Steel Founders' Society of America and Affiliate

Consolidated Financial Statements and Supplemental Information
Years Ended December 31, 2021 and 2020

Schedule of Expenditures of Federal Awards and Reports Required by *Government Auditing Standards* and Uniform Guidance
Year Ended December 31, 2021

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

BDO

Steel Founders' Society of America and Affiliate

Consolidated Financial Statements and Supplemental Information
Years Ended December 31, 2021 and 2020

Schedule of Expenditures of Federal Awards and Reports Required by
Government Auditing Standards and Uniform Guidance
Year Ended December 31, 2021

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Independent Auditor's Report

The Board of Directors
Steel Founders' Society of America and Affiliate
Crystal Lake, Illinois

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Steel Founders' Society of America and Affiliate (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Steel Founders' Society of America and Affiliate as of December 31, 2021 and 2020, 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 (GAAS) 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS 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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of financial position and schedules of activities and changes in net assets of Steel Founders' Society of America and Steel Founders' Society Foundation are presented for purposes of additional analysis and are not required parts of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and to other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 June 21, 2022 on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

BDO USA, LLP

June 21, 2022

Consolidated Financial Statements

Steel Founders' Society of America and Affiliate

Consolidated Statements of Financial Position

December 31,		**2021**		2020
Assets				
Current Assets				
Cash	**$**	**1,788,349**	$	1,069,032
Dues receivable		**23,942**		30,553
Project fees receivable		**1,452,072**		562,720
Investments		**3,180,283**		2,834,285
Prepaid expenses		**81,844**		37,962
Total Current Assets		**6,526,490**		4,534,552
Property and Equipment, Net		**347,382**		330,015
Intangibles		**13,236**		-
Total Assets	**$**	**6,887,108**	$	4,864,567
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	**$**	**1,750,772**	$	172,720
Project fees payable		**49**		143,123
Accrued liabilities		**116,554**		125,773
Deferred revenue		**10,952**		12,701
Total Current Liabilities		**1,878,327**		454,317
Long-Term Accrued Liabilities		**40,580**		48,477
Total Liabilities		**1,918,907**		502,794
Net Assets				
Without donor restriction		**4,930,503**		4,328,908
With donor restriction		**37,698**		32,865
Total Net Assets		**4,968,201**		4,361,773
Total Liabilities and Net Assets	**$**	**6,887,108**	$	4,864,567

See accompanying notes to consolidated financial statements.

Steel Founders' Society of America and Affiliate

Consolidated Statements of Activities and Changes in Net Assets

Year ended December 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains, and Other Support			
Government contracts	$ 6,562,761	$ -	$ 6,562,761
Other revenues:			
In-kind contributions	1,174,729	-	1,174,729
Membership dues	608,380	-	608,380
Net investment return	341,021	50	341,071
Meetings	213,182	-	213,182
Contributions	36,786	12,783	49,569
Miscellaneous	9,901	-	9,901
Total Other Revenues	2,383,999	12,833	2,396,832
Total Revenues, Gains, and Other Support, before net assets released from restrictions	8,946,760	12,833	8,959,593
Net Assets Released from Restrictions	8,000	(8,000)	-
Total Revenues, Gains, and Other Support	8,954,760	4,833	8,959,593
Expenses			
Program:			
Research and development	6,962,836	-	6,962,836
Industry support	420,669	-	420,669
Total Program	7,383,505	-	7,383,505
Administration	969,660	-	969,660
Total Expenses	8,353,165	-	8,353,165
Change in Net Assets	601,595	4,833	606,428
Net Assets, beginning of year	4,328,908	32,865	4,361,773
Net Assets, end of year	$ 4,930,503	$ 37,698	$ 4,968,201

See accompanying notes to consolidated financial statements.

Steel Founders' Society of America and Affiliate

Consolidated Statements of Activities and Changes in Net Assets

Year ended December 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains, and Other Support			
Government contracts	$ 3,670,463	$ -	$ 3,670,463
Other revenues:			
In-kind contributions	1,010,020	-	1,010,020
Membership dues	493,779	-	493,779
Net investment return	343,477	-	343,477
Meetings	14,307	12,700	27,007
Contributions	16,879	-	16,879
Miscellaneous	9,375	-	9,375
Total Other Revenues	1,887,837	12,700	1,900,537
Total Revenues, Gains, and Other Support, before net assets released from restrictions	5,558,300	12,700	5,571,000
Net Assets Released from Restrictions	6,500	(6,500)	-
Total Revenues, Gains, and Other Support	5,564,800	6,200	5,571,000
Expenses			
Program:			
Research and development	3,827,810	-	3,827,810
Industry support	371,521	-	371,521
Total Program	4,199,331	-	4,199,331
Administration	672,084	-	672,084
Total Expenses	4,871,415	-	4,871,415
Loss on Disposal	(339)	-	(339)
Change in Net Assets	693,046	6,200	699,246
Net Assets, beginning of year	3,635,862	26,665	3,662,527
Net Assets, end of year	$ 4,328,908	$ 32,865	$ 4,361,773

