

**WOMEN IN MILITARY SERVICE FOR AMERICA
MEMORIAL FOUNDATION, INC.**

**FINANCIAL STATEMENTS
AND UNIFORM GUIDANCE REPORTS**

DECEMBER 31, 2021 AND 2020

TABLE OF CONTENTS

	<u>Page Numbers</u>
Independent Auditor's Report.....	1-3
Statements of Financial Position	4-5
Statements of Activities	6-7
Statements of Functional Expenses.....	8-9
Statements of Cash Flows	10
Notes to Financial Statements	11-21
Supplementary Information:	
Schedule of Expenditures of Federal Awards	22
Notes to Schedule of Expenditures of Federal Awards	23
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24-25
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	26-28
Schedule of Findings and Questioned Costs	29

Independent Auditor's Report

To the Board of Directors
Women In Military Service For America Memorial Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Women In Military Service For America Memorial Foundation, Inc. ("Foundation"), a nonprofit 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 the Foundation as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance 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 and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Foundation 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.

Prior Period Financial Statements

The financial statements of Women In Military Service For America Memorial Foundation, Inc. as of December 31, 2020 were audited by other auditors whose report dated June 18, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management 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, 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditor's Report (Continued)

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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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.

Independent Auditor's Report (Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2022, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Gross, Mendelsohn & Associates, P.A.

Baltimore, Maryland
June 24, 2022

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 434,113	\$ 2,569,354
Grant and pledges receivable, current, net	776,505	74,162
Other receivables	6,014	46,789
Inventory	125,664	86,977
Prepaid expenses	85,092	29,743
Total Current Assets	<u>1,427,388</u>	<u>2,807,025</u>
Property, net	<u>233,862</u>	263,914
Memorial, Net	<u>7,231,459</u>	<u>8,005,664</u>
Other Assets		
Investments held for long term purposes	2,751,397	2,577,011
Pledges receivable, net of current portion	48,426	48,426
Security deposit and other assets	30,036	31,294
Total Other Assets	<u>2,829,859</u>	<u>2,656,731</u>
Total Assets	<u>\$ 11,722,568</u>	<u>\$ 13,733,334</u>

	<u>2021</u>	<u>2020</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 696,804	\$ 360,268
Deferred revenue	101,712	-0-
Refundable advances	-0-	1,335,081
Deferred lease obligation	404,108	429,270
Capital lease obligation	7,482	14,635
Total Current Liabilities	<u>1,210,106</u>	<u>2,139,254</u>
Non-Current Liabilities		
Paycheck protection program (PPP) loan	-0-	229,600
Capital lease obligation, net of current portion	-0-	7,482
Deferred lease obligation	174,809	202,052
Total Non-Current Liabilities	<u>174,809</u>	<u>439,134</u>
Total Liabilities	<u>1,384,915</u>	<u>2,578,388</u>
Commitments (Notes 7, 9, 10 and 13)		
Net Assets		
Without donor restrictions		
Board designated - net cost of memorial	7,231,459	8,005,664
Undesignated	2,849,194	2,987,064
Total without donor restrictions	<u>10,080,653</u>	<u>10,992,728</u>
With donor restrictions	257,000	162,218
Total Net Assets	<u>10,337,653</u>	<u>11,154,946</u>
Total Liabilities and Net Assets	<u>\$ 11,722,568</u>	<u>\$ 13,733,334</u>

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

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Statements of Activities
Years Ended December 31, 2021 and 2020

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Federal grant revenue	\$ 2,228,586	\$ -0-	\$ 2,228,586
Grants and contributions	2,885,222	268,000	3,153,222
Forgiveness of PPP Loan	229,600	-0-	229,600
Memorial events	185,899	-0-	185,899
Product sales, net of cost of goods sold	159,235	-0-	159,235
Net investment return	8,966	21	8,987
Anniversary celebration and other	15,489	-0-	15,489
Net assets released from restrictions	173,239	(173,239)	-0-
Total Support and Revenue	<u>5,886,236</u>	<u>94,782</u>	<u>5,981,018</u>
Expenses			
Program services:			
Education	<u>5,221,530</u>	-0-	<u>5,221,530</u>
Supporting Services:			
Management and general	879,567	-0-	879,567
Fundraising	697,214	-0-	697,214
Total Support Services	<u>1,576,781</u>	-0-	<u>1,576,781</u>
Total Expenses	<u>6,798,311</u>	-0-	<u>6,798,311</u>
Change in Net Assets	(912,075)	94,782	(817,293)
Net Assets at Beginning of Year	<u>10,992,728</u>	<u>162,218</u>	<u>11,154,946</u>
Net Assets at End of Year	<u><u>\$ 10,080,653</u></u>	<u><u>\$ 257,000</u></u>	<u><u>\$ 10,337,653</u></u>

