

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS D/B/A THE DOUGHBOY FOUNDATION**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2024 AND 2023

TABLE OF CONTENTS

	<u>Page No</u>
INDEPENDENT AUDITOR’S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statement of Activities, Year Ended December 31, 2024	5
Statement of Activities, Year Ended December 31, 2023	6
Statement of Functional Expenses, Year Ended December 31, 2024	7
Statement of Functional Expenses, Year Ended December 31, 2023	8
Statements of Cash Flows	9
Notes to the Financial Statements	10 - 24



CERTIFIED PUBLIC ACCOUNTANTS

1730 Rhode Island Avenue, NW
Suite 800
Washington, DC 20036
(202) 296-3306
Fax: (202) 296-0059

Independent Auditor's Report

To the Board of Directors
United States Foundation for the Commemoration of the World Wars
D/B/A The Doughboy Foundation
Washington, DC

Opinion

We have audited the accompanying financial statements of The Doughboy Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the 2024 financial statements referred to above present fairly, in all material respects, the financial position of The Doughboy Foundation as of December 31, 2024, and the change 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. 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 Doughboy Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 The United States Foundation for the Commemoration of World Wars, D/B/A The Doughboy Foundation (a nonprofit organization) as of December 31, 2023, were audited by other auditors whose report dated May 23, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Doughboy Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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.

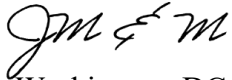
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Doughboy 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.

Auditor's Responsibilities for the Audit of the Financial Statements - continued

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Doughboy 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.



Washington, DC
May 12, 2025

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD WARS
D/B/A THE DOUGHBOY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 48,918	\$ 290,118
Contributions receivable, current portion	533,645	1,231,692
Prepaid expenses	45,595	57,601
Inventory	56,167	57,214
Total Current Assets	<u>684,325</u>	<u>1,636,625</u>
PROPERTY AND EQUIPMENT, NET	320,136	191,240
OTHER ASSETS		
Contributions receivable, non-current, net of discount	97,220	587,883
Investments	7,608,056	9,837,619
Operating lease, right-of-use asset, net	-	20,312
Works of art, memorial maquette	-	1,074,445
Refundable deposit	4,390	4,390
Total Other Assets	<u>7,709,666</u>	<u>11,524,649</u>
TOTAL ASSETS	<u><u>\$ 8,714,127</u></u>	<u><u>\$ 13,352,514</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 105,468	\$ 176,467
Deferred revenue	365,901	3,687,106
Operating lease liability	-	21,027
Total Current Liabilities	<u>471,369</u>	<u>3,884,600</u>
Total Liabilities	471,369	3,884,600
NET ASSETS		
Without donor restrictions:		
Undesignated	3,923,047	7,319,571
Board designated endowment	3,188,937	84,297
Total Without Donor Restrictions	<u>7,111,984</u>	<u>7,403,868</u>
With donor restrictions:		
Perpetual in nature	50,000	50,000
Purpose and time	1,080,774	2,014,046
Total With Donor Restrictions	<u>1,130,774</u>	<u>2,064,046</u>
Total Net Assets	<u>8,242,758</u>	<u>9,467,914</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 8,714,127</u></u>	<u><u>\$ 13,352,514</u></u>

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

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD WARS
D/B/A THE DOUGHBOY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Program services	\$ 3,225,204	\$ -	\$ 3,225,204
Contributions	479,429	372,637	852,066
Donated services	12,892	-	12,892
Interest and dividend income	219,349	-	219,349
Net assets released from restrictions	1,305,909	(1,305,909)	-
Total Revenue and Support	5,242,783	(933,272)	4,309,511
EXPENSES			
Program Services:			
Memorial at Pershing Park	2,601,767	-	2,601,767
Smart device applications	109,446	-	109,446
Taps	278,566	-	278,566
Signature events and other programs	500,816	-	500,816
Performance series	117,827	-	117,827
Total Program Services	3,608,422	-	3,608,422
Supporting Services:			
Management and General	601,819	-	601,819
Fundraising	416,752	-	416,752
Total Supporting Services	1,018,571	-	1,018,571
Total Expenses	4,626,993	-	4,626,993
CHANGE IN NET ASSETS FROM OPERATIONS	615,790	(933,272)	(317,482)
OTHER CHANGES			
Donation of works of art	(1,074,445)	-	(1,074,445)
Loss on disposal of property and equipment	(837)	-	(837)
Net investment return	167,608	-	167,608
Total Other Changes	(907,674)	-	(907,674)
CHANGE IN NET ASSETS	(291,884)	(933,272)	(1,225,156)
NET ASSETS, beginning of year	7,403,868	2,064,046	9,467,914
NET ASSETS, end of year	\$ 7,111,984	\$ 1,130,774	\$ 8,242,758

