

**Audited Financial Statements
and Supplementary Information**

MOVE UNITED

Rockville, Maryland

September 30, 2021 and 2020

AUDITED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Move United
Rockville, Maryland**

We have audited the accompanying financial statements of Move United (a non-profit organization), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Move United as of September 30, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 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 March 30, 2022, on our consideration of Move United'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 Move United'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 Move United's internal control over financial reporting and compliance.

CST GROUP, CPAs, PC

March 30, 2022

Move United

STATEMENTS OF FINANCIAL POSITION - ASSETS as of September 30

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,241,025	\$ 3,252,943
Investments	2,314,549	2,191,998
Grants receivable	1,627,851	650,991
Prepaid expenses	<u>89,398</u>	<u>180,649</u>
	7,272,823	6,276,581
 PROPERTY AND EQUIPMENT		
Land	334,925	334,925
Furniture and equipment	315,993	145,479
Leasehold improvements	5,800	5,800
Building	<u>30,600</u>	<u>30,600</u>
	687,318	516,804
Less: allowance for depreciation	<u>(186,787)</u>	<u>(169,733)</u>
	500,531	347,071
 OTHER ASSETS		
Restricted cash	6,671	6,671
Deposits	<u>28,400</u>	<u>84,550</u>
	<u>35,071</u>	<u>91,221</u>
	 <u>\$ 7,808,425</u>	 <u>\$ 6,714,873</u>

See notes to financial statements.

STATEMENTS OF FINANCIAL POSITION - LIABILITIES AND NET ASSETS
as of September 30

	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES		
Accounts payable	\$ 716,360	\$ 392,421
Credit cards payable	46,360	39,768
Payroll liabilities	482	0
Accrued wages	29,703	18,804
Accrued vacation	92,887	76,872
Accrued expenses	102,547	12,008
Deferred revenue	<u>237,244</u>	<u>194,125</u>
	<u>1,225,583</u>	<u>733,998</u>
NET ASSETS		
Without donor restrictions	5,835,917	5,437,649
With donor restrictions	<u>746,925</u>	<u>543,226</u>
	<u>6,582,842</u>	<u>5,980,875</u>
	<u>\$ 7,808,425</u>	<u>\$ 6,714,873</u>

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
for Years Ended September 30

	2021	2020
OPERATING ACTIVITIES		
SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS		
Donations	\$ 3,621,423	\$ 4,086,999
Grants	2,132,609	1,909,906
Chapter membership services	610,096	641,489
Membership dues	47,650	37,600
Registration fees	64,917	101,912
	6,476,695	6,777,906
Net assets released from restrictions	375,720	280,277
	6,852,415	7,058,183
SUPPORT AND REVENUE FROM OPERATIONS WITHOUT DONOR RESTRICTIONS		
EXPENSES		
Programs	5,765,648	5,492,848
Management and general	254,755	242,650
Fundraising	558,484	343,253
	6,578,887	6,078,751
TOTAL EXPENSES FROM OPERATIONS		
	273,528	979,432
INCREASE IN NET ASSETS FROM OPERATIONS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE WITH DONOR RESTRICTIONS		
Donations	275,605	42,500
Grants	303,813	330,187
Net assets released from restrictions	(375,720)	(280,277)
	203,698	92,410
TOTAL INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS		
	477,226	1,071,842
NON-OPERATING ACTIVITIES		
Investment income - interest and dividends	95,029	64,926
Investment income - net realized gains/(losses)	2,285	(914)
Investment income - net unrealized gains	38,884	9,584
Expenses paid from investments	(11,457)	(18,342)
	124,741	55,254
TOTAL NON-OPERATING ACTIVITIES		
	601,967	1,127,096
INCREASE IN NET ASSETS		
Net assets, beginning of year	5,980,875	4,853,779
	\$ 6,582,842	\$ 5,980,875
NET ASSETS, END OF YEAR		

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES
For Year Ended September 30, 2021 (with summarized totals for 9/30/20)