2020

Without Donor Restrictions	With Donor Restrictions	Total
\$ 2,386,371	\$ -0-	\$ 2,386,371
3,350,840	140,005	3,490,845
-0-	-0-	-0-
25,570	-0-	25,570
21,452	-0-	21,452
10,385	-0-	10,385
17,422	-0-	17,422
109,573	(109,573)	-0-
<u>5,921,613</u>	<u>30,432</u>	<u>5,952,045</u>
<u>4,562,811</u>	<u>-0-</u>	<u>4,562,811</u>
748,327	-0-	748,327
372,136	-0-	372,136
<u>1,120,463</u>	<u>-0-</u>	<u>1,120,463</u>
<u>5,683,274</u>	<u>-0-</u>	<u>5,683,274</u>
238,339	30,432	268,771
<u>10,754,389</u>	<u>131,786</u>	<u>10,886,175</u>
<u>\$ 10,992,728</u>	<u>\$ 162,218</u>	<u>\$ 11,154,946</u>

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

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Statements of Functional Expenses
Years Ended December 31, 2021 and 2020

	2021				
	Education	Management and General	Fundraising	Cost of Goods Sold	Total
Personnel expenses					
Salaries and wages	\$ 1,476,274	\$ 405,185	\$ 150,359	\$ -0-	\$ 2,031,818
Payroll taxes	114,183	31,339	11,630	-0-	157,152
Employee benefits	87,669	24,062	8,929	-0-	120,660
Total personnel expenses	1,678,126	460,586	170,918	-0-	2,309,630
Professional and consulting fees	1,176,042	260,497	270,872	-0-	1,707,411
Depreciation and amortization	1,071,477	7,536	2,797	-0-	1,081,810
Software and database development	445,542	17,253	6,402	-0-	469,197
Occupancy	235,795	64,717	24,016	-0-	324,528
Memorial utilities	210,034	-0-	-0-	-0-	210,034
Cost of products sold or given away	-0-	-0-	-0-	190,076	190,076
Solicitation/fundraising expense	-0-	-0-	116,907	-0-	116,907
Event expense	74,789	20,527	7,617	-0-	102,933
Repairs and maintenance	95,131	-0-	-0-	-0-	95,131
Exhibit and equipment purchases	82,845	5,060	1,878	-0-	89,783
Interest and bank fees	-0-	523	82,562	-0-	83,085
Office supplies	56,433	10,557	3,918	-0-	70,908
Telephone	30,654	8,414	3,122	-0-	42,190
Insurance	26,063	7,153	2,655	-0-	35,871
Equipment rental	7,891	1,149	426	-0-	9,466
Taxes	5,570	1,521	564	-0-	7,655
Miscellaneous	25,138	14,074	2,560	-0-	41,772
Total Expenses	5,221,530	879,567	697,214	190,076	6,988,387
Less: Cost of goods sold, netted in the statements of activities	-0-	-0-	-0-	(190,076)	(190,076)
Total Expenses reported in the statements of activities	<u>\$ 5,221,530</u>	<u>\$ 879,567</u>	<u>\$ 697,214</u>	<u>\$ -0-</u>	<u>\$ 6,798,311</u>

