

**The Hershel Woody Williams Congressional Medal of Honor
Education Foundation
(Non-Profit)**

**Financial Report
(Audit)**

December 31, 2019

The Hershel Woody Williams Congressional

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Independent Auditor's Report

To the Board of Directors
The Hershel Woody Williams Congressional Medal of Honor Education Foundation
Louisville, Kentucky

We have audited the accompanying financial statements of The Hershel Woody Williams Congressional Medal of Honor Education Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, 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 accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditor's 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 financial position of The Hershel Woody Williams Congressional Medal of Honor Education Foundation as of December 31, 2019, 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.

R.W. Corwin & Company

RW CORWIN & COMPANY, INC.

Wadsworth, Ohio

April 23, 2020

**The Hershel Woody Williams Congressional Medal of Honor Education
Foundation
Statement of Financial Position
December 31, 2019**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 130,422
Restricted Cash	586,874
Total Cash and Cash Equivalents	717,296

Other Current Assets	
Accounts Receivable	-
Investments	3,594
Total Other Current Assets	3,594

Property, Plant, & Equipment	
Equipment	6,219
Less: Accumulated Depreciation	(739)
Net Property, Plant, and Equipment	5,480

TOTAL ASSETS	\$ 726,370
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 104,950
Accrued payroll	1,257
Other current liabilities	7,238
TOTAL CURRENT LIABILITIES	113,445

LONG TERM LIABILITIES

Long Term Debt	10,000
TOTAL LONG TERM LIABILITIES	10,000
TOTAL LIABILITIES	123,445

NET ASSETS

Unrealized Gains/(Loss) on Investments	488
Without Donor Restrictions	144,825
With Donor Restrictions	457,612
Total Net Assets	602,925

TOTAL LIABILITIES AND NET ASSETS	\$ 726,370
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The accompanying notes are an integral part of these financial statements.

**The Hershel Woody Williams Congressional Medal of Honor Education
Foundation
Statement of Activities
For the Year Ended December 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Direct Public Grants	\$ -	\$ 110,000	\$ 110,000
Contributions	221,561	842,188	1,063,749
Total Direct Public Support	<u>221,561</u>	<u>952,188</u>	<u>1,173,749</u>
Miscellaneous Revenue			
Special Events Income	13,490	-	13,490
Interest Income	-	333	333
Other	-	-	-
Total Miscellaneous Revenue	<u>13,490</u>	<u>333</u>	<u>13,823</u>
TOTAL REVENUES	235,051	952,521	1,187,572
EXPENSES			
Fundraising			
Travel	-	-	-
Special Events	9,588	1,659	11,247
Total Fundraising	<u>9,588</u>	<u>1,659</u>	<u>11,247</u>
Program Expense			
Community Outreach	4,076	208	4,284
Foundation Hats	559	-	559
Program Supplies	1,007	16,769	17,776
Lapel Pins	3,584	509	4,093
Foundation Shirts	64	-	64
Memorial Flowers	72	-	72
Contributions	1,000	1,100	2,100
Challenge Coin	2,206	8,310	10,516
Key Chains	1,223	278	1,501
Patches	2,710	-	2,710
Other	2,546	-	2,546
Gold Star Family Memorials			
Frisco, TX Memorial	-	5,000	5,000
Elkin, NC Memorial	-	1,500	1,500
Perrysburg, OH Memorial	-	3,835	3,835
Phoenix, AZ Memorial	5,000	-	5,000
Forks, WA Memorial	-	10,000	10,000
Mansfield, OH Memorial	-	41,135	41,135
Parkersburg, WV Memorial	-	47,862	47,862
Charleston, WV Memorial	-	56,872	56,872
San Diego, CA Memorial	-	14,850	14,850
Wheeling, WV Memorial	-	55,558	55,558
Fort Walla Walla Memorial	-	44,710	44,710
Pocatello, ID Memorial	10	95,270	95,280
West Palm Beach, FL Memorial	-	35,000	35,000

