

**THE MARSHALL LEGACY INSTITUTE**  
**FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORTS**  
**WITH SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**THE MARSHALL LEGACY INSTITUTE**  
**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS**  
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# ***Brooks, Harrison Company, L.L.C.***

Certified Public Accountants

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## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Directors of  
The Marshall Legacy Institute

### **Opinion**

We have audited the accompanying financial statements of The Marshall Legacy Institute, Inc. (the Institute) (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Marshall Legacy Institute, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, 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 Institute's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 auditors' 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, misrepresentation, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 Institute'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.

### **Supplementary Information**

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated July 24, 2025, on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Institute's internal control over financial reporting and compliance.



Bethesda, Maryland  
July 24, 2025

**THE MARSHALL LEGACY INSTITUTE**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 709,168
Investments	21,836
Grants and contributions receivable	409,793
Prepaid expenses	<u>11,188</u>

Total Current Assets	<u>1,151,985</u>
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**PROPERTY AND EQUIPMENT**

Furniture & equipment	13,563
Website	11,040
Leasehold improvements	7,135
Less, accumulated depreciation and amortization	<u>(31,150)</u>

Property and Equipment, Net	<u>588</u>
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**OTHER ASSETS**

Security Deposit	4,133
Operating lease right-of-use asset	<u>166,795</u>

Total Other Assets	<u>170,928</u>
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<b>TOTAL ASSETS</b>	<b><u>\$ 1,323,501</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 204,265
Current portion of operating lease liability	<u>66,171</u>

Total Current Liabilities	<u>270,436</u>
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**LONG-TERM LIABILITIES**

Long-term portion of operating lease liability	<u>100,624</u>
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Total Liabilities	<u>371,060</u>
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**NET ASSETS**

Unrestricted net assets	355,501
Donor restricted net assets	<u>596,940</u>

Total Net Assets	<u>952,441</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,323,501</u></b>
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The accompanying notes are an integral part of these financial statements.

**THE MARSHALL LEGACY INSTITUTE**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2024**

<b>SUPPORT AND REVENUE</b>	<b>Without Donor Restrictions</b>	<b>Donor Restricted</b>	<b>Total</b>
Contributions	\$ 138,589	\$ 125,081	\$ 263,670
Grants and contracts	1,459,923	855,000	2,314,923
Interest	165	-	165
Investment and other Income	76,954	-	76,954
Net assets released from restrictions	527,106	(527,106)	-
<b>Total Support and Revenue</b>	<b>2,202,737</b>	<b>452,975</b>	<b>2,655,712</b>
 <b>EXPENSES</b>			
Program Services			
K-9 Demining Corps	900,537	-	900,537
Mine Awareness and Victims Assistance	1,034,182	-	1,034,182
<b>Total Program Services</b>	<b>1,934,719</b>	<b>-</b>	<b>1,934,719</b>
Supporting Services			
Management and general	139,726	-	139,726
Fundraising	195,685	-	195,685
<b>Total Supporting Services</b>	<b>335,411</b>	<b>-</b>	<b>335,411</b>
<b>Total Expenses</b>	<b>2,270,130</b>	<b>-</b>	<b>2,270,130</b>
 <b>CHANGE IN NET ASSETS</b>	<b>(67,393)</b>	<b>452,975</b>	<b>385,582</b>
Net Assets, Beginning of Year	422,894	143,965	566,859
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 355,501</b>	<b>\$ 596,940</b>	<b>\$ 952,441</b>