2020

Education	Management and General	Fundraising	Cost of Goods Sold	Total
\$ 995,822	\$ 318,454	\$ 20,221	\$ -0-	\$ 1,334,497
83,009	26,545	1,686	-0-	111,240
95,103	30,413	1,931	-0-	127,447
1,173,934	375,412	23,838	-0-	1,573,184
1,407,422	232,335	230,441	-0-	1,870,198
948,789	10,947	695	-0-	960,431
387,798	3,939	-0-	-0-	391,737
237,102	75,822	4,815	-0-	317,739
146,324	-0-	-0-	-0-	146,324
-0-	-0-	-0-	21,046	21,046
-0-	-0-	108,843	-0-	108,843
18,051	-0-	-0-	-0-	18,051
32,447	672	43	-0-	33,162
10,268	3,124	198	-0-	13,590
63,512	20,310	1,290	-0-	85,112
47,091	2,323	148	-0-	49,562
40,958	3,573	227	-0-	44,758
21,775	6,963	442	-0-	29,180
7,189	1,113	71	-0-	8,373
7,429	1,359	272	-0-	9,060
12,722	10,435	813	-0-	23,970
4,562,811	748,327	372,136	21,046	5,704,320
-0-	-0-	-0-	(21,046)	(21,046)
\$ 4,562,811	\$ 748,327	\$ 372,136	\$ -0-	\$ 5,683,274

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

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (817,293)	\$ 268,771
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,081,810	960,431
Donated investments	-0-	(36,166)
Unrealized losses on investments	148	-0-
Realized gains on investments	(4,352)	(171)
Forgiveness of PPP loan	(229,600)	-0-
Changes in operating assets and liabilities:		
Grant and pledges receivable	(702,343)	2,412
Other receivables	40,775	61,909
Inventory	(38,687)	(21,803)
Prepaid expenses and other assets	(54,091)	13,855
Accounts payable and accrued expenses	82,843	(303,843)
Deferred revenue	101,712	-0-
Refundable advances	(1,335,081)	(921,371)
Deferred lease obligations	(52,405)	(42,877)
Net Cash Used in Operating Activities	<u>(1,926,564)</u>	<u>(18,853)</u>
Cash Flows from Investing Activities		
Purchases of investments	(184,697)	(14,028)
Proceeds from sales of investments	14,515	36,337
Acquisition of property	(23,860)	-0-
Acquisition of memorial assets	-0-	(910,380)
Net Cash Used in Investing activities	<u>(194,042)</u>	<u>(888,071)</u>
Cash Flows from Financing Activities		
Proceeds from borrowings from PPP loan program	-0-	229,600
Payments on capital lease obligation	(14,635)	(10,694)
Net Cash Provided by (Used in) Financing Activities	<u>(14,635)</u>	<u>218,906</u>
Net Decrease in Cash and Cash Equivalents	(2,135,241)	(688,018)
Cash and Cash Equivalents at Beginning of Year	<u>2,569,354</u>	<u>3,257,372</u>
Cash and Cash Equivalents at End of Year	<u>\$ 434,113</u>	<u>\$ 2,569,354</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid	<u>\$ 497</u>	<u>\$ 926</u>
Noncash investing and financing activities		
Acquisition of memorial assets through accounts payable	<u>\$ 253,693</u>	<u>\$ -0-</u>

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

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 1: Nature of Organization and Summary of Significant Accounting Policies

Women In Military Service For America Memorial Foundation, Inc. (the Foundation) is a nonprofit organization incorporated on September 6, 1985, under the provisions of the District of Columbia Nonprofit Corporation Act. The Foundation was authorized by Congress in Public Law 99-610 to construct a memorial on federal land in the District of Columbia and its environs (the Memorial) to help educate the general public regarding the contributions of women who serve or have served in the armed forces of the United States of America. These activities are funded primarily through contributions, product sales, and grants.

The Memorial is the only major national memorial that honors and pays tribute to all women who have been or are in America's armed forces; tells the story of their dedication, commitment and sacrifice; makes their historic contributions a visible part of America's national heritage; illustrates their partnership with men in defense of the nation; and inspires others to emulate, follow, and surpass them. The Memorial houses a Court of Valor and an Education Center, which includes a Hall of Honor, exhibit gallery, theater, and a computer database of the records of servicewomen called the Register. Through the Register, the general public may access photos, military histories, and the individual stories of servicewomen. The Memorial was dedicated and placed in service in October 1997.