See accompanying notes to consolidated financial statements.

Steel Founders’ Society of America and Affiliate

Consolidated Statements of Functional Expenses

Year ended December 31, 2021

	Research and Development	Industry Support	Total Program	Administration	Total
Payroll	$ 950,918	$ 279,854	$ 1,230,772	$ 506,761	$ 1,737,533
Direct project expenses	4,342,411	24,364	4,366,775	-	4,366,775
In-kind technical research	1,164,729	-	1,164,729	-	1,164,729
Employee benefits	220,296	64,833	285,129	117,399	402,528
Conferences and meetings	245,708	1,643	247,351	400	247,751
Office expense	623	55	678	156,493	157,171
Professional fees	-	-	-	146,784	146,784
Travel and training	24,880	9,640	34,520	24,178	58,698
Scholarships	-	40,280	40,280	-	40,280
Depreciation	-	-	-	14,947	14,947
In-kind materials	10,000	-	10,000	-	10,000
Committees and interest groups	3,271	-	3,271	-	3,271
Miscellaneous	-	-	-	2,698	2,698
Total Operating Expense	$ 6,962,836	$ 420,669	$ 7,383,505	$ 969,660	$ 8,353,165

See accompanying notes to consolidated financial statements.

Steel Founders' Society of America and Affiliate

Consolidated Statements of Functional Expenses

Year ended December 31, 2020

	Research and Development	Industry Support	Total Program	Administration	Total
Payroll	$ 539,466	$ 183,322	$ 722,788	$ 386,959	$ 1,109,747
Direct project expenses	2,000,983	-	2,000,983	-	2,000,983
Consulting expenses - in-kind	1,010,020	-	1,010,020	-	1,010,020
Employee benefits	148,526	50,473	198,999	106,538	305,537
Projects	111,730	68,664	180,394	1,058	181,452
Office expense	102	34,085	34,187	94,869	129,056
Professional fees	-	-	-	54,394	54,394
Staff expense	16,983	7,902	24,885	12,377	37,262
Depreciation	-	-	-	13,454	13,454
Conferences	-	12,498	12,498	-	12,498
Committees and interest groups	-	7,927	7,927	2,435	10,362
Scholarships	-	6,650	6,650	-	6,650
Total Operating Expense	$ 3,827,810	$ 371,521	$ 4,199,331	$ 672,084	$ 4,871,415

See accompanying notes to consolidated financial statements.

Steel Founders' Society of America and Affiliate

Consolidated Statements of Cash Flows

Year ended December 31,		**2021**		2020
Cash Flows from Operating Activities				
Change in net assets	**$**	**606,428**	$	699,246
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Loss on disposal		**-**		339
Depreciation		**14,947**		13,454
Unrealized gain on investments		**(189,350)**		(279,182)
Realized gain on investments		**(70,295)**		(26,534)
Changes in operating assets and liabilities:				
Dues receivable		**6,611**		(7,099)
Project fees receivable		**(889,352)**		195,550
Prepaid expenses		**(43,882)**		(17,469)
Accounts payable		**1,578,052**		(512,921)
Program fees payable		**(143,074)**		143,123
Other current liabilities		**(10,968)**		(311,606)
Other long-term liabilities		**(7,897)**		48,477
Net Cash Provided by (Used in) Operating Activities		**851,220**		(54,622)
Cash Flows from Investing Activities				
Purchases of property and equipment		**(32,314)**		(124,483)
Purchases of intangible assets		**(13,236)**		-
Proceeds from sale of investments		**311,496**		327,834
Purchases of investments		**(397,849)**		(353,541)
Net Cash Used in Investing Activities		**(131,903)**		(150,190)
Net Increase (Decrease) in Cash		**719,317**		(204,812)
Cash, beginning of year		**1,069,032**		1,273,844
Cash, end of year	**$**	**1,788,349**	$	1,069,032