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

**THE MARSHALL LEGACY INSTITUTE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**

	Program Services					Supporting Services				
	K-9 Demining Corps									
	PMPS	Champs and Other K-9	MDDP	Total	Victims Assistance	Total Program Services	Fundraising	Management and General	Administrative and Overhead	Total Expenses
Mine Detection Dogs	\$ -	\$ -	\$ 208,421	\$ 208,421	\$ -	\$ 208,421	\$ -	\$ -	\$ -	\$ 208,421
Subcontracts and consultants	12,969	225,392	19,635	257,996	768,771	1,026,767	1,750	-	11,183	1,039,700
Salaries, benefits and payroll taxes	37,350	200,631	111,208	349,189	166,500	515,689	76,333	65,723	44,599	702,344
Travel and meals	3,100	8,681	8,212	19,993	16,609	36,602	1,235	-	2,512	40,349
Meetings and conferences	212	288	270	770	149	919	101,196	-	343	102,458
Rent	-	-	-	-	-	-	-	40,542	27,515	68,057
Office and supplies expenses	1,825	3,111	3,177	8,113	20,494	28,607	2,897	-	7,250	38,754
Postage, printing and reproduction	14	2,033	687	2,734	109	2,843	2,517	-	1,637	6,997
Telephone, internet and website	37	1,848	-	1,885	2,415	4,300	-	-	343	4,643
Depreciation	-	-	-	-	-	-	-	-	3,037	3,037
Professional fees	350	4,830	-	5,180	7,780	12,960	-	2,627	1,783	17,370
Insurance	-	-	-	-	-	-	40	5,440	-	5,480
Ambassador vet	-	1,538	-	1,538	-	1,538	-	-	-	1,538
Miscellaneous	-	-	-	-	-	-	-	18,456	12,526	30,982
General and admin. allocation	2,919	23,427	18,372	44,718	51,355	96,073	9,717	6,938	(112,728)	-
	<u>\$ 58,776</u>	<u>\$ 471,779</u>	<u>\$ 369,982</u>	<u>\$ 900,537</u>	<u>\$ 1,034,182</u>	<u>\$ 1,934,719</u>	<u>\$ 195,685</u>	<u>\$ 139,726</u>	<u>\$ -</u>	<u>\$ 2,270,130</u>

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

**THE MARSHALL LEGACY INSTITUTE**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 385,582
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	3,037
Gain on investments	(3,837)
Decrease (Increase) in:	
Grants and contributions receivable	(30,982)
Prepaid expenses	29,995
Increase (Decrease) in:	
Accounts payable	<u>4,932</u>
Net cash provided by operating activities	<u>388,727</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of equipment	<u>(440)</u>
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**NET INCREASE IN CASH AND CASH EQUIVALENTS** 388,287

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 320,881

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 709,168

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



## **THE MARSHALL LEGACY INSTITUTE**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

#### **Note 1: Organization and Summary of Significant Accounting Policies**

##### **Organization**

The Marshall Legacy Institute (the Institute) is a Virginia-based, non-profit, non-governmental, international humanitarian organization founded in 1996. The mission of the Institute is to extend the legacy of George C. Marshall into the 21<sup>st</sup> Century, to alleviate suffering, restore hope, and create the conditions that nurture stability. The Institute's vision is to be a project-oriented organization focused on building indigenous capacity in the developing world, acknowledged throughout the international community for its commitment, contacts, expertise, and ability to accomplish difficult tasks. The Institute's primary sources of revenue are grants and contracts from government agencies, institutes and corporations, and contributions from individuals.

##### **Cash Equivalents**

The Institute considers short-term certificates of deposit and money market funds to be cash equivalents.

##### **Investments**

Investments included shares of publicly traded common stock, with readily determinable market values.

##### **Furniture, Equipment and Leasehold Improvements**

Furniture and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of three to five years. Expenditures for major repairs and improvements are capitalized; expenditures for minor repairs and maintenance costs are charged to expense when incurred.

Leasehold improvements are recorded at cost and amortized over the lease term.

##### **Classification of Net Assets**

The net assets are classified as follows:

Net assets without donor restrictions, or unrestricted net assets, represent the portion of expendable assets that are available for support of the Institute's operations.

Donor restricted net assets represent assets that are specifically restricted by donors for various programs or future periods.

**THE MARSHALL LEGACY INSTITUTE**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**Revenue Recognition**

Unconditional grants and contributions are recorded as revenue in the year in which payments are received or unconditional promises are made. The Institute reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions.