The accounting and reporting policies of the Foundation conform to accounting principles generally accepted in the United States of America. Following is a description of the most significant of those policies:

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Foundation classifies all investments which are readily convertible to cash and which have a maturity of three months or less when purchased as cash equivalents. Cash and cash equivalents held by investment custodians are not included in cash and cash equivalents but rather are treated as investments.

Grant Receivable and Refundable Advances: Grant receivable consists of amounts to be reimbursed to the Foundation for expenses incurred in excess of cash received under its grant with the U.S. Department of Defense. Refundable advances consists of amounts advanced to the Foundation for draws in excess of expenses incurred under its grant with the U.S. Department of Defense.

Pledges Receivable: Unconditional promises to give are recorded as pledges receivable and recognized as revenue in the period the pledge is received. Unconditional promises to give in a future period are discounted to their net present value at the time the revenue is recorded. A provision is made for uncollectible pledges based on anticipated collection losses. Estimated losses are generally determined from historical collection experience and review of outstanding pledges receivable. Pledges receivable are written off by management when, in their determination, all appropriate collection efforts have been taken. The management of the Foundation has reviewed its outstanding pledges receivable for collectability and has determined that the pledges are fully collectible; therefore, no allowance for uncollectible pledges has been established.

Inventory: Inventory is recorded at the lower of cost or net realizable value using the average cost method and consists of memorabilia relating to the Memorial and the Foundation's educational mission.

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)

Property and Depreciation: Property is stated at cost or, if donated, at the approximate fair value at the date of donation, less accumulated depreciation. The Foundation capitalizes all property acquisitions in excess of \$5,000 having an estimated useful life of more than one year. Expenditures for maintenance and routine repairs are charged to expense as incurred; expenditures for improvements and major repairs that materially extend the useful lives of assets are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	3 - 5 years
Furniture and office equipment	3 - 10 years
Leasehold improvements	12 years

Memorial Construction and Related Costs: Direct costs of designing and constructing the Memorial were capitalized as incurred and are depreciated on a straight-line basis over an estimated useful life of approximately 30 years. Structural repairs including the fountain craft work and HVAC system replacement and repairs are depreciated on a straight-line basis over estimated useful lives of 20 and 39 years, respectively. Data Register development costs, which are included in capitalized Memorial costs, represent the costs, including direct labor of the Foundation's staff, associated with establishing the National Data Registry to honor women veterans. The Data Register is depreciated on a straight-line basis over an estimated useful life of approximately 30 years. Education Center development costs, which are included in capitalized Memorial costs, represent the costs, including direct labor of the Foundation's staff through the dedication date of the Memorial, associated with creating and compiling the exhibits to honor women veterans and educate visitors at the Memorial. The Education Center is also depreciated on a straight-line basis over an estimated useful life of approximately 30 years.

Investments: Investments with readily determinable fair values are reported at fair value in the statements of financial position. Investments, whose fair values are not readily determinable, are recorded at cost. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses on investments are reported in the statements of activities as part of net investment return.

Deferred Lease Obligations: The Foundation has entered into a lease agreement for office space which contain annual rent escalations. As a result, the Foundation is recognizing rent expense on a straight-line basis over the terms of the lease, including any rent escalations. Deferred lease obligations represents the difference between rent expense recognized to date and the actual payments made to date.

Net Assets: Net assets, revenue, support, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, the net cost of the Memorial.

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)

Net Assets 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. 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.

Revenue Recognition: The Foundation reports gifts and grants of cash and other assets as unrestricted support available for general operations, unless specifically restricted by the donor. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

Revenue recognized on non-federal grants and contributions that have been committed to the Foundation but have not been received is reflected as grants and pledges receivable in the accompanying statements of financial position.

Revenue from the federal award is a conditional grant, a non-reciprocal transaction. Accordingly, revenue is recognized as allowable direct costs are incurred. Amounts received from the awarding agency in excess of amounts recognized are recorded as refundable advances in the statements of financial position.

Revenue from sales of products primarily relates to the Foundation's gift shop and mail order services and is recognized as the goods are sold.

The Foundation recognizes bequests in the year in which the promise to give becomes unconditional, which is at the time the probate court declares the will valid, and the proceeds are measurable in amount.