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

**The Hershel Woody Williams Congressional Medal of Honor Education
Foundation
Statement of Activities
For the Year Ended December 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Keller, TX Memorial	\$ -	\$ 16,219	\$ 16,219
Gainesville, TX Memorial	-	49,070	49,070
Havre De Grace Memorial	-	400	400
Little Rock, AR Memorial	-	168,195	168,195
Frankfort, KY Memorial	-	68,871	68,871
North Ogden, UT Memorial	-	16,215	16,215
Total Memorial Contributions	<u>5,010</u>	<u>730,562</u>	<u>735,572</u>
Total Program Expense	24,057	757,736	781,793
Travel and Meetings			
Meals	3,040	456	3,496
Travel	32,155	15,756	47,911
Conference, Convention, Meeting	408	-	408
Other	-	284	284
Total Travel and Meetings	<u>35,603</u>	<u>16,496</u>	<u>52,099</u>
Operations			
Internet	199	-	199
Membership/Dues	95	-	95
Advertising	3,987	-	3,987
Banking and Processing Fees	477	2,268	2,745
Books, Subscriptions, Reference	495	-	495
Supplies	3,643	260	3,903
Printing and Copying	9,700	176	9,876
Postage, Mailing Service	2,399	685	3,084
Other	-	-	-
Total Operations	<u>20,995</u>	<u>3,389</u>	<u>24,384</u>
Facilities			
Rent, Parking, Utilities	11,180	-	11,180
Depreciation	342	-	342
Total Facility Expenses	<u>11,522</u>	<u>-</u>	<u>11,522</u>
Payroll Expenses			
Payroll Taxes	7,711	736	8,447
Salaries and Wages	83,196	28,818	112,014
Total Payroll Expenses	<u>90,907</u>	<u>29,554</u>	<u>120,461</u>
Contract Services			
Accounting Fees	13,797	-	13,797
Outside Contract Services	31,316	9,555	40,871
Total Contract Services	<u>45,113</u>	<u>9,555</u>	<u>54,668</u>
Business Expenses			
Business Registration Fees	3,524	-	3,524
Total Business Expenses	<u>3,524</u>	<u>-</u>	<u>3,524</u>

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

**The Hershel Woody Williams Congressional Medal of Honor Education
Foundation**

**Statement of Activities
For the Year Ended December 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Other Expense			
Insurance	\$ 2,253	\$ -	\$ 2,253
Other	1,660	239	1,899
Total Other Expense	<u>3,913</u>	<u>239</u>	<u>4,152</u>
TOTAL EXPENSES	<u>245,222</u>	<u>818,628</u>	<u>1,063,850</u>
OPERATING LOSS	<u>(10,171)</u>	<u>133,893</u>	<u>123,722</u>
CHANGE IN NET ASSETS	\$ (10,171)	\$ 133,893	\$ 123,722
NET ASSETS - BEGINNING OF YEAR	<u>154,996</u>	<u>323,719</u>	<u>478,715</u>
NET ASSETS - END OF YEAR	<u>\$ 144,825</u>	<u>\$ 457,612</u>	<u>\$ 602,437</u>

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

**The Hershel Woody Williams Congressional Medal of Honor Education
Foundation
Statement of Functional Expenses
For the Year Ended December 31, 2019**

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Fundraising				
Travel	\$ -	\$ -	\$ -	\$ -
Special Events	-	-	11,247	11,247
Program Expense				
Community Outreach	4,284	-	-	4,284
Foundation Hats	559	-	-	559
Program Supplies	17,776	-	-	17,776
Lapel Pins	4,093	-	-	4,093
Foundation Shirts	64	-	-	64
Memorial Flowers	72	-	-	72
Contributions	2,100	-	-	2,100
Challenge Coins	10,516	-	-	10,516
Dry Cleaning	-	-	-	-
Car Magnets	-	-	-	-
Key Chains	1,501	-	-	1,501
Patches	2,710	-	-	2,710
Other Program	2,546	-	-	2,546
Memorial Contributions				
Frisco, TX Memorial	5,000	-	-	5,000
Elkin, NC Memorial	1,500	-	-	1,500
Perrysburg, OH Memorial	3,835	-	-	3,835
Phoenix, AZ Memorial	5,000	-	-	5,000
Forks, WA Memorial	10,000	-	-	10,000
Mansfield, OH Memorial	41,135	-	-	41,135
Parkersburg, WV Memorial	47,862	-	-	47,862
Charleston, WV Memorial	56,872	-	-	56,872
San Diego, CA Memorial	14,850	-	-	14,850
Wheeling, WV Memorial	55,558	-	-	55,558
Fort Walla Walla Memorial	44,710	-	-	44,710
Pocatello, ID Memorial	95,280	-	-	95,280
West Palm Beach, FL Memoria	35,000	-	-	35,000
Keller, TX Memorial	16,219	-	-	16,219
Gainesville, TX Memorial	49,070	-	-	49,070
Have De Grace Memorial	400	-	-	400
Little Rock, AR Memorial	168,195	-	-	168,195
Frankfort, KY Memorial	68,871	-	-	68,871
North Ogden, UT Memorial	16,215	-	-	16,215
Meals	3,496	-	-	3,496
Travel	47,911	-	-	47,911
Conference, Convention, Meetings	-	408	-	408
Other	284	-	-	284
Internet	-	199	-	199
Membership/Dues	-	95	-	95
Advertising	-	3,987	-	3,987