The Institute receives grant and contract revenue from United States government agencies and as a subcontractor to federal government contractors. Revenue from these grants and contracts is recognized as costs are incurred, on the basis of direct costs plus allowable indirect expenses. Revenue recognized on grants and contracts for which billings have not been sent and/or collected from grantors is reported in grants and contributions receivable in the accompanying statement of financial position. Restricted grant revenue received and released from restrictions in the same period is reported as unrestricted.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**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 certain reported amounts and disclosures. Actual results could differ from those estimates.

**Subsequent Events**

The Institute has evaluated subsequent events through July 24, 2025, the date which the financial statements were available to be issued.

**Note 2: Grants and Contributions Receivable**

Grants and contributions receivable at December 31, 2024, were comprised of federal grants receivable and sub-grantee advances.

THE MARSHALL LEGACY INSTITUTE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**Note 3: Liquidity and Availability of Financial Assets**

The accompanying statement of financial position identifies financial assets totaling \$1,140,797, \$596,940 of which are donor restricted for specific programs, and therefore not available for general expenditures. Management structures its financial assets to be available as its expenditures, liabilities, and other obligations become due.

**Note 4: Net Assets With Donor Restrictions**

At December 31, 2024, net assets with donor restrictions were available for the following programs:

K-9 Demining Corps	\$ 472,936
Children Against Mines	104,203
Victim Assistance	<u>19,801</u>
Total	<u>\$ 596,940</u>

**Note 5: Income Taxes**

Under Section 501(c)(3) of the Internal Revenue Code, the Institute is exempt from the payment of taxes on income other than net unrelated business income. The Institute had no net unrelated business income during the year and accordingly, no provision for income tax was required.

**Note 6: Lease Commitment**

The Institute leases its current office space in Arlington, Virginia under an operating lease agreement that was originally executed on December 18, 2002, and subsequently extended through May 31, 2027, through amendment. Total rent expense attributable to the Institute's office space for the year ended December 31, 2024 was \$68,057.

Other Information related to the lease are as follows:

Right-of-use assets obtained in exchange for new lease liabilities	\$ 320,013
Weighted-average remaining lease terms	2.42 years
Weighted-average discount rate	3.00%

**THE MARSHALL LEGACY INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

The maturities of the lease liabilities as of December 31, 2024 are as follows:

Year ending December 31:	
2025	\$ 63,992
2026	63,965
2027	<u>26,415</u>
Total minimum lease payments	154,372
Imputed interest	<u>12,423</u>
Total lease liabilities	<u>\$ 166,795</u>

**Note 7: Retirement Plan**

The Institute maintains a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code, which is available to all eligible employees. Eligible employees may contribute to the plan up to the maximum limits established by the plan. The Institute provides an employer contribution equal to 3% of each employee's salary and these contributions are immediately vested. Retirement expense for the year ended December 31, 2024 was \$46,980, and is included in salaries and benefits expense in the accompanying schedule of functional expenses.

## **SUPPLEMENTARY INFORMATION**

**THE MARSHALL LEGACY INSTITUTE**

**SCHEDULE OF INDIRECT COSTS**

**YEAR ENDED DECEMBER 31, 2024**

	<u>Administrative and Overhead</u>	<u>Management and General</u>	<u>Total</u>
Subcontracts and consultants	\$ 11,183	\$ -	\$ 11,183
Salaries, benefits and payroll taxes	44,599	65,723	110,322
Travel and meals	2,512	-	2,512
Meetings and conferences	343	-	343
Rent	27,515	40,542	68,057
Office and supplies expenses	7,250	-	7,250
Postage, printing and reproduction	1,637	-	1,637
Telephone, internet and website	343	-	343
Depreciation	3,037	-	3,037
Professional fees	1,783	2,627	4,410
Insurance	-	5,440	5,440
Miscellaneous	12,526	18,456	30,982
	<u>112,728</u>	<u>132,788</u>	<u>245,516</u>
General and administrative allocation	<u>(6,938)</u>	<u>6,938</u>	<u>-</u>
	<u>\$ 105,790</u>	<u>\$ 139,726</u>	<u>\$ 245,516</u>
Total Direct Costs	\$ 2,024,614	\$ 2,024,614	\$ 2,024,614
Less excess subcontract amounts *	<u>(1,095,797)</u>	<u>(1,095,797)</u>	<u>(1,095,797)</u>
Total Direct Costs Base	<u>\$ 928,817</u>	<u>\$ 928,817</u>	<u>\$ 928,817</u>
Indirect Cost Rate	<u>11.39%</u>	<u>15.04%</u>	<u>26.43%</u>