In-Kind Contributions and Donated Services: In-kind contributions of gifts, services and facilities are recognized at their fair market value at the time of donation. Donated services are recorded as contributions to the extent that the services (a) create or enhance a nonfinancial asset or (b) require specialized skills, are performed by individuals possessing those skills, and would otherwise be purchased if they were not donated. Other donated services that do not meet these requirements are not recorded. In-kind contributions are reported as contribution revenue as well as expenses or property based upon the nature of the in-kind contribution.

Functional Allocation of Expenses: The costs of providing various programs and other support activities have been summarized on a functional basis and by natural classification in the statements of functional expenses. Costs that can be identified with specific programs or support services are allocated directly. Costs that cannot be specifically identified with a particular function and that benefit more than one functional category are allocated based on the estimates such a time and effort or other criteria.

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)

Income Taxes: The Foundation is exempt from federal and state income taxes under Internal Revenue Code §501(c)(3). Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state income taxes. The Foundation did not incur any unrelated business income for the years ended December 31, 2021 and 2020. The Foundation's federal exempt organization tax returns are subject to examination by the IRS, generally for a period of three years after the returns are filed.

Recent Accounting Pronouncements: The Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*, which will be effective for fiscal years beginning after December 15, 2021. The distinction between finance leases and operating leases is substantially similar to the distinction between capital leases and operating leases in the previous guidance on leases. Lessor accounting is also largely unchanged. For lessees, leases under both categories will be reported on the statement of financial position as a depreciable right-to-use asset and a related liability to make lease payments. The asset and liability should be initially measured at the present value of the lease payments, including payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. The asset will be depreciated and the liability will be reduced by lease payments. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. Management has elected not to early adopt the standard and will assess the future impact of any leases on the financial statements.

Reclassification: Certain amounts previously reported in the financial statements for the year ended December 31, 2020 have been reclassified to conform to the financial statement presentation for the year ended December 31, 2021.

Subsequent Events: In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 24, 2022, the date the financial statements were available to be issued. During the period January 1, 2022 through June 24, 2022, the Foundation did not have any material recognizable subsequent events.

Note 2: Liquidity and Availability of Funds

A summary of the financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	2021	2020
Cash and cash equivalents	\$ 434,113	\$ 2,569,354
Grant and contributions receivable	776,505	74,162
Other receivables	6,014	46,789
Less: Net assets with donor restrictions	(257,000)	(162,218)
Financial Assets Available for General Expenditure	<u>\$ 959,632</u>	<u>\$ 2,528,087</u>

The Foundation also holds investments for long-term purposes of \$2,751,397 and \$2,577,011 as of December 31, 2021 and 2020, respectively. Although the Foundation does not intend to spend from investments other than the amount budgeted during its annual budget approval and appropriation, amounts from its investments could be made available, if necessary.

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 3: Grant and Pledges Receivable

Pledges receivable as of December 31, 2021 and 2020 are as follows:

	2021	2020
Grants	\$ 609,505	\$ -0-
Pledges	215,426	122,588
Total	<u>\$ 824,931</u>	<u>\$ 122,588</u>

Pledges receivable consisted of the following at December 31, 2021 and 2020:

	2021	2020
Receivables due in less than one year	\$ 167,000	\$ 74,162
Receivables due in one to five years	50,000	50,000
	<u>217,000</u>	<u>124,162</u>
Less: Present value discount at 3.15%	1,574	1,574
Total	<u>\$ 215,426</u>	<u>\$ 122,588</u>

Grant and pledges receivable have been reflected in the statements of financial position as follows:

	2021	2020
Current	\$ 776,505	\$ 74,162
Noncurrent	48,426	48,426
	<u>\$ 824,931</u>	<u>\$ 122,588</u>

Note 4: Investments

Investments consisted of the following as of December 31, 2021 and 2020:

	2021	2020
Money market funds	\$ 2,631,974	\$ 2,505,313
Mutual funds, EFT	18,971	-0-
U.S. Treasury Obligations	100,452	71,698
Total Investments	<u>\$ 2,751,397</u>	<u>\$ 2,577,011</u>

Net investment return for the years ended December 31, 2021 and 2020 was comprised of the following:

	2021	2020
Interest and dividends	\$ 4,783	\$ 10,214
Net realized gain	4,352	171
Unrealized gain (loss)	(148)	-0-
Net investment return	<u>\$ 8,987</u>	<u>\$ 10,385</u>

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 5: Fair Value Measurement

Generally accepted accounting principles (GAAP) establishes a framework for measuring fair value. The 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 as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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. In determining the appropriate levels, the Foundation performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. The valuation techniques used by the Foundation include the following:

Money Market Funds: Valued at original cost, which equals fair value.