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

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD WARS
D/B/A THE DOUGHBOY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Program services	\$ 3,296,347	\$ -	\$ 3,296,347
Contributions	259,810	368,210	628,020
Donated services	163,975	-	163,975
Donated facilities	6,477	-	6,477
Interest and dividend income	114,758	-	114,758
Net assets released from restrictions	1,634,704	(1,634,704)	-
Total Revenue and Support	<u>5,476,071</u>	<u>(1,266,494)</u>	<u>4,209,577</u>
EXPENSES			
Program Services:			
Memorial at Pershing Park	2,820,563	-	2,820,563
Smart device applications	203,257	-	203,257
Taps	176,006	-	176,006
Signature events and other programs	159,889	-	159,889
Doughboy MIA	12,762	-	12,762
Total Program Services	<u>3,372,477</u>	<u>-</u>	<u>3,372,477</u>
Supporting Services:			
Management and General	432,718	-	432,718
Fundraising	657,069	-	657,069
Total Supporting Services	<u>1,089,787</u>	<u>-</u>	<u>1,089,787</u>
Total Expenses	<u>4,462,264</u>	<u>-</u>	<u>4,462,264</u>
CHANGE IN NET ASSETS FROM OPERATIONS	1,013,807	(1,266,494)	(252,687)
OTHER CHANGES			
Net investment return	<u>393,394</u>	<u>-</u>	<u>393,394</u>
CHANGE IN NET ASSETS	1,407,201	(1,266,494)	140,707
NET ASSETS, beginning of year	<u>5,996,667</u>	<u>3,330,540</u>	<u>9,327,207</u>
NET ASSETS, end of year	<u><u>\$ 7,403,868</u></u>	<u><u>\$ 2,064,046</u></u>	<u><u>\$ 9,467,914</u></u>

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

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD WARS
D/B/A THE DOUGHBOY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	Program Services						Supporting Services			
	Memorial at Pershing Park	Smart Device Applications	Taps	Signature Events and Other Programs	Performance Series	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel Costs										
Salaries and wages	\$ 11,898	\$ 504	\$ 35,528	\$ 21,251	\$ -	\$ 69,181	\$ 69,525	\$ 26,294	\$ 95,819	\$ 165,000
Payroll taxes	1,020	79	3,719	1,816	-	6,634	6,300	2,405	8,705	15,339
Total Personnel Costs	12,918	583	39,247	23,067	-	75,815	75,825	28,699	104,524	180,339
Consultant and professional fees	1,004,733	106,287	161,037	353,582	85,957	1,711,596	97,030	324,439	421,469	2,133,065
Memorial construction	1,135,375	-	-	-	-	1,135,375	-	-	-	1,135,375
Donations	324,016	-	-	-	-	324,016	-	-	-	324,016
Travel	77,784	239	22,797	81,642	27,452	209,914	47,015	18,479	65,494	275,408
Accounting and audit fees	-	-	-	-	-	-	169,242	-	169,242	169,242
Office expenses	28,174	224	21,920	11,221	3,602	65,141	46,753	21,161	67,914	133,055
Depreciation and amortization	14,467	182	20,762	23,551	-	58,962	35,811	9,894	45,705	104,667
Bad debt expense	-	-	-	-	-	-	100,000	-	100,000	100,000
Occupancy	2,638	112	7,877	4,711	816	16,154	14,599	5,830	20,429	36,583
Donated services	941	39	2,773	1,659	-	5,412	5,427	2,053	7,480	12,892
Promotion and outreach	-	1,750	-	-	-	1,750	6,045	5,072	11,117	12,867
Insurance	489	21	1,461	969	-	2,940	4,072	1,125	5,197	8,137
Cost of goods sold	232	9	692	414	-	1,347	-	-	-	1,347
Total Expenses	<u>\$ 2,601,767</u>	<u>\$ 109,446</u>	<u>\$ 278,566</u>	<u>\$ 500,816</u>	<u>\$ 117,827</u>	<u>\$ 3,608,422</u>	<u>\$ 601,819</u>	<u>\$ 416,752</u>	<u>\$ 1,018,571</u>	<u>\$ 4,626,993</u>