\* Subcontract amounts in excess of \$25,000 are not included in the direct costs base.

See independent auditors' report.

**THE MARSHALL LEGACY INSTITUTE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2024**

<u>Federal Grantor Award Title/Project Title</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
U.S. Department of State			
MDDPP/Children Against Mines Program (CHAMPS) Bosnia	19.800	S-PMWRA-22-GR-0032	\$ 128,333
Children Against Mines Program (CHAMPS) Yemen	19.800	S-PMWRA-23-GR-0035	230,199
Restoring Life in Iraq	19.016	SLMAQM 21-GR-3490	885,277
Peace Through Sport	19.040	SLE200 21-GR-3030	29,152
Building Futures in Iraq	19.345	SAQMIP 23-GR-0300	<u>136,962</u>
Total Federal Programs			<u>\$ 1,409,923</u>

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the The Marshall Legacy Institute and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the accompanying financial statements. The Institute has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

See independent auditors' report.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
The Marshall Legacy Institute

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Marshall Legacy Institute (the Institute), (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 24, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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



### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Brooks, Hummer Company".

Bethesda, Maryland  
July 24, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
The Marshall Legacy Institute

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited The Marshall Legacy Institute's (the Institute's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Institute's major federal programs for the year ended December 31, 2024. The Institute's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion the Institute complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

**Basis for Opinion on Each Major Federal Program**

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

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

**Responsibilities of Management for Compliance**

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

**Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Institute's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Institute's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Institute's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Institute's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over compliance. Accordingly, no such opinion is expressed.

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

#### **Report on Internal Control over Compliance**

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

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

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

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

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of The Marshall Legacy Institute (the Institute) as of and for the year ended December 31, 2024, and have issued our report thereon dated July 24, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Brooks, Harrison Company*

Bethesda, Maryland  
July 25, 2025

**THE MARSHALL LEGACY INSTITUTE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**SECTION A - SUMMARY OF AUDITORS' RESULTS**

Financial Statements

- |  |             |
|--|-------------|
| 1. Type of auditors' report issued   | Unqualified |
| 2. Internal control over financial reporting:                                    |             |
| a. Material weakness identified?   | No          |
| b. Significant deficiencies identified not considered to be material weaknesses? | No          |
| c. Noncompliance material to the financial statements noted?                     | No          |

Federal Awards

- |   |             |
|---|-------------|
| 1. Internal control over major programs:  |             |
| a. Material weakness identified?  | No          |
| b. Significant deficiencies identified not considered to be material weaknesses?  | No          |
| 2. Type of auditors' report issued on compliance for major programs.  | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance Section 5010 (a)?                                      | No          |
| 4. Identification of major programs:<br>U.S. Department of State:<br>Mine Detection Dog Partnership Program (MDDPP) (19.800)<br>Restoring Life in Iraq (19.016) |             |
| 5. Dollar threshold used to distinguish between Type A and Type B programs  | \$750,000   |
| 6. Auditee qualified as a low-risk auditee under the Uniform Guidance?  | Yes         |

See independent auditors' report.

**THE MARSHALL LEGACY INSTITUTE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**SECTION B - FINANCIAL STATEMENT FINDINGS**

No matters involving instances of noncompliance or internal control, that are required to be reported under Government Auditing Standards were reported.

**SECTION C - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters involving instances of noncompliance or internal control, that are required to be reported under Section 510(a) of Circular A-133 were reported.

See independent auditors' report.