See accompanying notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

Nature of Activities

Steel Founders' Society of America (the Society) is an international not-for-profit organization whose purpose is to promote the general welfare of all engaged in, or affected by, the manufacture and sale of steel castings or of alloy castings. Membership consists of regular, honorary, and associate members. The Society regularly sponsors meetings, seminars, and conferences related to the industry, as well as providing educational and training materials. Steel Founders' Society Foundation (the Foundation) is a not-for-profit organization whose purpose is to give scholarships to engineering students, providing financial support for engineering work study programs, and making grants to fund scientific research. Collectively, these entities are referred to as the Organization.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Society and its related party affiliate, the Foundation. All material intercompany transactions and balances have been eliminated in consolidation. The financial statements have been consolidated because the Society has economic interest and control through a majority voting interest in the Foundation.

Basis of Presentation

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Project Fees Receivable

Project fees receivable arise from Organization expenditures, which qualify for reimbursement from their federal grants.

Allowance for Doubtful Accounts

The Organization recognizes an allowance for losses on dues and project fees receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. Receivables are written off when deemed uncollectable. Recoveries of receivables previously written off are recorded when received. The expense associated with the allowance for doubtful accounts is recognized as program expense as it historically relates to dues and project fees receivable. As of December 31, 2021 and 2020, management has determined that no allowance for doubtful accounts is deemed necessary.

Investments

Investments in exchange-traded funds and mutual funds are reported at fair value determined by reference to quoted prices in active markets for identical assets and other relevant information generated by marked transactions. Money market funds are included with investments as they are held in the same accounts as the investments. Investments in money market accounts are reported at cost, which approximates fair value. Donated investments are recorded at the fair value as of the date of contribution. There were no donated investments during the years ended December 31, 2021 or 2020. Realized and unrealized gains and losses are included in the accompanying consolidated statements of activities and changes in net assets (see Note 2 for discussion on fair value measurement).

Property and Equipment

Property and equipment is carried at historical cost if purchased or fair value at the date of donation. Depreciation is computed using the straight-line method over three to ten years for office furniture and computer equipment and 40 years for the building. The Organization's policy is to capitalize all expenditures for property and equipment in excess of $2,000. When property and equipment are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to operations. Maintenance and repairs are expensed as incurred.

Impairment of Long-Lived Assets

The Organization reviews its property and equipment for impairment whenever events or changes indicate that its carrying value of the long-lived assets may not be recoverable. In cases where the Organization does not expect to recover its carrying costs, an impairment charge is recorded in accordance with accounting guidance on the impairment of long-lived assets. The Organization did not record any impairment of property and equipment for the years ended December 31, 2021 and 2020.

Project Fees Payable

Project fees payable arise from a portion of work that has been completed, but for which have not been invoiced yet by the vendors.

Deferred Revenue

Deferred revenue consists of prepaid membership dues that relate to subsequent periods.

Net Assets

The net assets of the Organization are classified as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent the portion of expendable net assets that are available for operations, which includes net assets designated by the Board for particular purposes. The Board-designated net assets for the years ended December 31, 2021 and 2020 were $5,025 and $0, respectively.

Net Assets with Donor Restrictions - Net assets with donor restrictions represent the portion of net assets that are subject to donor-imposed restrictions related to a time restraint or for a specific use. Satisfaction of net assets with donor restrictions (i.e., when the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) is reported as a reclassification from net assets with donor restrictions to net assets without donor restrictions.

Some assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with provisions of additional donor restrictions and the release of restrictions, respectively. The Organization has assets that are perpetual in nature as of December 31, 2021 and 2020 (see Note 5 for further detail).

Revenue Recognition

The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers (Topic 606)*. The following revenue streams meet the definition of an exchange transaction and fall within the scope of Topic 606: membership dues, meetings income, and miscellaneous income.

Government Contracts

The Organization engages in various cost-reimbursable contracts with governmental authorities with varying terms. Federal government contracts are not recorded until expended for the purpose of the grants, since they have been evaluated as conditional promises to give and are not recognized until the condition has been met in accordance with Accounting Standards Update (ASU) 2018-08. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

Membership Dues

Membership dues income consists of multiple performance obligations, including member support, access to meetings, committee participation, publications, and access to the online directory. Membership dues are recognized as revenue over time in the membership period to which they relate.