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

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD WARS
D/B/A THE DOUGHBOY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Program Services						Supporting Services			
	Memorial at Pershing Park	Smart Device Applications	Taps	Signature Events and Other Programs	Doughboy MIA	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel Costs										
Salaries and wages	\$ 9,701	\$ 114	\$ 7,730	\$ 7,207	\$ -	\$ 24,752	\$ 11,580	\$ 5,751	\$ 17,331	\$ 42,083
Payroll taxes	918	9	829	658	-	2,414	1,035	521	1,556	3,970
Total Personnel Costs	10,619	123	8,559	7,865	-	27,166	12,615	6,272	18,887	46,053
Memorial construction	2,708,030	-	-	-	-	2,708,030	-	-	-	2,708,030
Consultant and professional fees	60,889	182,434	134,505	63,850	-	441,678	103,449	556,554	660,003	1,101,681
Donated services	11,485	9,036	7,859	28,746	-	57,126	71,405	35,444	106,849	163,975
Accounting and audit fees	-	-	-	-	-	-	153,213	-	153,213	153,213
Office expenses	6,527	4,844	6,256	15,083	-	32,710	38,274	21,777	60,051	92,761
Depreciation and amortization	14,098	3,091	10,606	24,869	-	52,664	24,431	12,127	36,558	89,222
Travel	4,916	1,224	1,066	7,965	-	15,171	9,764	14,869	24,633	39,804
Occupancy	1,731	1,878	435	5,033	-	9,077	12,969	6,751	19,720	28,797
Donations and sponsorships	-	-	-	-	12,762	12,762	-	-	-	12,762
Promotion and outreach	97	76	5,066	3,673	-	8,912	604	299	903	9,815
Insurance	678	533	464	1,696	-	3,371	4,212	2,091	6,303	9,674
Donated facilities	1,493	18	1,190	1,109	-	3,810	1,782	885	2,667	6,477
Total Expenses	<u>\$ 2,820,563</u>	<u>\$ 203,257</u>	<u>\$ 176,006</u>	<u>\$ 159,889</u>	<u>\$ 12,762</u>	<u>\$ 3,372,477</u>	<u>\$ 432,718</u>	<u>\$ 657,069</u>	<u>\$ 1,089,787</u>	<u>\$ 4,462,264</u>

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

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD WARS
D/B/A THE DOUGHBOY FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,225,156)	\$ 140,707
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Bad debt expense	100,000	-
Depreciation and amortization	104,667	89,222
Amortization of operating lease right-of-use asset	20,312	26,254
Net investment return	(167,608)	(393,394)
Loss on disposal of property and equipment	837	-
Decrease in discount on grants and contributions receivable	(19,337)	(43,531)
Transfer of memorial maquette to Pentagon	1,074,445	-
Decrease (increase) in assets:		
Contributions receivable	1,108,047	1,315,524
Prepaid expenses	12,006	(689)
Inventory	1,047	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(70,999)	(25,306)
Deferred revenue	(3,321,205)	(3,142,477)
Operating lease liability	(21,027)	(25,803)
Net Cash Provided by (Used for) Operating Activities	<u>(2,403,971)</u>	<u>(2,059,493)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	10,055,005	14,473,800
Purchases of investments	(7,657,834)	(23,918,025)
Purchases of property and equipment	(234,400)	(53,600)
Net Cash Provided by (Used for) Investing Activities	<u>2,162,771</u>	<u>(9,497,825)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(241,200)	(11,557,318)
CASH AND CASH EQUIVALENTS, beginning of year	<u>290,118</u>	<u>11,847,436</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 48,918</u>	<u>\$ 290,118</u>
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for operating lease liabilities	<u>\$ 21,027</u>	<u>\$ 27,042</u>
NONCASH OPERATING ACTIVITIES		
Transfer of memorial maquette to Pentagon	<u>\$ 1,074,445</u>	<u>\$ -</u>

