

**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, 2025 AND 2024

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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 statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Doughboy Foundation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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.

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.

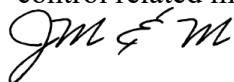
Auditor's Responsibilities for the Audit of the Financial Statements

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.
- 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
July 17, 2026

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD WARS
D/B/A THE DOUGHBOY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 18,454	\$ 48,918
Contributions receivable, current portion	14,595	533,645
Prepaid expenses	134,638	45,595
Inventory	54,943	56,167
Total Current Assets	<u>222,630</u>	<u>684,325</u>
PROPERTY AND EQUIPMENT, NET	163,778	320,136
OTHER ASSETS		
Contributions receivable, non-current, net of discount	-	97,220
Investments	7,123,982	7,608,056
Refundable deposits	7,290	4,390
Total Other Assets	<u>7,131,272</u>	<u>7,709,666</u>
TOTAL ASSETS	<u><u>\$ 7,517,680</u></u>	<u><u>\$ 8,714,127</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 51,700	\$ 105,468
Refundable advance	110,460	365,901
Total Current Liabilities	<u>162,160</u>	<u>471,369</u>
Total Liabilities	162,160	471,369
NET ASSETS		
Without Donor Restrictions:		
Undesignated	3,392,599	3,923,047
Board designated quasi-endowment	3,562,579	3,188,937
Total Without Donor Restrictions	<u>6,955,178</u>	<u>7,111,984</u>
With Donor Restrictions:		
Perpetual in nature	50,000	50,000
Purpose and time	350,342	1,080,774
Total With Donor Restrictions	<u>400,342</u>	<u>1,130,774</u>
Total Net Assets	<u>7,355,520</u>	<u>8,242,758</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,517,680</u></u>	<u><u>\$ 8,714,127</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, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 73,325	\$ 310,418	\$ 383,743
Program services	264,665	-	264,665
In-kind contributions	95,629	-	95,629
Sales of merchandise	6,187	-	6,187
Interest and dividend income	185,904	-	185,904
Net assets released from restrictions	1,040,850	(1,040,850)	-
Total Revenue and Support	1,666,560	(730,432)	936,128
EXPENSES			
Program Services:			
Arts and Culture	\$ 840,316	-	840,316
Education and Community Outreach	263,823	-	263,823
Daily TAPS	141,655	-	141,655
Memorial at Pershing Park	37,582	-	37,582
Total Program Services	1,283,376	-	1,283,376
Supporting Services:			
Management and General	527,936	-	527,936
Fundraising	358,722	-	358,722
Total Supporting Services	886,658	-	886,658
Total Expenses	2,170,034	-	2,170,034
CHANGE IN NET ASSETS FROM OPERATIONS	(503,474)	(730,432)	(1,233,906)
OTHER CHANGES			
Net investment return	346,668	-	346,668
Total Other Changes	346,668	-	346,668
CHANGE IN NET ASSETS	(156,806)	(730,432)	(887,238)
NET ASSETS, beginning of year	7,111,984	1,130,774	8,242,758
NET ASSETS, end of year	\$ 6,955,178	\$ 400,342	\$ 7,355,520

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
In-kind contributions	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:			
Arts and Culture	117,827	-	117,827
Education and Community Outreach	610,262	-	610,262
Daily TAPS	278,566	-	278,566
Memorial at Pershing Park	2,601,767	-	2,601,767
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 FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025**