Mutual Funds EFT: Valued at the last sales price reported on the active market in which the individual fund is traded.

U.S. Treasury Obligations: Valued using inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads.

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 5: Fair Value Measurement (Continued)

The tables below present the balances of investments measured at fair value on a recurring basis by level within the hierarchy as of December 31, 2021 and 2020:

	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 2,631,974	\$ 2,631,794	\$ -0-	\$ -0-
Mutual funds, EFT	18,971	18,971	-0-	-0-
U.S. Treasury Obligations	100,452	-0-	100,452	-0-
	<u>\$ 2,751,397</u>	<u>\$ 2,650,765</u>	<u>\$ 100,452</u>	<u>\$ -0-</u>
	December 31, 2020			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 2,505,313	\$ 2,505,313	\$ -0-	\$ -0-
U.S. Treasury Obligations	71,698	-0-	71,698	-0-
	<u>\$ 2,577,011</u>	<u>\$ 2,505,313</u>	<u>\$ 71,698</u>	<u>\$ -0-</u>

Note 6: Property and Equipment

Property consisted of the following at December 31, 2021 and 2020:

	2021	2020
Computer equipment	\$ 106,089	\$ 141,787
Leasehold improvements	326,916	326,916
Furniture and office equipment	518,804	494,945
	<u>951,809</u>	<u>963,648</u>
Less: Accumulated depreciation	717,947	699,734
Net Property	<u>\$ 233,862</u>	<u>\$ 263,914</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$53,912 and \$61,859, respectively.

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 7: Memorial

Capitalized memorial costs consisted of the following at December 31, 2021 and 2020:

	2021	2020
Construction costs	\$ 19,170,676	\$ 19,170,676
Memorial Development	4,740,060	3,264,955
Data Register Development	2,904,525	2,014,200
Education Center Development	1,384,958	1,384,958
Work in progress	253,693	2,365,430
	<u>28,453,912</u>	<u>28,200,219</u>
Less: Accumulated depreciation	21,222,453	20,194,555
Net Memorial	<u>\$ 7,231,459</u>	<u>\$ 8,005,664</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$1,027,898 and \$898,572, respectively.

The Foundation entered into a construction contract related to the building renovations for the interior of the Memorial. The total amount of this contract is \$3,480,472, of which \$253,693 has been incurred through December 31, 2021.

Note 8: Short-Term Borrowings

On September 20, 2021, the Foundation obtained a \$1,000,000 revolving line of credit agreement with Truist Bank, which is evidenced by a promissory demand note. Borrowings under the line of credit bear interest at the Prime rate plus 1.31% (4.56% as of December 31, 2021) and are payable in monthly payments of interest through September 20, 2022, at which time the outstanding balance becomes due. The line of credit is collateralized by a continuing security interest in all of the assets of the Foundation. As of December 31, 2021, there was no outstanding balance due under the line of credit.

Note 9: Paycheck Protection Program

The Foundation applied for and received funds in the amount of \$229,600 under the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The proceeds are considered a forgivable loan, assuming certain qualified expenses, primarily payroll related expenses, are incurred during the period of eight-weeks to 24-weeks, commencing on the date of the loan agreement (June 5, 2020). Any portion of this loan that does not qualify for forgiveness is subject to an interest rate of 1%. The loan document requires monthly principal installments plus interest commencing one month after the earlier of the date the SBA officially forgives only a portion of the loan; the date the SBA denies forgiveness; or 10 months after the end of the 24-week period. The loan had a maturity date of May 5, 2022. This was reported as a loan at December 31, 2020. The Foundation applied for and received full forgiveness of the PPP loan on April 23, 2021, and the proceeds have been included on the statements of activities as forgiveness of PPP loan.

