes of poverty and other challenges facing the region, promoting more effective public policies, reducing racism and other barriers to equal opportunity, and building a sense of community and common ground. Grants paid and consulting services are directly charged to program services. All other expenses are charged to management and general.

Reclassification

Prior year amounts have been reclassified, where appropriate, to conform to the current year method of presentation. These changes had no impact to the change in net assets.

NOTE 2 LIQUIDITY

As part of the Fund's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Fund utilizes a minimum 5% spending threshold for grants awarded annually.

**WOODS FUND OF CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 LIQUIDITY (CONTINUED)

The following reflects the Fund's financial assets as of the statement of financial position date based on the cash basis of accounting:

	<u>2019</u>	<u>2018</u>
Financial Assets, as of December 31:		
Cash and Cash Equivalents	\$ 1,295,932	\$ 1,038,002
Investments in Mutual and Hedge Funds, at Cost	<u>45,597,634</u>	<u>48,070,983</u>
Total Financial Assets	46,893,566	49,108,985
Less:		
Donor Restricted Funds	<u>(409,091)</u>	<u>(73,524)</u>
Total Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 46,484,475</u>	<u>\$ 49,035,461</u>

NOTE 3 INVESTMENTS

The Fund's investments are carried at cost. Fair values at December 31, 2019 and 2018 were determined as follows:

- Investments in mutual and hedge funds at net asset value.
- Partnership interests by the Fund's partnership equity, plus its allocated portion of income, expense, and unrealized appreciation or depreciation of partnership assets.

The total fair value of the Fund's investments, cash, and temporary cash investments at December 31, 2019 and 2018 is \$67,099,247 and \$62,482,692, respectively.

Mutual and Hedge Funds

Investments in mutual and hedge funds are stated at cost. Fair values and unrealized appreciation at December 31, 2019 and 2018 are summarized as follows:

<u>December 31, 2019</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Mutual Funds	\$ 36,578,835	\$ 44,945,111	\$ 8,366,276
Hedge Funds	9,018,799	9,831,637	812,838
Total	<u>\$ 45,597,634</u>	<u>\$ 54,776,748</u>	<u>\$ 9,179,114</u>
<u>December 31, 2018</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Mutual Funds	\$ 39,052,184	\$ 42,463,074	\$ 3,410,890
Hedge Funds	9,018,799	9,039,211	20,412
Total	<u>\$ 48,070,983</u>	<u>\$ 51,502,285</u>	<u>\$ 3,431,302</u>

**WOODS FUND OF CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 INVESTMENTS (CONTINUED)

Mutual and Hedge Funds (Continued)

The following summarizes the investment return, which includes interest on cash and temporary cash investments and investments:

	2019	2018
Interest Income	\$ 18,512	\$ 12,844
Dividends	533,640	572,692
Net Realized Gains	2,577,793	1,871,225
Capital Gains Distributions	297,965	432,088
Total Investment Return	<u>\$ 3,427,910</u>	<u>\$ 2,888,849</u>
Management Fee, Included in Net Realized Gains	<u>\$ 151,190</u>	<u>\$ 155,205</u>

Partnership and Member Interests

During the year ended December 31, 2019 and 2018, the Fund was a limited partner in eleven and nine partnerships, respectively. These investments require certain capital commitments and are stated at cost. The fair value of these investments is computed as the value of the Fund's equity, plus its allocated portion of income, expense, and unrealized appreciation, or depreciation of assets as determined by each individual entity.

Fair value of partnership and member interests presented on the following page is as of the most recent information available. Fair value of Private Equity Core Fund II, L.P., Private Equity Core Fund III, L.P., Aberdeen International Partners, L.P., Aberdeen U.S. Private Equity III, LP, Aberdeen Real Asset Partners, L.P., Oaktree Real Estate Debt Fund II, CBRE Strategic Partners U.S. Value 7, L.P., and Warburg Pincus Private Equity XII is as of December 31, 2019 audited information. Fair value of Warburg Pincus Global Growth, L.P. and Obvious Ventures III, L.P., is as of December 31, 2019 unaudited information. Fair value of Neighborhood Rejuvenation Partners, L.P. is shown at a nominal value due to the uncertainty of realizing value on the underlying assets.