	Program Services					Supporting Services				
	Arts and Culture	Education and Community Outreach	Daily TAPS	Memorial at Pershing Park	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	
Personnel Costs:										
Salaries and wages	\$ 56,970	\$ 66,065	\$ 31,688	\$ 2,125	\$ 156,848	\$ 53,448	\$ 89,476	\$ 142,924	\$ 299,772	
Payroll taxes	5,733	6,649	3,189	214	15,785	5,379	9,005	14,384	30,169	
Total Personnel Costs	62,703	72,714	34,877	2,339	172,633	58,827	98,481	157,308	329,941	
Performance services	496,621	5,449	57,193	-	559,263	-	6,370	6,370	565,633	
Consultant and professional fees	15,725	93,491	11,210	27,804	148,230	124,451	146,775	271,226	419,456	
Accounting and audit fees	-	-	-	-	-	182,898	-	182,898	182,898	
Depreciation and amortization	34,833	33,063	19,887	2,674	90,457	24,644	41,257	65,901	156,358	
Promotion and outreach	44,534	19,784	5,280	-	69,598	8,976	23,864	32,840	102,438	
Donated services	150	150	-	-	300	92,400	-	92,400	92,700	
Travel	50,439	8,261	399	26	59,125	12,475	13,035	25,510	84,635	
Program materials and supplies	57,374	-	-	-	57,374	-	-	-	57,374	
Office expenses	9,264	6,487	5,389	1,241	22,381	10,286	8,764	19,050	41,431	
Venue rental	42,675	-	-	-	42,675	-	-	-	42,675	
Occupancy	-	13,827	3,596	241	17,664	6,065	10,154	16,219	33,883	
Dues and subscriptions	4,573	7,929	2,544	171	15,217	4,291	7,820	12,111	27,328	
Contributions	10,000	-	-	3,000	13,000	-	-	-	13,000	
Insurance	1,891	1,625	780	52	4,348	1,315	2,202	3,517	7,865	
Legal	7,015	-	-	-	7,015	-	-	-	7,015	
Donated facilities	1,621	-	-	-	1,621	1,308	-	1,308	2,929	
Cost of goods sold	898	1,043	500	34	2,475	-	-	-	2,475	
Total Expenses	\$ 840,316	\$ 263,823	\$ 141,655	\$ 37,582	\$ 1,283,376	\$ 527,936	\$ 358,722	\$ 886,658	\$ 2,170,034	

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			
	Arts and Culture	Education and Community Outreach	Daily TAPS	Memorial at Pershing Park	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel Costs:									
Salaries and wages	\$ -	\$ 21,755	\$ 35,528	\$ 11,898	\$ 69,181	\$ 69,525	\$ 26,294	\$ 95,819	\$ 165,000
Payroll taxes	-	1,895	3,719	1,020	6,634	6,300	2,405	8,705	15,339
Total Personnel Costs	-	23,650	39,247	12,918	75,815	75,825	28,699	104,524	180,339
Consultant and professional fees	85,957	459,869	161,037	1,004,733	1,711,596	97,030	324,439	421,469	2,133,065
Memorial construction	-	-	-	1,135,375	1,135,375	-	-	-	1,135,375
Contributions	-	-	-	324,016	324,016	-	-	-	324,016
Travel	27,452	81,881	22,797	77,784	209,914	47,015	18,479	65,494	275,408
Accounting and audit fees	-	-	-	-	-	169,242	-	169,242	169,242
Office expenses	3,602	11,445	21,920	28,174	65,141	46,753	21,161	67,914	133,055
Depreciation and amortization	-	23,733	20,762	14,467	58,962	35,811	9,894	45,705	104,667
Bad debt expense	-	-	-	-	-	100,000	-	100,000	100,000
Occupancy	816	4,823	7,877	2,638	16,154	14,599	5,830	20,429	36,583
Donated services	-	1,698	2,773	941	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	-	990	1,461	489	2,940	4,072	1,125	5,197	8,137
Cost of goods sold	-	423	692	232	1,347	-	-	-	1,347
Total Expenses	<u>\$ 117,827</u>	<u>\$ 610,262</u>	<u>\$ 278,566</u>	<u>\$ 2,601,767</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
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (887,238)	\$ (1,225,156)
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Bad debt expense	-	100,000
Depreciation and amortization	156,358	104,667
Amortization of operating lease right-of-use asset	-	20,312
Net investment return	(346,668)	(167,608)
Loss on disposal of property and equipment	-	837
Decrease in discount on grants and contributions receivable	(2,780)	(19,337)
Transfer of memorial maquette to Pentagon	-	1,074,445
Decrease (increase) in assets:		
Contributions receivable	619,050	1,108,047
Prepaid expenses	(89,043)	12,006
Inventory	1,224	1,047
Refundable deposits	(2,900)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(53,768)	(70,999)
Refundable advance	(255,441)	(3,321,205)
Operating lease liability	-	(21,027)
Net Cash Provided by (Used for) Operating Activities	<u>(861,206)</u>	<u>(2,403,971)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	8,363,284	10,055,005
Purchases of investments	(7,532,542)	(7,657,834)
Purchases of property and equipment	-	(234,400)
Net Cash Provided by (Used for) Investing Activities	<u>830,742</u>	<u>2,162,771</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(30,464)	(241,200)
CASH AND CASH EQUIVALENTS, beginning of year	<u>48,918</u>	<u>290,118</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 18,454</u></u>	<u><u>\$ 48,918</u></u>
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for operating lease liabilities	<u><u>\$ 21,027</u></u>	<u><u>\$ 21,027</u></u>
NONCASH OPERATING ACTIVITIES		
Transfer of memorial maquette to Pentagon	<u><u>\$ -</u></u>	<u><u>\$ 1,074,445</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, 2025 AND 2024**