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 10: Capital Lease Obligation

During 2017, the Foundation began leasing a mail machine under the terms of a non-cancellable lease that expired in May 2022. Amortization of the cost of the leased property is included in depreciation. Accumulated amortization of the leased equipment as of December 31, 2021 and 2020 was \$65,625 and \$51,563, respectively.

As of December 31, 2021, future minimum lease payments under the capital lease obligation are as follows:

Year Ending December 31:		
2022	\$	7,566
Less: Amount representing interest at 2.98%		<u>84</u>
Present value of future minimum lease payments	\$	<u><u>7,482</u></u>

Interest expense on the capital lease obligation amounted to \$497 and \$926 for the years ended December 31, 2021 and 2020, respectively.

Note 11: Net Assets with Donor Restrictions

At December 31, net assets with donor restrictions were as follows:

	<u>2021</u>	<u>2020</u>
Purpose and time restricted		
GEICO - Time Restricted	\$ 100,000	\$ -0-
Leidos - Time Restricted	50,000	100,000
Northrop Grumman - Time Restricted	50,000	-0-
N. Busse Bequest - Purpose Restricted	20,000	20,000
Flour Foundation - Purpose Restricted	20,000	20,000
VA Humanities - Purpose Restricted	15,000	-0-
Tricia Ward - Time Restricted	2,000	-0-
Sarah Marjorie Kelley Scholarship Fund - Purpose Restricted	-0-	17,123
LTC Margaret L. Ellerman, USA Ret., Scholarship Fund - Purpose Restricted	-0-	<u>5,095</u>
Net Assets with Donor Restrictions	<u><u>\$ 257,000</u></u>	<u><u>\$ 162,218</u></u>

Note 12: In-Kind Contributions

The Foundation recognized donated equipment in the amount of \$6,670 for the year ended December 31, 2021. In-kind donated equipment of \$4,846, \$1,330, and \$494 are included in educational, management and general expenses, and fundraising, respectively, for the year ended December 31, 2021.

The Foundation recognized donated material in the amount of \$1,704 for the year ended December 31, 2021. In-kind donated materials of \$1,518, \$136, and \$50 are included in educational, management and general expenses, and fundraising, respectively, for the year ended December 31, 2021.

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 12: In-Kind Contributions (Continued)

The Foundation recognized donated services in the amount of \$34,933 and \$209,873 during the years ended December 31, 2021 and 2020, respectively, which are included in the grants and contributions revenue in the accompanying statements of activities. In-kind contributed services of \$34,933 are included in management and general expenses, for the year ended December 31, 2021. In-kind contributed services of \$120,000 and \$89,873 are included in educational activities and management and general expenses, respectively, for the year ended December 31, 2020.

Note 13: Lease Commitments

Leased Facility: The Foundation has a noncancelable operating lease for office space, which expires on June 30, 2027. Annual rent increases and lease incentives are being amortized over the life of the lease. As a result, the Foundation is recognizing rent expense on the straight-line basis over the lease term. The unamortized portion resulting from the difference between the amounts paid and expensed comprise the deferred lease obligation in the statements of financial position.

Office rent expense totaled \$306,759 and \$299,160 for the years ended December 31, 2021 and 2020, respectively.

Future minimum lease payments required under the office space leases are as follows:

Year Ending December 31:	
2022	\$ 365,041
2023	375,070
2024	385,363
2025	395,939
2026	406,843
Thereafter	<u>594,249</u>
	<u><u>\$ 2,522,505</u></u>

Leased Equipment: The Foundation leases various office equipment under noncancelable operating leases. Expiration dates range from February 2022 through January 2026. Rental expense under these leases was \$5,761 and \$4,662 for the years ended December 31, 2021 and 2020, respectively.