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

**The Hershel Woody Williams Congressional Medal of Honor Education
Foundation**

**Statement of Functional Expenses
For the Year Ended December 31, 2019**

	Program	Administrative	Fundraising	Total
Banking and Processing Fees	-	2,745	-	2,745
Books, Subscriptions, Reference	-	495	-	495
Supplies	-	3,903	-	3,903
Printing & Copying	8,888	988	-	9,876
Postage, Mailing Service	2,776	308	-	3,084
Rent, Parking, Facilities	-	11,180	-	11,180
Depreciation	342	-	-	342
Payroll Taxes	7,540	605	302	8,447
Salaries and Wages	99,918	8,064	4,032	112,014
Accounting Fees	8,278	5,519	-	13,797
Outside Contract Services	29,277	3,849	7,745	40,871
Business Registration Fees	-	3,524	-	3,524
Insurance	-	2,253	-	2,253
Other	239	1,660	-	1,899
TOTAL	\$ 990,742	\$ 49,782	\$ 23,326	\$ 1,063,850

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

**The Hershel Woody Williams Congressional Medal of Honor Education
Foundation
Statement of Cash Flows
For the Year Ended December 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from contributors	\$ 1,187,239
Cash paid to vendors	(842,118)
Cash paid to employees	(120,685)
Interest/dividends received	333
CASH PROVIDED BY OPERATING ACTIVITIES	224,769
 CASH FLOWS FROM INVESTING ACTIVITIES	
Investments	-
Purchase of property, plant and equipment	(3,040)
CASH USED IN INVESTING ACTIVITIES	(3,040)
 CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on long term debt	(15,000)
CASH USED IN FINANCING ACTIVITIES	(15,000)
NET INCREASE IN CASH & CASH EQUIVALENTS	206,729
CASH & CASH EQUIVALENTS - BEGINNING OF YEAR	510,567
CASH & CASH EQUIVALENTS - END OF YEAR	\$ 717,296

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

The Hershel Woody Williams Congressional Medal of Honor Education Foundation
Notes to Financial Statements
December 31, 2019

1. Nature of Operations

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

2. Accounting Policies

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

Cash and Cash Equivalents- For purposes of these financial statements, the Foundation considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Restricted Cash - Restricted cash includes cash received with restrictions as to use by the donor. These restrictions are primarily to build a memorial in a particular location.

Statement of Cash Flows - The Foundation did not pay any interest or Federal or State income taxes during 2019. In accordance with ASU 2018-16, "Statement of Cash Flows", restricted cash has been included in cash and cash equivalents in the accompanying Statement of Cash Flows.

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

Advertising – Advertising costs are expensed as incurred. Total advertising expense for the year ended December 31, 2019 was \$3,987.

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

Depreciation expense was in \$342 in 2019.

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

The Financial Accounting Standards Board has provided guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are more-likely-than-not to be sustained when challenged or when examined by the applicable taxing authority. There are no uncertain tax positions requiring recognition.

The Hershel Woody Williams Congressional Medal of Honor Education Foundation
Notes to Financial Statements
December 31, 2019

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

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

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

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

3. Concentrations of Credit Risk

At various times during the year ended December 31, 2019, bank balances have exceeded federally insured limits. At December 31, 2019, bank balances exceeded federally insured limits by \$197,329. The Foundation’s policy is to limit credit exposure on financial instruments and to place cash, cash equivalents and restricted cash with financial institutions that are credit worthy.

4. Restricted Contribution Policy

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

5. Investments

Investments in securities are recorded at fair value and consist of common stock. The approximate fair value of these investments was \$3,594 at December 31, 2019 based on quoted market prices. The original basis of these investments was \$3,106. All investments are Level 1 investments based on the frequency and availability of market pricing and the ability to directly control the investment.

6. Loan Payable

The Foundation has a loan payable to Hershel “Woody” Williams for \$10,000 at December 31, 2019. The loan bears no interest rate and has no maturity date. The original loan was for the purpose of funding a matching requirement for a fundraiser held by The Matching Fund.

The Hershel Woody Williams Congressional Medal of Honor Education Foundation
Notes to Financial Statements
December 31, 2019

7. Donation of Airline Miles

The Foundation received 1.5 million airline miles from a donor in 2019. Because the value of the airline miles cannot be reasonably estimated, they are not recorded on the financial statements at December 31, 2019. The Foundation will use these miles for traveling to and from each memorial build. Subsequent to year end, the Foundation received an additional 3 million airline miles.

8. Liquidity

The Foundation's primary source of revenue are contributions from donors. Because the Foundation has an unrestricted revenue stream, the Foundation anticipates it will have no difficulty maintain sufficient resources to meet any restrictions imposed by its donors during the upcoming year. The Foundation had \$586,874 in restricted cash at December 31, 2019. The Foundation also had \$130,422 in unrestricted cash and cash equivalents available to meet obligations for general expenditures.

9. Subsequent Events

No reportable subsequent events were identified. Subsequent events were evaluated through April 29, 2020, which is the date the financial statements were available to be issued.