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

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE A – ORGANIZATION AND NATURE OF BUSINESS

United States Foundation for the Commemoration of the World Wars, D/B/A The Doughboy Foundation (the “Foundation”) is a not-for-profit organization that was incorporated in the District of Columbia on July 30, 2013. The Foundation’s primary purpose is to identify resources to support planning and execution of programs, projects, and activities commemorating and educating the public regarding the World Wars.

The Foundation worked alongside The World War I Centennial Commission (“WWICC”), as established by The World War I Centennial Commission Act of the United States Congress, to fundraise, design, and build a World War I memorial in Pershing Park in the District of Columbia. The Memorial is located on land belonging to the National Park Service (“NPS”) and was transferred to NPS as of October 31, 2024.

The Foundation’s activities are funded primarily by contributions received from individuals and other foundations.

Program Descriptions

Memorial at Pershing Park: The Foundation has the mission to "Keep Faith with the Doughboys" and endeavors to educate Americans about the impact of World War I, to commemorate the service of the 5 million Americans who served during the war, and to honor the 116,516 Americans who did not return. The memorial itself depicts a soldier's journey through the war from leaving home, during the war and returning home. Through this sculpture, visitors can view the war through a soldier's eyes. Also located at the memorial are several educational stands to learn more about the war, as well as an interactive explorer software application that can provide in depth information about the war.

Smart Device Applications: The WWI Memorial Applications were developed using WWICC educational materials. Initially created as an Augmented Reality experience for mobile devices at the National WWI Memorial, the first version was designed to engage a new generation by bringing history to life in an interactive, contemporary way while visiting the Memorial. A second version offers virtual field trips for schools, while a third, desktop-based version was developed in response to increasing phone bans in classrooms. The program has received numerous awards for innovation in humanities and history education; standing out in a science, technology, engineering, and mathematics dominated education technology landscape.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE A – ORGANIZATION AND NATURE OF BUSINESS - continued

Program Descriptions - continued

TAPS: The program funds a performance each day in which a bugler will don an authentic WWI uniform and sound taps exactly at 5:00pm to commemorate all veterans who have served. There is an opportunity for the general public to sponsor a particular day in honor of a specific veteran of their choosing. This is broadcast live through a video feed where anyone can hear taps being played and read a scroll describing the honoree. The goal of this program, in line with the mission of the Foundation, and is to be continued in perpetuity (see Note G).

Signature Events and Other Programs: The Foundation supports numerous signature events such as wreath laying ceremonies, and special events at embassies and other high level locations in the Capitol. These also include appearances at annual parades and holiday signature events, such as Memorial Day Taps and Bells of Peace, commemorating Armistice Day.

Performance Series: The Performance series is a program that seeks to educate and inform people on WWI through music. One facet of the program is a Broadway style musical depicting a story of a journey through the war and the impacts it had on society. Another piece of the performance series is the American Expeditionary Force Band consisting of musicians who dress in authentic period uniforms and perform at various events; including concerts located at the Memorial, professional athletic events, and other educational venues.

Doughboy MIA: Doughboy MIA is a site dedicated to those U.S. servicemen reported missing during World War I. The site contains only information, stories, and research tools designed to investigate the Americans lost during WWI as well as the most accurate and up to date list of those American soldiers, sailors, and marines still listed as Missing in Action from World War I.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Foundation prepares its financial statements on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned, and expenses and related liabilities are recognized as the obligations are incurred.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Statement Presentation

Financial statement preparation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*. In accordance with Topic 958, net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions that may or will be met by either actions of the Foundation and/or the passage of time or that must be maintained in perpetuity by the Foundation. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Foundation considers demand deposits and investments purchased with an original maturity of three months or less to be cash equivalents.

