THE MARSHALL LEGACY INSTITUTE

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS
WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2022

THE MARSHALL LEGACY INSTITUTE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

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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, 2022, 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, 2022, 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. 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, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of indirect costs and expenditures of federal awards 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 7, 2023, 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 7, 2023

THE MARSHALL LEGACY INSTITUTE

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 452,910
Grants and contributions receivable	351,945
Prepaid expenses	10,583
Total Current Assets	815,438
PROPERTY AND EQUIPMENT	
Furniture & equipment	13,673
Website	11,040
Leasehold improvements	7,135
Less, accumulated depreciation and amortization	(25,024)
Property and Equipment, Net	6,824
OTHER ASSETS	
Security Deposit	4,133
Operating lease right-of-use asset	287,400
Total Other Assets	291,533
TOTAL ASSETS	$ 1,113,795

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 182,330
Current portion of operating lease liability	58,404
Total Current Liabilities	240,734
LONG-TERM LIABILITIES	
Long-term portion of operating lease liability	228,996
Total Liabilities	469,730
NET ASSETS	
Unrestricted net assets	410,947
Donor restricted net assets	233,118
Total Net Assets	644,065
TOTAL LIABILITIES AND NET ASSETS	$ 1,113,795

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

THE MARSHALL LEGACY INSTITUTE

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

SUPPORT AND REVENUE	Without Donor Restrictions	Donor Restricted	Total
Contributions	$ 146,764	$ 92,925	$ 239,689
Grants and contracts	1,109,666	435,000	1,544,666
Interest	108	-	108
Net assets released from restrictions	422,592	(422,592)	-
Total Support and Revenue	1,679,130	105,333	1,784,463
EXPENSES			
Program Services			
K-9 Demining Corps	1,027,621	-	1,027,621
Mine Awareness and Victims Assistance	477,186	-	477,186
Total Program Services	1,504,807	-	1,504,807
Supporting Services			
Management and general	110,153	-	110,153
Fundraising	132,457	-	132,457
Total Supporting Services	242,610	-	242,610
Total Expenses	1,747,417	-	1,747,417
CHANGE IN NET ASSETS	(68,287)	105,333	37,046
Net Assets, Beginning of Year	479,234	127,785	607,019
NET ASSETS, END OF YEAR	$ 410,947	$ 233,118	$ 644,065

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

THE MARSHALL LEGACY INSTITUTE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	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	$ -	$ -	$ 159,087	$ 159,087	$ -	$ 159,087	$ -	$ -	$ -	$ 159,087
Subcontracts and consultants	86,467	248,611	18	335,096	356,002	691,098	369	-	375	691,842
Salaries, benefits and payroll taxes	83,563	178,274	101,159	362,996	77,277	440,273	88,674	56,168	53,274	638,389
Travel and meals	2,337	23,383	6,024	31,744	15,188	46,932	1,200	314	-	48,446
Meetings and conferences	9,975	21,247	12,942	44,164	8,603	52,767	21,827	6,253	5,931	86,778
Rent	-	-	-	-	-	-	-	33,303	33,303	66,606
Office and supplies expenses	3,802	3,933	857	8,592	2,649	11,241	1,346	-	5,892	18,479
Postage, printing and reproduction	1,525	3,990	1,232	6,747	274	7,021	2,864	63	63	10,011
Telephone, internet and website	869	1,436	-	2,305	869	3,174	-	-	344	3,518
Depreciation	-	-	-	-	-	-	-	-	3,244	3,244
Professional fees	4,512	4,520	-	9,032	2,250	11,282	150	1,053	1,053	13,538
Insurance	-	-	-	-	107	107	-	2,562	2,562	5,231
Ambassador vet	-	1,916	332	2,248	-	2,248	-	-	-	2,248
General and administrative allocation	15,104	32,222	18,284	65,610	13,967	79,577	16,027	10,437	(106,041)	-
	$ 208,154	$ 519,532	$ 299,935	$ 1,027,621	$ 477,186	$ 1,504,807	$ 132,457	$ 110,153	$ -	$ 1,747,417