In-Kind Contributions

Contributions of services are recognized at a point in time if they create or enhance a non-financial asset or represent specialized skills that would be purchased if they were not donated.

Meetings

Meetings income consists of a single-performance obligation, access to the Organization's meetings held during the year. Revenue is earned from attendance at the meeting and related workshops. Payments received in advance of the meeting are deferred and recognized at a point in time when the meeting takes place.

Net Investment Return

The Organization holds various investments in mutual funds, exchange-traded funds, and money market funds. The related fees from these investments are netted against investment income (see Note 2).

Miscellaneous

Miscellaneous income for the Organization consists of royalties and revenue from the online directory subscriptions, which are recognized over time in the period to which they relate, and merchandise sales, which are recognized at the time of purchase.

Contributions

Contributions are recognized at a point in time when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Income Taxes

The Society is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code (IRC), except for net income derived from unrelated business activities. The Foundation is exempt from income taxes under Section 501(c)(3) of the IRC, except for net income derived from unrelated business activities.

The Organization is still open to examination by U.S. tax authorities from 2018 forward. For the years ended December 31, 2021 and 2020, there was no interest or penalties recorded in the consolidated statements of activities and changes in net assets related to uncertain tax positions. It is the policy of the Organization to include penalties and interest assessed by income taxing authorities.

Expense Allocations

In the consolidated statements of functional expenses, the costs that are directly associated with a particular program or supporting service are allocated directly to that functional category. Additionally, certain costs have been allocated among the programs and supporting services benefited based on staff time devoted to the functional areas or other appropriate allocation methods determined by management. All other expenses are allocated based on actual expense for programs and various other criteria.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statements of activities and changes in net assets. The new standard is effective for the Organization for the year ended December 31, 2022. The Organization is currently evaluating the impact of this ASU on its consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* This update addresses presentation and disclosure of contributed nonfinancial assets. This update will require a nonprofit to present contributed nonfinancial assets as a separate line item in the consolidated statements of activities and changes in net assets, apart from contributions of cash and other financial assets, and to disclose contributed nonfinancial assets recognized within the consolidated statements of activities and changes in net assets disaggregated by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial assets recognized to include the following: qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period (if utilized, disclose a description of the programs or other activities in which those assets were used); the Organization's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition; and the principal market used to arrive at a fair value measure if it is a market in which the recipient organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and effective for annual periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022. Earlier adoption is permitted. The Organization is currently evaluating the impact of this ASU on its consolidated financial statements.

2. Fair Value Measurements

The Organization uses the framework for measuring fair value that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no changes to valuation methodologies during the years ended December 31, 2021 and 2020.

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for Level 2 investments are determined by reference to quoted market transactions for assets similar to those held to support the underlying assets.

Fair values of assets measured on a recurring basis were as follows:

December 31, 2021

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 2,025,907	$ -	$ -	$ 2,025,907
Exchange-traded funds	1,093,563	-	-	1,093,563
Money market funds	60,813	-	-	60,813
Total	$ 3,180,283	$ -	$ -	$ 3,180,283

December 31, 2020

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,867,373	$ -	$ -	$ 1,867,373
Exchange-traded funds	907,424	-	-	907,424
Money market funds	59,488	-	-	59,488
Total	$ 2,834,285	$ -	$ -	$ 2,834,285

3. Concentration of Credit Risk

The Organization maintains its cash at a single financial institution. All deposit accounts at Federal Deposit Insurance Corporation (FDIC) insured institutions are insured up to $250,000. At times during the reporting period, the Organization's bank balances may have exceeded the federally insured limits; however, it has not experienced any losses with respect to its bank balances.

The Organization maintains the majority of its investments at a single financial institution with a Securities Investors Protection Corporation (SIPC) member broker. Securities, including mutual funds, are not insured against loss in value. The value of investments can go up or down depending on the demand for them in the market. The SIPC replaces missing stocks and other securities in customer accounts held by its members up to $500,000, including up to $100,000 in cash, if a member brokerage or bank brokerage subsidiary fails. The broker provides supplemental protection on assets over $500,000 through certain underwriters at Lloyd's of London, subject to an aggregate loss limit of $1 billion. There is a per-client limit for cash of $1,900,000. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk. The Organization places its investments in various types of financial instruments, as outlined in Note 2.