The Foundation maintains its cash and cash equivalents balances in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per institution. At times, balances in these accounts may exceed the federally insured limit. The Foundation maintains its cash and cash equivalents with high-quality financial institutions, which the Foundation believes minimizes these risks.

Contributions Receivable

Contributions receivable are stated at the amount that management expects to collect from balances outstanding at year end. Management evaluates the collectability of these accounts based upon a review of outstanding receivables, historical collection efforts, and existing economic conditions. Management believes all receivables reflected in the statements of financial position as of December 31, 2024 and 2023, are collectible. Therefore, no allowance for uncollectible accounts has been established.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments

Investments are stated at fair value, based on quoted market prices, if available. Interest is recognized when earned. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in the fair value of investments include the gains or losses on investments bought and sold as well as held during the year.

Inventory

Inventory consists of poppy seeds and collectible coins available for sale. The value of the inventory is stated at the lower-of-cost-or-market using the first-in, first-out method.

Works of Art – Memorial Maquette

Works of art consists of the memorial maquette that was constructed in partnership with WWICC. The memorial maquette was transferred to the Pentagon on October 31, 2024 (see Note K).

Right-of-Use (“ROU”) Assets (Operating Lease)

ROU assets are measured at the commencement date in the amount of the initially measured liability; plus any lease payments made to the lessor before or after the commencement date; minus any lease incentives received; and plus any initial direct costs. Unless impaired, ROU assets are subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments); plus unamortized initial direct costs; and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease payments are recognized on a straight-line basis over the lease term.

Operating Lease Liability

The Foundation accounts for leases in accordance with Topic 842, and is a lessee in an operating lease for building space. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use assets are amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line occupancy expense over the lease term. Short-term leases having initial terms of 12 months or less are recognized when incurred. Variable lease expenses, if any, are recognized when incurred.

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Operating Lease Liability - continued

Lease payments, including variable payments made based on an index or rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract); (2) certain contingencies related to variable lease payments are resolved; or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable. The implicit rate of the Foundation's lease was not readily determinable; therefore, the Foundation elected to use the risk-free rate, which was 3.51% as of September 1, 2022.

Deferred Revenue

The Foundation recognizes revenue when earned in accordance with the accrual basis of accounting. Accordingly, deferred revenue consists of advance payments received for program revenue and conditional grant agreements. Deferred revenue as of January 1, 2023, totaled \$6,829,583.

Revenue Recognition

Contributions

The Foundation recognizes grants and contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. Cash received in excess of revenue recognized is recorded as deferred revenue on the statements of financial position.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Program Service Revenue

Program service revenue is derived from a contractual arrangement made with the WWICC on April 23, 2018, to oversee and manage the construction and maintenance of the Memorial. The Foundation invoices the WWICC on a monthly basis for reimbursement of actual expenses; which include occupancy, contractual costs, personnel costs, and any other costs incurred that are related to the project. Each separate task order from the WWICC may be subject to an overhead charge of twenty-four percent. Revenue is recognized at the point in time in which the Foundation invoices the WWICC for qualifying expenditures.

The Foundation records amounts received in advance of satisfying the performance obligations as deferred revenue.

Donated Services and Facilities

The Foundation recognizes in-kind contributions that create or enhance non-financial assets or that would require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions consist of facilities and professional services, and are recorded at fair value of the services or items received.

