

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

**Financial Report
(Audit)**

December 31, 2018

The Hershel Woody Williams Congressional

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Certified Public Accountants - Business Advisors

1218 High Street, P.O. Box 690 Wadsworth, Ohio 44282-0690

Ph: 330-336-1004 Fax: 330-336-1103

www.rwcorwin.com

Independent Auditor's Report

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

We have audited the accompanying financial statements of The Hershel Woody Williams Congressional Medal of Honor Education Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Hershel Woody Williams Congressional Medal of Honor Education Foundation as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

R.W. Corwin & Company

RW CORWIN & COMPANY, INC.

Wadsworth, Ohio

May 10, 2019

**The Hershel Woody Williams Congressional Medal of Honor Education
Foundation
Statement of Financial Position
December 31, 2018**

ASSETS

CURRENT ASSETS

Cash & Cash Equivalents	\$ 96,462
Restricted Cash	414,105
Total Cash and Cash Equivalents	510,567

Other Current Assets	
Accounts Receivable	-
Investments	3,106
Total Other Current Assets	3,106

Property, Plant, & Equipment	
Equipment	3,179
Less: Accumulated Depreciation	(397)
Net Property, Plant, and Equipment	2,782

TOTAL ASSETS	\$ 516,455
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 10,128
Accrued payroll	1,481
Other current liabilities	2,791
TOTAL CURRENT LIABILITIES	14,400

LONG TERM LIABILITIES

Long Term Debt	25,000
TOTAL LONG TERM LIABILITIES	25,000
TOTAL LIABILITIES	39,400

NET ASSETS

Unrealized Gains/(Loss) on Investments	(1,660)
Without Donor Restrictions	154,996
With Donor Restrictions	323,719
Total Net Assets	477,055

TOTAL LIABILITIES AND NET ASSETS	\$ 516,455
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The accompanying notes are an integral part of these financial statements.

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

**Statement of Activities
For the Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Program Revenue			
Speaking Fees	\$ 10,000	\$ -	\$ 10,000
Challenge Coin	-	-	-
Total Program Revenue	10,000	-	10,000
Direct Public Support			
Contributions	331,747	693,725	1,025,472
Total Direct Public Support	331,747	693,725	1,025,472
Miscellaneous Revenue			
Gain on Investments	108	1,038	1,146
Dividends	44	-	44
Interest Income	-	-	-
Other	2,025	(2,025)	-
Total Miscellaneous Revenue	2,177	(987)	1,190
TOTAL REVENUES	343,924	692,738	1,036,662
EXPENSES			
Fundraising			
Travel	722	-	722
Marketing	2,351	340	2,691
Special Events	96	4,806	4,902
Total Fundraising	3,169	5,146	8,315
Program Expense			
Community Outreach	6,537	-	6,537
Foundation Hats	554	-	554
Program Supplies	2,115	21	2,136
Lapel Pins	4,823	635	5,458
Foundation Shirts	1,538	-	1,538
Contributions	1,500	-	1,500
Challenge Coin	1,570	1,013	2,583
Dry Cleaning	176	-	176
Car Magnets	122	-	122
Key Chains	695	-	695
Patches	8	-	8
Other	2,265	-	2,265
Gold Star Family Memorials			
Gainesville, TX Memorial	-	15,143	15,143
Boscawen, NH Memorial	-	46,451	46,451
Cleveland, OH Memorial	-	13,039	13,039
Simi Valley, CA Memorial	-	50,000	50,000
Dayton Memorial	-	54,477	54,477
Havre De Grace Memorial	-	5,460	5,460
Estherville, IA	-	46,654	46,654
Delaware Memorial	-	46,197	46,197