Future minimum annual lease payments for each of the years subsequent to December 31, 2021 are as follows:

Year Ending December 31:	
2022	\$ 2,300
2023	1,620
2024	1,620
2025	1,620
2026	<u>135</u>
	<u><u>\$ 7,295</u></u>

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Financial Statements
December 31, 2021 and 2020

Note 14: Retirement Plan

The Foundation maintains a 401(k) plan covering all employees who have completed 1,000 hours of service during the plan year. Under this plan, participating employees may contribute up to the statutory dollar limit, and employee deferrals are vested gradually during 5 years. The Foundation can make matching contributions, the amount of which is discretionary and based on an employee's annual compensation. The Foundation may also make profit sharing contributions at its discretion, which will be allocated among all eligible employees. Employer contributions totaled \$20,046 and \$-0- for the years ended December 31, 2021 and 2020, respectively.

Note 15: Other Matters

Uninsured Balances: The Foundation maintains its cash balances in various financial institutions. Periodically during the year, the Foundation's cash balances may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to significant risk on its cash balances.

Financial Risk: The Foundation invests in a professionally managed portfolio that may contain U.S. treasury obligations, mutual funds and money market funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

Federal Awards: The Foundation received \$2,228,046 and \$2,386,371 in federal awards during the years ended December 31, 2021 and 2020, respectively. Amounts received and expended by the Foundation under the federal program are subject to audit by government agencies. Management believes that adjustments, if any, which might result from audits or inquiries by government agencies would not have a material impact on the financial position of the Foundation.

Major Customers: Approximately 37% and 40% (\$2,228,046 and \$2,386,371) of the Foundation's revenue for the years ended December 31, 2021 and 2020, respectively, was derived from grants awarded by an agency of the U.S. Government. Any interruption of this relationship (i.e., the failure to renew grant agreements or withholding funds) may adversely affect the Foundation's ability to finance ongoing operations.

National Health Emergency: In March 2020, the President of the United States declared a national emergency due to a viral pandemic. The declaration of the national emergency and similar declarations made by various states, and the outbreak of the virus itself, have had far reaching social, economic, and financial impacts on the United States. The pandemic continues and at this time, the impact on the operations and financial status of the Foundation cannot be determined.

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2021

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Pass-Through Entity Identifying Numbers	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Defense				
Congressionally Directed Assistance	12.599	HQ00341710001	\$ -0-	\$ 1,619,621
Congressionally Directed Assistance	12.599	W9124J2110001	-0-	608,965
Total Expenditures of Federal Awards			\$ -0-	\$ 2,228,586

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Women In Military Service For America Memorial Foundation, Inc. ("Foundation") under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The Organization has elected not to use the 10% *de minimus* indirect cost rate allowed under the Uniform Guidance.

**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Board of Directors
Women In Military Service For America Memorial Foundation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Women In Military Service For America Memorial Foundation, Inc. ("Foundation"), 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, and have issued our report thereon dated June 24, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards (Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gross, Mendelson & Associates, P. A.

Baltimore, Maryland
June 24, 2022

**Independent Auditor's Report on Compliance for Each Major
Program and on Internal Control over Compliance
Required by the Uniform Guidance**

To the Board of Directors
Women In Military Service For America Memorial Foundation, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Women In Military Service For America Memorial Foundation, Inc.'s ("Foundation") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended December 31, 2021. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

**Independent Auditor's Report on Compliance for Each Major
Program and on Internal Control over Compliance
Required by the Uniform Guidance (Continued)**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Independent Auditor's Report on Compliance for Each Major
Program and on Internal Control over Compliance
Required by the Uniform Guidance (Continued)**

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gross, Mendelsohn & Associates, P.A.

Baltimore, Maryland
June 24, 2022

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Women In Military Service For America Memorial Foundation, Inc. were prepared in accordance with accounting principles generally accepted in the United States of America.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Women In Military Service For America Memorial Foundation, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Women In Military Service For America Memorial Foundation, Inc. expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.
7. The program tested as a major program was:

Assistance Listing	Federal Program Title
12.599	Congressionally Directed Assistance

8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Women In Military Service For America Memorial Foundation, Inc. was determined to be a low-risk auditee as defined by the Uniform Guidance.

Financial Statement Audit

No findings were reported.

Findings and Questioned Costs - Major Federal Award Program Audit

No findings were reported.

Summary Schedule of Prior Audit Findings

No findings were reported in the prior year.