Method Used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or a supporting function as management and general activities. Expenses of this nature are allocated on a reasonable basis that is consistently applied. Allocated expenses include consultant and professional fees, depreciation and amortization, office expenses, rent and utilities, insurance, and other general organizational costs, which are allocated on the basis of salaries and related costs, determined by the estimated time and effort expended.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Reclassifications

For comparative purposes, certain amounts for the year ended December 31, 2023, have been reclassified to conform to the current year presentation. Refundable advances have been reclassified to deferred revenue on the statement of financial position. Accounts receivable have been reclassified to contributions receivable on the statement of financial position. Net assets with donor restrictions have been reclassified to board designated net assets. Payroll taxes and employee benefits were reclassified from salaries and related expenses to their respective individual categories. Promotion and outreach expense was reclassified from consultant and professional fees; and insurance was reclassified from dues and subscriptions. In-kind contributions were reclassified to donated services and donated facilities on the statement of functional expenses. The reclassifications had no effect on the previously reported total net assets or change in net assets.

NOTE C – INCOME TAXES

The Foundation is a 501(c)(3) organization exempt from federal income tax under the provisions of Section 501(a) of the Internal Revenue Code (“IRC”), except on unrelated business activities.

The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There were no unrecognized tax benefits or liabilities that needed to be recorded.

The Foundation’s information returns are subject to examination by the Internal Revenue Service (“IRS”) for a period of three years from the date they were filed, except under certain circumstances. The Foundation’s Form 990 returns for the years 2021 through 2023, are open for examination by the IRS, although no request has been made as of the date of these financial statements.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

The Foundation’s primary source of revenue and support are contributions, and program services. The Foundation regularly monitors liquidity to meet its operating needs and other contractual commitments. The Foundation strives to maintain liquid financial assets sufficient to cover at least twelve months of general expenditures. Financial assets in excess of daily cash requirements are invested in a brokered investment account. The Foundation has various sources of liquidity at its disposal including cash can cash equivalents, brokered investment accounts, and contributions receivable.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY - continued

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a budget plan and anticipates maintaining sufficient reserves to cover any budgeted losses. In the event the need arises to utilize the board-designated funds for operating purposes, the reserves could be drawn upon with a board resolution.

The following table reflects the Foundation's financial assets of December 31, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of purpose and perpetual restrictions or internal board designations:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 48,918	\$ 290,118
Investments	7,608,056	9,837,619
Contributions receivable, current portion	<u>533,645</u>	<u>1,231,692</u>
Total Financial Assets	8,190,619	11,359,429
Less amounts not available for general purposes:		
Board designated net assets	(3,188,937)	(84,297)
Net assets with donor restrictions - purpose and perpetual	<u>(523,554)</u>	<u>(616,163)</u>
Total Financial Assets Available to Meet Cash		
Needs for General Expenditures within One Year	<u>\$ 4,478,128</u>	<u>\$ 10,658,969</u>

Not included in the total financial assets available to meet cash needs for general expenditures within one year are net assets with donor restrictions for time, in the amount of \$97,220 and \$587,883, for the years ended December 31, 2024 and 2023, respectively.

NOTE E – CONTRIBUTIONS RECEIVABLE

The following schedule summarizes the contributions receivable as of December 31, 2024:

	<u>Contribution Amount</u>	<u>Discount</u>	<u>Total</u>
Amount due in one year or less	\$ 533,645	\$ -	\$ 533,645
Amount due between one year and five years	<u>100,000</u>	<u>(2,780)</u>	<u>97,220</u>
Total Contributions Receivable, Net of Discount (2.86%)	<u>\$ 633,645</u>	<u>\$ (2,780)</u>	<u>\$ 630,865</u>

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE E – CONTRIBUTIONS RECEIVABLE - continued

The following schedule summarizes the contributions receivable as of December 31, 2023:

	<u>Contribution Amount</u>	<u>Discount</u>	<u>Total</u>
Amount due in one year or less	\$ 1,231,692	\$ -	\$ 1,231,692
Amount due between one year and five years	610,000	(22,117)	587,883
Total Contributions Receivable, Net of Discount (0.28% - 4.71%)	<u>\$ 1,841,692</u>	<u>\$ (22,117)</u>	<u>\$ 1,819,575</u>

NOTE F – INVESTMENTS AND FAIR VALUE MEASUREMENT

FASB ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value hierarchy. 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).

Level 1 – Inputs are based on unadjusted quoted prices identical asset traded in an active market the Foundation has ability to access.

Level 2 – Inputs are based on quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

Level 3 - Inputs are unobservable and significant to the overall fair value measurement.