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

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

**Statement of Activities
For the Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
Baton Rouge LA Memorial	\$ -	\$ 56,394	\$ 56,394
Marietta, OH Memorial	-	40,114	40,114
Washington Crossing Memorial	-	61,727	61,727
Bay City, MI Memorial	-	5,000	5,000
Canton, OH Memorial	(13,789)	51,336	37,547
Hawaii Memorial	-	10,000	10,000
Camp Shelby, MS Memorial	-	28,925	28,925
Little Rock, AR Memorial	(7,075)	66,232	59,157
Beebe, AR Memorial	(30,481)	30,481	-
Gold Star Family Memorials - Other	5,760	-	5,760
Total Memorial Contributions	<u>(45,585)</u>	<u>627,630</u>	<u>582,045</u>
Total Program Expense	(23,682)	629,299	605,617
Travel and Meetings			
Meals	4,003	876	4,879
Travel	66,241	18,036	84,277
Conference, Convention, Meeting	1,440	-	1,440
Other	3,427	3,748	7,175
Total Travel and Meetings	<u>75,111</u>	<u>22,660</u>	<u>97,771</u>
Operations			
Internet	536	-	536
Membership/Dues	150	-	150
Advertising	3,495	-	3,495
Banking and Processing Fees	1,379	1,921	3,300
Books, Subscriptions, Reference	106	-	106
Supplies	4,936	235	5,171
Printing and Copying	3,931	-	3,931
Postage, Mailing Service	2,717	478	3,195
Other	251	-	251
Total Operations	<u>17,501</u>	<u>2,634</u>	<u>20,135</u>
Facilities			
Rent, Parking, Utilities	4,200	-	4,200
Depreciation	318	-	318
Total Facility Expenses	<u>4,518</u>	<u>-</u>	<u>4,518</u>
Payroll Expenses			
Payroll Taxes	4,084	-	4,084
Salaries and Wages	54,589	-	54,589
Total Payroll Expenses	<u>58,673</u>	<u>-</u>	<u>58,673</u>
Contract Services			
Accounting Fees	15,900	-	15,900
Outside Contract Services	27,060	-	27,060
Total Contract Services	<u>42,960</u>	<u>-</u>	<u>42,960</u>
Business Expenses			
Business Registration Fees	4,173	-	4,173
Total Business Expenses	<u>4,173</u>	<u>-</u>	<u>4,173</u>

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

**The Hershel Woody Williams Congressional Medal of Honor Education
Foundation
Statement of Activities
For the Year Ended December 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Other Expense			
Insurance	\$ 1,435	\$ -	\$ 1,435
Other	525	(389)	136
Total Other Expense	<u>1,960</u>	<u>(389)</u>	<u>1,571</u>
TOTAL EXPENSES	<u>184,383</u>	<u>659,350</u>	<u>843,733</u>
OPERATING INCOME	<u>159,541</u>	<u>33,388</u>	<u>192,929</u>
CHANGE IN NET ASSETS	\$ 159,541	\$ 33,388	\$ 192,929
NET ASSETS - BEGINNING OF YEAR	<u>(4,545)</u>	<u>290,331</u>	<u>285,786</u>
NET ASSETS - END OF YEAR	<u>\$ 154,996</u>	<u>\$ 323,719</u>	<u>\$ 478,715</u>

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

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

**Statement of Functional Expenses
For the Year Ended December 31, 2018**

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Fundraising				
Marketing	\$ -	\$ -	\$ 2,691	\$ 2,691
Travel	-	-	722	722
Special Events	-	-	4,902	4,902
Program Expense				
Community Outreach	6,537	-	-	6,537
Foundation Hats	554	-	-	554
Program Supplies	2,136	-	-	2,136
Lapel Pins	5,458	-	-	5,458
Foundation Shirts	1,538	-	-	1,538
Contributions	1,500	-	-	1,500
Challenge Coins	2,583	-	-	2,583
Dry Cleaning	176	-	-	176
Car Magnets	122	-	-	122
Key Chains	695	-	-	695
Patches	8	-	-	8
Other Program	2,265	-	-	2,265
Memorial Contributions				
Gainesville, TX Memorial	15,143	-	-	15,143
Boscawen, NH Memorial	46,451	-	-	46,451
Cleveland, OH Memorial	13,039	-	-	13,039
Simi Valley, CA Memorial	50,000	-	-	50,000
Dayton, OH Memorial	54,477	-	-	54,477
Havre De Grace Memorial	5,460	-	-	5,460
Estherville, IA Memorial	46,654	-	-	46,654
Delaware Memorial	46,197	-	-	46,197
Baton Rouge, LA Memorial	56,394	-	-	56,394
Marietta, OH Memorial	40,114	-	-	40,114
Washington Crossing Memorial	61,727	-	-	61,727
Bay City, MI Memorial	5,000	-	-	5,000
Canton, OH Memorial	37,547	-	-	37,547
Hawaii Memorial	10,000	-	-	10,000
Camp Shelby, MS	28,925	-	-	28,925
Little Rock, AR Memorial	59,157	-	-	59,157
Other Memorial Expenses	5,760	-	-	5,760
Meals	4,879	-	-	4,879
Travel	91,452	-	-	91,452
Conference, Convention, Meetings	-	1,440	-	1,440
Internet	-	536	-	536
Membership/Dues	-	150	-	150
Advertising	-	3,495	-	3,495
Banking and Processing Fees	-	3,300	-	3,300
Books, Subscriptions, Reference	-	106	-	106
Supplies	913	4,258	-	5,171