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 Washington, D.C. 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

Arts and Culture (Previously identified as “Performance Series”): Entertainment is a powerful tool for educating the public about the country’s history. The Foundation’s American Expeditionary Forces Brass Band partners with local schools, universities, and artists for the Foundation’s Summer Concert Series to introduce music and stories from WWI and the Jazz Age. Original productions, including the “Story of a Rose: A Musical Reverie of the Great War” and “The Sound at the Front,” bring to life the experiences of everyday Americans during the war through music, song, and storytelling.

Education and Community Outreach (Previously identified as “Signature Events and other series” and “Smart device applications”): The Foundation’s education programs provide teachers with classroom-ready, in-depth resources on the country’s role in WWI. The Foundation’s Military Honor and Remembrance Program focuses on the Hello Girls, America’s first service women. Working with descendants, researchers, and community organizations, the Foundation ensures these veterans are honored in their final resting place. The Foundation’s Annual Symposium brings together experts to discuss unique aspects of the American experience in WWI. Through education and outreach, the Foundation connects families and communities to their history.

Daily TAPS (Previously identified as “TAPS”): The Foundation’s flagship program honors everyone who served this country, regardless of when they served. Every day, come rain or shine, a bugler sounds TAPS live at the National WWI Memorial. Individuals can reserve the sounding of TAPS to honor their loved ones, and the Foundation’s livestream ensures families can view the ceremony wherever they are, in line with the mission of the Foundation, and is to be continued in perpetuity (see Note G).

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
(continued)

NOTE A – ORGANIZATION AND NATURE OF BUSINESS - continued

Program Descriptions - continued

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.

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.

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.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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, with the exception of those presented as a part of the investment portfolio.

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, 2025 and 2024, are collectible. Therefore, no allowance for uncollectible accounts has been established.

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 gift shop items 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).

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Refundable Advance

The Foundation recognizes revenue when earned in accordance with the accrual basis of accounting. Accordingly, refundable advance consists of advance payments received for program revenue and conditional grant agreements. Refundable advance as of January 1, 2024, totaled \$3,687,106.

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. Cash received in excess of revenue recognized is recorded as deferred revenue on the statements of financial position. 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.

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.

Sales of Merchandise

The Foundation recognizes revenue from sales of merchandise, which include apparel and items related to the Story of a Rose production, at a point in time upon completion of the sales transaction.

**UNITED STATES FOUNDATION FOR THE COMMEMORATION OF THE WORLD
WARS, D/B/A THE DOUGHBOY FOUNDATION**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition - continued

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 the 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, occupancy, insurance, and any other applicable expenditures, which are allocated on the basis of salaries and related costs, determined by the estimated time and effort expended.

Reclassification

Amounts previously reported as program services on the statement of functional expenses for the year ended December 31, 2024, were reclassified within the program services category to better conform with the current year's presentation. "Performance Series" was reclassified to "Arts and Culture." "Signature Events and Other Programs" and "Smart Device Applications" were combined and reclassified to "Education and Community Outreach." "TAPS" was reclassified to "Daily Taps." These reclassifications had no effect on the previously reported net assets or change in net assets.

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.

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.

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NOTE C – INCOME TAXES - continued

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 2022 through 2024, 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 and cash equivalents, brokered investment accounts, and contributions receivable.

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 quasi-endowment funds for operating purposes, the reserves could be drawn upon with a board resolution.

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NOTE D – AVAILABLE RESOURCES AND LIQUIDITY - continued

The following table reflects the Foundation’s financial assets of December 31, 2025 and 2024, 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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 18,454	\$ 48,918
Contributions receivable, current portion	14,595	533,645
Investments	<u>7,123,982</u>	<u>7,608,056</u>
Total Financial Assets	7,157,031	8,190,619
Less amounts not available for general purposes:		
Board designated quasi-endowment	(3,562,579)	(3,188,937)
Net assets with donor restrictions - purpose and perpetual	<u>(400,342)</u>	<u>(523,554)</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 3,194,110</u>	<u>\$ 4,478,128</u>

NOTE E – CONTRIBUTIONS RECEIVABLE

There were no long term receivables as of December 31, 2025. 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>

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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.