Cash and money market funds are valued at the carrying amount, which approximates fair value. The fair value of the Foundation's investments in mutual funds, U.S. treasury securities, common stock, and exchange traded products are based on observable market quotations.

The preceding valuation methods may produce a fair value calculation that may not be indicative of net realizable value reflective of future fair values. Furthermore, although management believes its valuations methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE F – INVESTMENTS AND FAIR VALUE MEASUREMENT - continued

The following table presents the Foundation's fair value hierarchy for financial instruments measured at fair value on a recurring basis as of December 31, 2024:

	Assets at Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash	\$ 653,384	\$ -	\$ -	\$ 653,384
Money market	300,115	-	-	300,115
U.S. treasury securities	4,972,116	-	-	4,972,116
Common stock	910,024	-	-	910,024
Mutual funds	70,406	-	-	70,406
Exchange traded products:	702,011	-	-	702,011
Total Investments	<u>\$ 7,608,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,608,056</u>

The following table presents the Foundation's fair value hierarchy for financial instruments measured at fair value on a recurring basis as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Cash	\$ 12,761	\$ -	\$ -	\$ 12,761
U.S. treasury securities	9,692,210	-	-	9,692,210
Mutual funds	75,064	-	-	75,064
Exchange traded products	57,584	-	-	57,584
Total Investments	<u>\$ 9,837,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,837,619</u>

NOTE G – ENDOWMENT - TAPS

In July 2021, the Foundation received a \$50,000 donor-restricted contribution, restricted in perpetuity for the TAPS program. Additionally, on May 8, 2024, the Board of Directors designated \$3,156,915, to The Doughboy Fund (the "Fund") for the TAPS program. The Fund's original donor-restricted gift is to be maintained in perpetuity. However, the net investment earnings are to be expended to sustain the TAPS program and any other board designated programs that support the Foundation's mission.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE G – ENDOWMENT - TAPS - continued

Interpretation of Relevant Law

The board of directors of the Foundation have interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gifts at the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as perpetual in nature under net assets with donor restrictions, (a) the original value of gifts donated to the endowment to net assets in perpetuity, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the net assets in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the Fund that is not classified in net assets in perpetuity is classified as board designated net assets without donor restrictions, until those amounts are appropriated for expenditure in a manner that is consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate in the Fund:

1. Duration and preservation of the Fund
2. Purposes of the Foundation and the Fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected net investment return from investments
6. Other resources of the Foundation

Return Objectives, Risk Parameters

The Fund assets include those assets of the donor-restricted funds that the Foundation holds in perpetuity and the board designated amounts. The Foundation has adopted investment and spending policies for the Fund assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the Fund assets. To achieve that objective, the Foundation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Actual returns in any given year may vary from this amount. The Fund assets are invested in a well-diversified asset mix, to generate acceptable long-term returns at a risk suitable to the Foundation’s goal of total, long-term rate of return that is competitive with appropriate benchmarks and maximized returns within a reasonable and prudent level of risk.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE G – ENDOWMENT - TAPS - continued

Spending Policy

The income from the Fund may be spent by the Foundation when the following conditions are fulfilled:

- Income is in support of the current budget for the TAPS program and other programs as designated by the board.
- The Board of Directors or the executive committee of the Foundation ratify the appropriation of funds by a majority vote.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual donation. The Foundation has interpreted UPMIFA to permit spending from funds with deficiencies in accordance with the prudent measures required under the law and in accordance with the donor's instructions. There were no funds with deficiencies for the years ended December 31, 2024 and 2023.