**WOODS FUND OF CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 INVESTMENTS (CONTINUED)

	Neighborhood Rejuvenation Partners, L.P.	Private Equity Core Fund (QP) II, L.P.	Private Equity Core Fund (QP) III, L.P.	Aberdeen International Partners, L.P.	Aberdeen U.S. Private Equity III (INV), L.P.	Aberdeen Real Assets Partners, L.P.	CBRE Strategic Partners U.S. Value 7, L.P.	Warburg Pincus Private Equity XII	Warburg Pincus Global Growth	Oaktree Real Estate Debt Fund II	Obvious Ventures III	Total
Investment at December 31, 2017	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 235,568	\$ 2,482,398	\$ 2,622,400	\$ -	\$ 504,000	\$ -	\$ 5,844,367
Capital Contributions	-	5,940	9,805	20,000	46,000	18,500	99,325	1,223,750	-	816,000	-	2,239,320
Withdrawals and Distributions	-	(5,940)	(9,805)	(20,000)	(46,000)	(112,698)	(2,581,723)	(141,477)	-	(70,089)	-	(2,987,732)
Investment at December 31, 2018	1	-	-	-	-	141,370	-	3,704,673	-	1,249,911	-	5,095,955
Capital Contributions	-	-	-	-	-	27,750	-	1,284,250	882,750	240,000	210,000	2,644,750
Withdrawals and Distributions	-	-	-	-	-	(85,541)	-	(334,942)	-	(176,000)	-	(596,483)
Investment at December 31, 2019	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,579</u>	<u>\$ -</u>	<u>\$ 4,653,981</u>	<u>\$ 882,750</u>	<u>\$ 1,313,911</u>	<u>\$ 210,000</u>	<u>\$ 7,144,222</u>
Gain on Partnership Interests (Distributions in Excess of Basis)	<u>\$ -</u>	<u>\$ 61,050</u>	<u>\$ 455,100</u>	<u>\$ 238,586</u>	<u>\$ 640,959</u>	<u>\$ -</u>	<u>\$ 381,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,777,219</u>
Initial Capital Commitment	<u>\$ 1,000,000</u>	<u>\$ 1,650,000</u>	<u>\$ 1,850,000</u>	<u>\$ 1,000,000</u>	<u>\$ 2,300,000</u>	<u>\$ 1,850,000</u>	<u>\$ 4,000,000</u>	<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>	<u>\$ 4,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 31,650,000</u>
Capital Contributed to Date as of December 31, 2019	<u>\$ 1,000,000</u>	<u>\$ 1,589,115</u>	<u>\$ 1,778,220</u>	<u>\$ 980,000</u>	<u>\$ 2,300,000</u>	<u>\$ 1,794,500</u>	<u>\$ 4,000,000</u>	<u>\$ 5,172,750</u>	<u>\$ 882,750</u>	<u>\$ 1,560,000</u>	<u>\$ 210,000</u>	<u>\$ 21,267,335</u>
Unfunded Commitment	<u>\$ -</u>	<u>\$ 60,885</u>	<u>\$ 71,780</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 55,500</u>	<u>\$ -</u>	<u>\$ 327,250</u>	<u>\$ 4,617,250</u>	<u>\$ 2,440,000</u>	<u>\$ 2,790,000</u>	<u>\$ 10,382,665</u>
Valuation Date	n/a	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	
Fair Value	<u>\$ -</u>	<u>\$ 160,582</u>	<u>\$ 680,068</u>	<u>\$ 499,542</u>	<u>\$ 516,997</u>	<u>\$ 291,467</u>	<u>\$ 711,028</u>	<u>\$ 6,040,617</u>	<u>\$ 804,604</u>	<u>\$ 1,546,014</u>	<u>\$ 179,306</u>	<u>\$ 11,430,225</u>

Redemption Frequency

The Fund cannot redeem its limited partnership interest in any form, including a sale, transfer, exchange, assignment, pledge, gift, encumbrance, swap or other disposition, without the written consent of the General Partner.