The Organization received 7% and 9% of its total revenues for the years ended December 31, 2021 and 2020, respectively, from membership dues. The Organization received 73% and 66% of its total revenues for the years ended December 31, 2021 and 2020, respectively, from government contracts. Two government contracts accounted for 96% and 81% of project fee receivable for the years ended December 31, 2021 and 2020, respectively.

4. Property and Equipment, Net

The Organization's property and equipment, net, was as follows:

December 31,	**2021**	2020
Land	**$ 20,250**	$ 20,250
Building	**424,046**	400,050
Furniture and equipment	**65,870**	60,263
	510,166	480,563
Less: accumulated depreciation	**(162,784)**	(150,548)
	$ 347,382	$ 330,015

Depreciation expense for the years ended December 31, 2021 and 2020 was $14,947 and $13,454, respectively.

5. Net Assets

Net Assets without Donor Restrictions

Net assets without donor restrictions were as follows:

December 31,	**2021**	2020
General	**$ 4,925,478**	$ 4,328,908
Board designated endowment fund	**5,025**	-
Total Net Assets Without Donor Restriction	**$ 4,930,503**	$ 4,328,908

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Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods, as follows:

December 31,		2021		2020
Steel-melting research	$	**17,182**	$	17,182
Steel Casting Construction Consortium (SC3)		**8,683**		8,683
Scholarships		**1,783**		2,000
Total Net Assets Subject to Expenditure for Specified Purposed or Period		**27,648**		27,865
Endowment subject to the Organization's spending policy and appropriation				
Endowment fund		**10,000**		5,000
Accumulated earnings on the endowment		**50**		-
Total Endowment		**10,050**		5,000
Total Net Assets with Donor Restriction	$	**37,698**	$	32,865

During the years ended December 31, 2021 and 2020, $8,000 and $6,500, respectively, were released from restrictions due to use restrictions being met.

During the years ended December 31, 2021 and 2020, the Society received a $5,000 donor restricted endowment contribution in each year, respectively. In accordance with the Organization's endowment policy, this principal portion of this endowment is permanently restricted and the related earnings are recorded as increase to donor restricted assets, until appropriated for expenditure by the Board.

The Organization's endowment net asset composition by type of funds for the years ended December 31, 2021 and 2020 were as follows:

Year ended December 31, 2021

		Without Donor Restriction		With Donor Restriction		Total
Donor-restricted endowment funds	$	-	$	10,050	$	10,050
Board designated endowment funds		5,025		-		5,025
Total Net Assets Without Donor Restriction	$	5,025	$	-	$	15,075

Year ended December 31, 2020

		Without Donor Restriction		With Donor Restriction		Total
Donor-restricted endowment funds	$	-	$	5,000	$	5,000
Total Net Assets Without Donor Restriction	$	-	$	5,000	$	5,000

6. Retirement Plan

The Organization has a 401(k) plan that covers all employees who have completed 12 months of service and have reached age 21. Employees are eligible to defer up to 100% of their salary to a maximum deferral according to IRC limits. The Organization makes a contribution equal to 7% of eligible employees' salaries each year. The amount charged to operations for the Organization's 401(k) plan for the years ended December 31, 2021 and 2020 was $100,694 and $70,137, respectively.

7. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditure are as follows:

December 31,	**2021**	2020
Cash	**$ 1,788,349**	$ 1,069,032
Receivables	**1,476,484**	593,273
Investments	**3,180,283**	2,834,285
Total Financial Assets Available Within One Year	**6,445,116**	4,496,590
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	**(27,648)**	(27,865)
Restricted by donors held in perpetuity	**(10,050)**	(5,000)
Total Financial Assets Available to Management for General Expenditures Within One Year	**$ 6,407,418**	$ 4,463,725

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Investments are included in the table above as these assets are available to be used should the Organization deem necessary; however, the investments are not expected to be used within one year.

8. Commitments

At December 31, 2021 and 2020, the Organization had commitments of $31,074 and $22,688, respectively, for the following year's Fall Leadership Meeting for hotel space, which includes hotel room cancellation fees.

These amounts have not been recorded on the accompanying consolidated financial statements because management has determined it is more likely than not that the Organization will not cancel the events and, therefore, not be liable for any cancellation fees.

9. Subsequent Events

The Organization has evaluated subsequent events through June 21, 2022, the date the consolidated financial statements were available to be issued. No subsequent events came to the Organization's attention during this period that warranted adjustment to, or disclosure in, the consolidated financial statements.