	Warfighter Sports	Competitions	Member Services	General Programs	Total Program	Management & General	Fundraising	FYE 21	FYE 20
Salaries and payroll taxes	\$ 103,187	\$ 238,600	\$ 215,966	\$ 966,854	1,524,607	\$ 153,615	\$ 125,880	\$ 1,804,102	\$ 1,455,787
Chapter development	0	0	0	434,345	434,345	0	0	434,345	1,103,277
Sports supplies	294,316	78,650	0	368,492	741,458	0	9,588	751,046	719,826
Insurance expense	7,248	526	481,434	0	489,208	20,036	0	509,244	528,661
Contract fees	185,036	28,434	0	359,094	572,564	0	53,153	625,717	539,966
Event fees	164,694	5,521	0	154,462	324,677	1,200	26,361	352,238	304,892
Lodging and meals	84,136	99,523	0	70,420	254,079	3,824	33,334	291,237	300,626
Office and facilities rental	54,065	3,603	3,652	36,522	97,842	5,478	0	103,320	277,497
Travel expense	54,059	31,657	0	61,074	146,790	0	3,330	150,120	147,104
Promotional items	10,181	5,474	0	16,897	32,552	0	41,986	74,538	118,467
Postage and shipping	6,272	9,508	454	89,376	105,610	1,764	1,636	109,010	80,325
Telephone	6,165	299	1,517	83,206	91,187	24,227	508	115,922	78,219
Professional fees	0	136	150	2,780	3,066	22,002	0	25,068	65,480
Fees, licenses and taxes	20,445	2,898	1,877	7,078	32,298	2,767	1,466	36,531	31,102
Stipends / Athlete training	115,821	26,154	17,021	207,358	366,354	0	164,303	530,657	48,597
Copying and printing	3,131	9,998	140	33,689	46,958	680	7,296	54,934	36,715
Auction	58,810	0	0	0	58,810	0	0	58,810	34,165
Office supplies and expense	321	6,202	740	11,928	19,191	7,715	130	27,036	33,330
Equipment rental and maintenance	67,337	22,443	162	78,133	168,075	2,690	3,387	174,152	30,736
Banquet services	0	0	0	0	0	0	74,250	74,250	28,706
Photography and video	0	11,750	0	134,070	145,820	0	7,650	153,470	25,955
Retirement Contributions	1,700	3,733	3,781	14,909	24,123	2,500	2,236	28,859	23,084
Car rental	16,022	13,596	0	6,608	36,226	0	371	36,597	21,555
Advertising	0	564	0	18,315	18,879	0	0	18,879	19,760
Dues and subscriptions	1,022	2,965	2,785	9,832	16,604	3,528	1,619	21,751	15,589
Depreciation	1,023	2,217	170	10,915	14,325	2,729	0	17,054	9,067
Athlete Expenses	0	0	0	0	0	0	0	0	263
	\$ 1,254,991	\$ 604,451	\$ 729,849	\$ 3,176,357	\$ 5,765,648	\$ 254,755	\$ 558,484	\$ 6,578,887	\$ 6,078,751

See notes to financial statements.

STATEMENTS OF CASH FLOWS
for Years Ended September 30

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 601,967	\$ 1,127,096
Changes to net assets not affecting cash:		
Depreciation	17,054	9,067
Unrealized gain on investments	(38,884)	(9,584)
Realized (gain) loss on investments	(2,285)	914
Donated Securities	(3,111)	(1,097,754)
Effects of changes in operating accounts:		
Increase in grants receivable	(976,860)	(154,494)
(Increase) in prepaid expenses	91,251	(115,163)
(Increase) Decrease in deposits	56,150	(42,016)
Increase in accounts payable	323,939	50,935
Increase (Decrease) in credit card payable	6,592	(9,562)
Increase (Decrease) in payroll liabilities	482	(2,806)
Increase (Decrease) in accrued wages	10,899	(32,552)
Increase in accrued vacation	16,015	34,645
Increase (Decrease) in accrued expenses	90,539	(20,925)
Increase (Decrease) in deferred revenue	43,119	(248,304)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	236,867	(510,503)
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Cash payments for the purchase of property and equipment	(170,514)	0
Cash payments for the purchase of investments	(78,271)	(26,485)
NET CASH USED IN INVESTING ACTIVITIES	(248,785)	(26,485)
NET DECREASE IN CASH	(11,918)	(536,988)
Cash and restricted cash, beginning of the year	3,259,614	3,796,602
CASH AND RESTRICTED CASH, END OF YEAR	\$ 3,247,696	\$ 3,259,614