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

THE MARSHALL LEGACY INSTITUTE

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 37,046
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	3,244
Decrease (Increase) in:	
Grants and contributions receivable	(165,666)
Prepaid expenses	103,144
Increase (Decrease) in:	
Accounts payable	142,491
Net cash provided by operating activities	120,259
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of equipment	(2,180)
NET INCREASE IN CASH AND CASH EQUIVALENTS	118,079
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	334,831
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 452,910

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

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 21st 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.

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.

Revenue Recognition

Unconditional grants and contributions are recorded as revenue in the year in which payments are received or unconditional promises are made, whichever occurs first. 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.

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 7, 2023, the date which the financial statements were available to be issued.

Note 2: Grants and Contributions Receivable

Grants and contributions receivable at December 31, 2022, were comprised of federal grants receivable and sub-grantee advances.

Note 3: Liquidity and Availability of Financial Assets

The accompanying statement of financial position identifies financial assets totaling $804,855, $233,118 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, 2022, net assets with donor restrictions were available for the following programs:

K-9 Demining Corps	$ 46,635
Children Against Mines	186,483
Total	$ 233,118

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, 2022 was $66,606.

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	4.42 years
Weighted-average discount rate	3.00%

The maturities of the lease liabilities as of December 31, 2022 are as follows:

Year ending December 31:	
2023	$ 64,034
2024	64,014
2025	63,992
2026	63,965
2027	26,415
Total minimum lease payments	282,420
Imputed interest	4,980
Total lease liabilities	$ 287,400

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, 2022 was $43,703, 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, 2022

	Administrative and Overhead	Management and General	Total
Subcontracts and consultants	$ 375	$ -	$ 375
Salaries, benefits and payroll taxes	53,274	56,168	109,442
Travel, meals and entertainment	-	314	314
Meetings and conferences	5,931	6,253	12,184
Rent	33,303	33,303	66,606
Office expenses and supplies	5,892	-	5,892
Postage, printing and reproduction	63	63	126
Telephone, internet and website	344	-	344
Depreciation	3,244	-	3,244
Professional fees	1,053	1,053	2,106
Insurance	2,562	2,562	5,124
Ambassador vet	-	-	-
	106,041	99,716	205,757
General and administrative allocation	(10,437)	10,437	-
	$ 95,604	$ 110,153	$ 205,757
Total Direct Costs	$ 1,541,660	$ 1,541,660	$ 1,541,660
Less excess subcontract amounts *	(578,396)	(578,396)	(578,396)
Total Direct Costs Base	$ 963,264	$ 963,264	$ 963,264
Indirect Cost Rate	9.93%	11.44%	21.36%

* 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, 2022

Federal Grantor Award Title/Project Title	CFDA Number	Contract Number	Expenditures
U.S. Department of State			
MDDPP/Children Against Mines Program (CHAMPS)			
Bosnia	19.800	S-PMWRA-18-GR-0038	$ 84,718
Bosnia	19.800	S-PMWRA-22-GR-0032	67,579
Children Against Mines Program (CHAMPS)			
Yemen	19.800	S-PMWRA-17-GR-1028	235,437
Restoring Life in Iraq	19.016	SLMAQM 21-GR-3490	461,298
Peace Through Sport	19.040	SLE200 21-GR-3030	161,077
Total Federal Programs			$ 1,010,109

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, 2022, 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 7, 2023.

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.

Brooks, Harrison Company

Bethesda, Maryland
July 7, 2023

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, 2022. 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.

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's (the Institute's) as of and for the year ended December 31, 2022, and have issued our report thereon dated July 7, 2023, 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 7, 2023

THE MARSHALL LEGACY INSTITUTE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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 program: U.S. Department of State Mine Detection Dog Partnership Program (MDDPP)	
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.

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.