Supplementary Information –
Steel Founders' Society of America

Steel Founders' Society of America

Schedules of Financial Position

December 31,		**2021**		2020
Assets				
Current Assets				
Cash	**$**	**1,777,459**	$	1,056,097
Dues receivable		**23,942**		30,553
Project fees receivable		**1,452,072**		562,720
Investments		**2,871,582**		2,562,013
Prepaid expenses		**81,844**		37,962
Total Current Assets		**6,206,899**		4,249,345
Property and Equipment, Net		**347,382**		330,015
Intangibles		**13,236**		-
Total Assets	**$**	**6,567,517**	$	4,579,360
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	**$**	**1,751,242**	$	172,720
Project fees payable		**49**		143,123
Accrued liabilities		**116,498**		125,760
Deferred revenue		**10,952**		12,701
Total Current Liabilities		**1,878,741**		454,304
Long-Term Accrued Liabilities		**40,580**		48,477
Total Liabilities		**1,919,321**		502,781
Net Assets				
Without donor restriction		**4,639,513**		4,067,896
With donor restriction		**8,683**		8,683
Total Net Assets		**4,648,196**		4,076,579
Total Liabilities and Net Assets	**$**	**6,567,517**	$	4,579,360

See accompanying independent auditor's report.

Steel Founders' Society of America

Schedules of Activities and Changes in Net Assets

Year ended December 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains, and Other Support			
Government contracts	$ 6,562,761	$ -	$ 6,562,761
Other revenues:			
In-kind contributions	1,174,729	-	1,174,729
Membership dues	608,380	-	608,380
Net investment return	309,642	-	309,642
Meetings	213,182	-	213,182
Miscellaneous	9,901	-	9,901
Total Other Revenues	2,315,834	-	2,315,834
Total Revenues, Gains, and Other Support	8,878,595	-	8,878,595
Expenses			
Program:			
Research and development	6,929,820	-	6,929,820
Industry support	412,669	-	412,669
Total Program	7,342,489	-	7,342,489
Administration	964,489	-	964,489
Total Expenses	8,306,978	-	8,306,978
Change in Net Assets	571,617	-	571,617
Net Assets, beginning of year	4,067,896	8,683	4,076,579
Net Assets, end of year	$ 4,639,513	$ 8,683	$ 4,648,196

See accompanying independent auditor's report.

Steel Founders' Society of America

Schedules of Activities and Changes in Net Assets

Year ended December 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains, and Other Support			
Government contracts	$ 3,670,463	$ -	$ 3,670,463
Other revenues:			
In-kind contributions	1,010,020	-	1,010,020
Membership dues	493,779	-	493,779
Net investment return	314,568	-	314,568
Meetings	16,879	-	16,879
Miscellaneous	9,375	-	9,375
Total Other Revenues	1,844,621	-	1,844,621
Total Revenues, Gains, and Other Support	5,515,084	-	5,515,084
Expenses			
Program:			
Research and development	3,827,810	-	3,827,810
Industry support	332,889	-	332,889
Total Program	4,160,699	-	4,160,699
Administration	666,982	-	666,982
Total Expenses	4,827,681	-	4,827,681
Loss on Disposal	(339)	-	(339)
Change in Net Assets	687,064	-	687,064
Net Assets, beginning of year	3,380,832	8,683	3,389,515
Net Assets, end of year	$ 4,067,896	$ 8,683	$ 4,076,579

See accompanying independent auditor's report.

Supplementary Information –
Steel Founders’ Society Foundation

Steel Founders' Society Foundation

Schedules of Financial Position

December 31,		2021		2020
Assets				
Current Assets				
Cash	$	**10,890**	$	12,935
Accounts receivables		**470**		-
Investments		**308,701**		272,272
Total Current Assets		**320,061**		285,207
Total Assets	$	**320,061**	$	285,207
Liabilities and Net Assets				
Current Liabilities				
Accrued liabilities	$	**56**	$	13
Total Current Liabilities		**56**		13
Net Assets				
Without donor restriction		**284,108**		254,130
With donor restriction		**35,897**		31,064
Total Net Assets		**320,005**		285,194
Total Liabilities and Net Assets	$	**320,061**	$	285,207

See accompanying independent auditor's report.