Changes in the Fund for the year ended December 31, 2024, are as follows:

	Without Donor Restrictions Board Designated Endowment	With Donor Restrictions Perpetual in Nature	Total
Beginning of year	\$ 84,297	\$ 50,000	\$ 134,297
Additional board designation	3,156,915	-	3,156,915
Investment returns, net	(52,275)	-	(52,275)
Balance at December 31, 2024	<u>\$ 3,188,937</u>	<u>\$ 50,000</u>	<u>\$ 3,238,937</u>

Changes in the Fund for the year ended December 31, 2023, are as follows:

	Without Donor Restrictions Board Designated Endowment	With Donor Restrictions Perpetual in Nature	Total
Beginning of year	\$ 65,643	\$ 50,000	\$ 115,643
Investment return, net	18,654	-	18,654
Balance at December 31, 2023	<u>\$ 84,297</u>	<u>\$ 50,000</u>	<u>\$ 134,297</u>

There were no appropriations for expenditures from the Fund, for the years ended December 31, 2024 and 2023.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE H – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31,:

	2024	2023
Website	\$ 268,000	\$ 33,600
Equipment	54,237	54,237
Videos and podcasts	209,072	215,096
	531,309	302,933
Less: Accumulated depreciation and amortization	(211,173)	(111,693)
Property and Equipment, Net	\$ 320,136	\$ 191,240

During 2024, the Foundation disposed of property and equipment with a cost of \$6,024 and an accumulated amortization of \$5,187; resulting in a loss on disposal of \$837. Depreciation and amortization expense for the years ended December 31, 2024 and 2023, totaled \$104,667 and \$89,222, respectively.

NOTE I – OPERATING LEASE

On September 1, 2022, the Foundation entered into a lease agreement for its office space at 1455 Pennsylvania Ave NW, #400, Washington, DC. The term of the lease was 24 months, and expired on September 30, 2024. Upon expiration, the lease was renewed on a month-to-month basis. The balance of the ROU asset for the operating lease is as follows as of December 31:

	2024	2023
Operating lease, right-of-use asset	\$ 45,566	\$ 45,566
Less: accumulated amortization	(45,566)	(25,254)
Total Operating lease, right-of-use asset, Net	\$ -	\$ 20,312

For both the years ended December 31, 2024 and 2023, the weighted average discount rate was 3.51%. The average remaining lease term was 0.75 for the year ended December 31, 2023.

Occupancy expense for the years ended December 31, 2024 and 2023, totaled \$36,582 and \$28,797, respectively.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE J – RELATED PARTY AND IN-KIND CONTRIBUTIONS

The Foundation received nonfinancial contributions of services from WWICC toward the fulfillment of program objectives and use of office space. These services are valued based on the estimated fair value of the facilities and services, and were allocated to the various program services based on the allocation methods referenced in Note B. The amount of contributed office space was \$0 and \$6,477, for the years ended December 31, 2024 and 2023, respectively. The amount of contributed services, which include salaries and related costs, totaled \$12,892 and \$163,975, for the years ended December 31, 2024 and 2023, respectively.

WWICC compensates the Foundation for fundraising services by providing support in the form of donated management and programming services and donated office space to the Foundation. The Foundation also made contributions of cash in the amount of \$324,016, to the WWICC for the year ended December 31, 2024. In addition, the Foundation received management services from WWICC in the amount of \$66,908 for the year ended December 31, 2024, which have been included with consultants and professional fees on the statement of functional expenses.

As described in Note B, under an agreement with the WWICC, for the years ended December 31, 2024 and 2023, the Foundation earned \$3,225,204 and \$3,296,347, respectively, which was recorded as program service revenue.

NOTE K – WORKS OF ART – MEMORIAL MAQUETTE

The Foundation made a transfer to the Pentagon to relinquish the Memorial Maquette upon completion of the Memorial. The asset was valued at its fair market value on the day of the donation, which totaled \$1,074,445, as of October 31, 2024.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(continued)

NOTE L – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were designated by donors for the following purposes as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net Assets with Donor Restrictions:		
Programs:		
Poppy fund	\$ 230,853	\$ 181,041
TAPS - purpose restricted	178,598	381,693
TAPS - perpetual in nature	50,000	50,000
Performance series	60,674	-
Doughboy MIA	3,319	3,319
CA program	110	110
Time restricted	<u>607,220</u>	<u>1,447,883</u>
Total Net Assets With Donor Restriction	<u>\$ 1,130,774</u>	<u>\$ 2,064,046</u>

NOTE M – SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 12, 2025, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further recognition or disclosure.