**WOODS FUND OF CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2019</u>	<u>2018</u>
Subject to Expenditure for Specific Purpose:		
W.K. Kellogg Foundation Grant - Truth, Racial Healing & Transformation	<u>\$ 409,091</u>	<u>\$ 73,524</u>

Net assets released from donor restrictions consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Subject to Expenditure for Specific Purpose:		
W.K. Kellogg Foundation Grant - Truth, Racial Healing & Transformation	<u>\$ 225,763</u>	<u>\$ 527,154</u>

NOTE 5 OPERATING LEASES AND LICENSE AGREEMENTS

The Fund leased its office facilities under an operating lease which commenced on January 1, 2011, and expires on May 31, 2021. Under this lease, the Fund is required to share building operating and maintenance costs and taxes. A cash security deposit of \$11,600 was paid in lieu of a letter of credit during 2013 and recorded as additional rent expense given cash basis. The deposit is expected to be returned upon conclusion of the lease agreement.

In August 2019, the Fund entered into a license arrangement for shared office space with an unrelated third party, which commences on the later of March 1, 2020 or the date work is substantially complete on the premises, through August 31, 2033. Included in the agreement is a credit against rent of approximately \$125,000 less any sublease income the Fund would receive from its existing lease agreement, for the period from March 1, 2020 through May 31, 2021. The agreement includes escalating payments over its term.

Future minimum rental payments under these agreements for the years ended December 31 are summarized as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 102,419
2021	117,808
2022	126,690
2023	130,491
2024	134,405
Thereafter	<u>1,347,661</u>
Total	<u>\$ 1,959,474</u>

**WOODS FUND OF CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 5 OPERATING LEASES AND LICENSE AGREEMENTS (CONTINUED)

Total rent and equipment lease expense was \$109,530 and \$99,184 for the years ended December 31, 2019 and 2018, respectively.

NOTE 6 NONCONTRIBUTORY RETIREMENT PLAN

The Fund sponsors a simplified employee pension (SEP) plan qualified under Section 408(k) of the IRC. The plan is available to all employees 21 years of age and older who have performed at least one year of service in the immediately preceding five years. Contributions are at the discretion of the Fund. During the years ended December 31, 2019 and 2018, the Fund made contributions in the amount of \$48,046 and \$41,760, respectively.

NOTE 7 GRANTS AUTHORIZED BUT UNPAID

Total grants authorized but unpaid at December 31, 2019 and 2018 were \$260,000 and \$340,000, respectively.

NOTE 8 RELATED PARTY TRANSACTIONS

The board of directors (board members) are compensated for their involvement on the board. During the current year, some board members opted to waive their fees. For the years ended December 31, 2019 and 2018, total fees for all directors were \$-0- and \$5,000, respectively. These fees are considered to be part of ordinary expenses of the Fund and are included in "Compensation of Officers, Directors, and Key Employees" in the statements of activities (cash basis).

NOTE 9 CONCENTRATIONS OF CREDIT RISK

The Fund maintains its cash in one commercial bank located in Chicago, Illinois. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. At times, the Fund's cash balances may exceed federally insured limits; however, the Fund has not experienced any losses in such account and limits its exposure to credit risk by maintaining its cash in highly reputable institutions.

**WOODS FUND OF CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 10 W.K. KELLOGG FOUNDATION GRANT TO SUPPORT TRUTH, RACIAL HEALING & TRANSFORMATION

On June 5, 2017, the Fund was awarded a \$1,500,000 grant from the W.K. Kellogg Foundation to support strong trust-building and rigorous truth-telling for the proliferation of healing, dissemination of new narratives, and development of cutting edge research on racial bias and inequality fueling transformation that drives the Truth, Racial Healing & Transformation (TRHT). The Fund has discretion over the amounts paid to sub-grantees. In 2019 and 2018, the Fund received \$561,330 and \$326,358 for this initiative and incurred \$46,000 and \$98,250 in grants paid or expenses related to operating the initiative, respectively. The fund has \$409,091 and \$73,524 of unspent funds for this program, which are included in net assets with donor restrictions as of December 31, 2019 and 2018, respectively.

NOTE 11 SUBSEQUENT EVENTS

Management evaluated subsequent events through November 13, 2020, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2019, but prior to November 13, 2020, that provided additional evidence about conditions that existed at December 31, 2019, have been recognized in the financial statements for the year ended December 31, 2019. Events or transactions that provided evidence about conditions that did not exist at December 31, 2019, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended December 31, 2019.

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, business, and communities. Specific to the Fund, COVID-19 may impact various parts of its 2020 operations and financial results. Investment markets have experienced significant fluctuations since December 31, 2019. Management believes the Fund is taking appropriate actions to mitigate the negative impact from these events. However, the full impact of these events is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