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

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

**Statement of Functional Expenses
For the Year Ended December 31, 2018**

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Printing and Copying	3,931		-	3,931
Postage, Mailing Service	3,195		-	3,195
Other	251		-	251
Rent, Parking, Facilities	-	4,200	-	4,200
Depreciation	318	-	-	318
Payroll Taxes	3,471	408	205	4,084
Salaries and Wages	46,401	5,459	2,729	54,589
Accounting Fees	9,567	6,333	-	15,900
Outside Contract Services	24,908	2,152	-	27,060
Business Registration Fees	-	4,173	-	4,173
Insurance	-	1,435	-	1,435
Other	-	136	-	136
TOTAL	<u>\$ 794,903</u>	<u>\$ 37,581</u>	<u>\$ 11,249</u>	<u>\$ 843,733</u>

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

**The Hershel Woody Williams Congressional Medal of Honor Education
Foundation
Statement of Cash Flows
For the Year Ended December 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from contributors	\$ 1,040,525
Cash paid to vendors	(833,701)
Cash paid to employees	(57,192)
Interest/dividends received	44
CASH PROVIDED BY OPERATING ACTIVITIES	<u>149,676</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investments	11,851
Purchase of property, plant and equipment	-
CASH PROVIDED BY INVESTING ACTIVITIES	<u>11,851</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	161,527
CASH & CASH EQUIVALENTS - BEGINNING OF YEAR	<u>349,040</u>
CASH & CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 510,567</u></u>

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

The Hershel Woody Williams Congressional Medal of Honor Education Foundation
Notes to Financial Statements
December 31, 2018

1. Nature of Operations

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

2. Accounting Policies

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

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

Restricted Cash - Restricted cash includes cash received with restrictions as to use by the donor. Typically, these restrictions are to build a memorial in a particular place.

Statement of Cash Flows - The Foundation did not pay any interest or Federal or State income taxes during 2018.

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

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

Depreciation expense was in \$318 in 2018.

Advertising - The Foundation expenses advertising costs as they are incurred. Advertising expenses for the year ended December 31, 2018 were \$6,186.

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

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

The Hershel Woody Williams Congressional Medal of Honor Education Foundation
Notes to Financial Statements
December 31, 2018

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

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

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

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

3. Restricted Contribution Policy

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

4. Investments

Investments in securities are recorded at fair value and consist of common stock. The approximate fair value of these investments was \$3,106 at December 31, 2018 based on quoted market prices. The original basis of these investments was \$4,766. All investments are Level 1 investments based on the frequency and availability of market pricing and the ability to directly control the investment.

5. Loan Payable

The Foundation has a loan payable to Hershel “Woody” Williams. The loan bears no interest rate and has no maturity date. The original loan was for the purpose of funding a matching requirement for a fundraiser held by The Matching Fund. Subsequent to year end, the Foundation began making monthly payments of \$5,000 per month beginning February 1, 2019.

6. Subsequent Events

No reportable subsequent events were identified. Subsequent events were evaluated through May 20, 2019, which is the date the financial statements were available to be issued.