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, 2025:

	Level 1	Level 2	Level 3	Total
Cash	\$ 414,478	\$ -	\$ -	\$ 414,478
U.S. treasury securities	4,618,667	-	-	4,618,667
Common stock	1,142,497	-	-	1,142,497
Mutual funds	79,283	-	-	79,283
Exchange traded products	869,057	-	-	869,057
Total Investments	<u>\$ 7,123,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,123,982</u>

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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:

	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>

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.

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 standards of prudence prescribed by UPMIFA.

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NOTE G – ENDOWMENT - TAPS – continued

Interpretation of Relevant Law– continued

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.

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.
- At the dissolution of the Foundation's Board, the TAPS fund can be designated to fund another worthwhile purpose or to another group to carry out its purpose to continue TAPS in perpetuity.

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(continued)**

NOTE G – ENDOWMENT - TAPS - continued

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, 2025 and 2024.

Changes in the Fund for the year ended December 31, 2025, are as follows:

	Without Donor Restrictions Board Designated Endowment	With Donor Restrictions Perpetual in Nature	Total
Beginning of year	\$ 3,188,937	\$ 50,000	\$ 3,238,937
Additional board designation	8,988	-	8,988
Investment returns, net	364,655	-	364,655
Balance at December 31, 2025	<u>\$ 3,562,580</u>	<u>\$ 50,000</u>	<u>\$ 3,612,580</u>

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 return, net	(52,275)	-	(52,275)
Balance at December 31, 2024	<u>\$ 3,188,937</u>	<u>\$ 50,000</u>	<u>\$ 3,238,937</u>

There were no appropriations for expenditures from the Fund, for the years ended December 31, 2025 and 2024.

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(continued)**

NOTE H – PROPERTY AND EQUIPMENT

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

	2025	2024
Website	\$ 268,000	\$ 268,000
Equipment	54,237	54,237
Videos and podcasts	209,072	209,072
	531,309	531,309
Less: Accumulated depreciation and amortization	(367,531)	(211,173)
Property and Equipment, Net	<u>\$ 163,778</u>	<u>\$ 320,136</u>

Depreciation and amortization expense for the years ended December 31, 2025 and 2024, totaled \$156,358 and \$104,667, 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 for 24 months, and expired on September 30, 2024. Upon expiration, the lease was renewed on a month-to-month basis. There was no remaining right-of-use asset or lease liability for the years ended December 31, 2025 and 2024.

Occupancy expense for the years ended December 31, 2025 and 2024, totaled \$33,883 and \$36,583, respectively.

NOTE J – RELATED PARTY AND IN-KIND CONTRIBUTIONS

The Foundation received nonfinancial contributions of services from WWICC for 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 services, which include salaries and related costs, totaled \$0 and \$12,892, for the years ended December 31, 2025 and 2024, respectively.

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NOTE J – RELATED PARTY AND IN-KIND CONTRIBUTIONS - continued

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 \$0 and \$324,016, to the WWICC for the years ended December 31, 2025 and 2024, respectively. In addition, the Foundation received management services from WWICC in the amount of \$34,555 and \$66,908 for the years ended December 31, 2025 and 2024, respectively, 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, 2025 and 2024, the Foundation earned \$235,863 and \$3,225,204, respectively, which was recorded as program service revenue.

Additionally, for the year ended December 31, 2025, the Foundation received donated facilities and consulting services, unrelated to aforementioned agreement, totaling \$2,929 and \$92,700, respectively. Donated facilities were utilized for program services, and donated services were allocated between various program services and support functions.

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.

NOTE L – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were designated by donors for the following purposes as of December 31, 2025 and 2024:

	2025	2024
Net Assets with Donor Restrictions:		
Programs:		
Poppy fund	\$ 230,853	\$ 230,853
TAPS - purpose restricted	116,170	178,598
TAPS - perpetual in nature	50,000	50,000
Doughboy MIA	3,319	3,319
Performance series	-	60,674
CA program	-	110
Time restricted	-	607,220
Total Net Assets With Donor Restriction	\$ 400,342	\$ 1,130,774

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NOTE M – SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through July 17, 2026, 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.