Steel Founders' Society Foundation

Schedules of Activities and Changes in Net Assets

Year ended December 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains, and Other Support			
Other revenues:			
Net investment return	$ 31,379	$ 50	$ 31,429
Contributions	36,786	12,783	49,569
Total Other Revenues	68,165	12,833	80,998
Total Revenues, Gains, and Other Support, before net assets released from restrictions	68,165	12,833	80,998
Net Assets Released from Restrictions	8,000	(8,000)	-
Total Revenues, Gains, and Other Support	76,165	4,833	80,998
Expenses			
Research and development	33,016	-	33,016
Industry support	8,000	-	8,000
Total Program	41,016	-	41,016
Administration	5,171	-	5,171
Total Expenses	46,187	-	46,187
Change in Net Assets	29,978	4,833	34,811
Net Assets, beginning of year	254,130	31,064	285,194
Net Assets, end of year	$ 284,108	$ 35,897	$ 320,005

See accompanying independent auditor's report.

Steel Founders' Society Foundation

Schedules of Activities and Changes in Net Assets

Year ended December 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains, and Other Support			
Other revenues:			
Net investment return	$ 28,909	$ -	$ 28,909
Contributions	14,307	12,700	27,007
Total Other Revenues	43,216	12,700	55,916
Total Revenues, Gains, and Other Support, before net assets released from restrictions	43,216	12,700	55,916
Net Assets Released from Restrictions	6,500	(6,500)	-
Total Revenues, Gains, and Other Support	49,716	6,200	55,916
Expenses			
Industry support	38,632	-	38,632
Administration	5,102	-	5,102
Total Expenses	43,734	-	43,734
Change in Net Assets	5,982	6,200	12,182
Net Assets, beginning of year	248,148	24,864	273,012
Net Assets, end of year	$ 254,130	$ 31,064	$ 285,194

See accompanying independent auditor's report.

Supplementary Information

Steel Founders' Society of America and Affiliate

Consolidated Schedule of Expenditures of Federal Awards

Year ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Research and Development Cluster				
Department of Defense				
Defense Logistics Agency				
Innovative Casting Technologies	12.RD	N/A	$ 1,570,525	$ 2,608,201
Steel Performance Initiative	12.RD	N/A	1,779,920	3,586,000
			3,350,445	6,194,201
Passed through:				
Advanced Technology Institute:				
Improved Forging Acquisition Manufacture and Materials	12.RD	SP4701-15-C-7003/ 2016-503	-	61,271
Innovative Casting Technologies	12.RD	SP4701-17-D-1134/ 2017-519	-	199,890
			-	261,161
Total Department of Defense			3,350,445	6,455,362
Total Research and Development Cluster			3,350,445	6,455,362
Total Expenditures of Federal Awards			$ 3,350,445	$ 6,455,362

The accompanying notes are an integral part of this schedule.

Steel Founders' Society of America and Affiliate

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Steel Founders' Society of America and Affiliate under programs of the federal government for the year ended December 31, 2021. 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). Because the Schedule presents only a selected portion of the operations of Steel Founders' Society of America and Affiliate, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of Steel Founders' Society of America and Affiliate.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Steel Founders' Society of America and Affiliate has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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Independent Auditor's 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*

The Board of Directors
Steel Founders' Society of America and Affiliate
Crystal Lake, Illinois

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 consolidated financial statements of Steel Founders' Society of America and Affiliate (the Organization), which comprise the Organization's consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 21, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 consolidated 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 Organization's consolidated 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 consolidated 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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

June 21, 2022

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Independent Auditor's Report on Compliance for a Major Federal Program and Report on Internal Control over Compliance Required by Uniform Guidance

The Board of Directors
Steel Founders' Society of America and Affiliate
Crystal Lake, Illinois

Report on Compliance for a Major Federal Program

Opinion on a Major Federal Program

We have audited Steel Founders' Society of America and Affiliate's (the Organization) 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 the Organization's major federal program for the year ended December 31, 2021. Organization'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, Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization'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, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal program.

Auditor's 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 Organization'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 GAAS, *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 Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Organization'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 Organization'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 Organization'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

June 21, 2022

Steel Founders' Society of America and Affiliate

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section 1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	☐ Yes ☒ No
• Significant deficiency(ies) identified?	☐ Yes ☒ None reported
Noncompliance material to consolidated financial statements noted?	☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	☐ Yes ☒ No
• Significant deficiency(ies) identified?	☐ Yes ☒ None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	☐ Yes ☒ No

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
Various	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	☒ Yes ☐ No

Section 2. Financial Statement Findings

There were no findings related to the consolidated financial statements that are required to be reported, in accordance with generally accepted government auditing standards.

Section 3. Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.