NOTE A - ORGANIZATION

Introduction

Move United (the Organization) is a nonprofit organization that was incorporated under the laws of the state of California in 1967. The purpose of the Organization is to provide national leadership and opportunities for individuals with disabilities to develop independence, confidence, and fitness through participation in community sports, recreation, and educational programs. The vision of the Organization is that every person, regardless of ability, has an equal opportunity to participate in sports and recreation in their community. The Organization also exists to provide a national umbrella organization for service to local chapters having the same or similar purposes.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Move United have been prepared in accordance with accounting principles generally accepted in the United States, which involves the application of accrual accounting; consequently, revenues are recognized when earned or pledged, and expenses are recognized when incurred.

Use of Estimates

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

Cash and Cash Equivalents

Cash, as used in the accompanying financial statements, includes currency on hand, demand deposits with financial institutions and short term, highly liquid investments purchased with a maturity of three months or less.

Restricted Cash

At September 30, 2021 and 2020 there was \$6,671 each year in donor restricted cash.

Income Taxes

The Organization is exempt from federal and state income tax as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. Net income from unrelated business sources is subject to federal income taxes; however, the Organization had no unrelated business income for the years ended September 30, 2021 and 2020.

Management has evaluated tax positions that could have a significant effect on the financial statements and determined the Organization had no uncertain tax positions at September 30, 2021 and 2020, which require disclosure or recognition. With limited exceptions, the tax records of the Organization remain open for three years for federal income tax examination.

Advertising Costs

The Organization recognizes advertising expense as incurred in conformity with generally accepted accounting principles. Total advertising and marketing costs were \$18,879 and \$19,760 for the years ended September 30, 2021 and 2020, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***Net Assets***

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue with and without Donor Restrictions

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Revenue and Revenue Recognition in Accordance with Contribution Accounting

All unconditional contributions and grants are recognized when received and are considered available to the general programs of the Organization unless specifically restricted by the donor. The Organization reports monetary gifts as support with donor restrictions if they are received with donor stipulations that limit their use or are subject to time restrictions. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration of the restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restriction.

Conditional promises to give are those with a measurable performance or other barrier and right of return. The Organization recognizes conditional promises to give when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***Revenue and Revenue Recognition Accounted for as Contracts with Customers***

Effective October 1, 2020, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Revenue is recognized when the Organization satisfies a performance obligation by transferring a promised good to or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Organization expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Organization combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statement of financial position. Revenue is recognized either over time or at the point in time that the contractual obligations are met.

The Organization records revenue from exchange transactions as increases in net assets without donor restrictions to the extent that the earnings process is complete. Resources received in exchange transactions are recognized as deferred revenue to the extent the earnings process has not yet been completed.

Dues income are recognized ratably over the term which is generally one year.

Registration fees includes fees collected for programs and events. This income is recognized at a point in time when the related program or event occurs.

Membership Services Revenue

The Organization has a Group Risk policy for the Organization and its members based on the total number of participants and volunteers. The Organization submits the total number of participants and volunteers to its insurance broker who then provides a quote for the total cost of insurance. The Organization sends the quote to its members who then agree to reimburse the Organization for the member's portion of the insurance premiums.

Grants Receivable

The Organization grants credit terms in the normal course of business to members, subscribers, exhibitors and other customers throughout the United States.

The allowance for doubtful accounts on grants receivable is made in amounts required to maintain an adequate allowance to cover anticipated bad debts. Amounts receivable are charged against the allowance or revenues when it is determined by the Organization that payment will not be received. At year-end, the allowance is evaluated by management based on review of the grants receivable. At September 30, 2021 and 2020, management believes all receivables are fully collectible, and no allowance for doubtful accounts is necessary. Bad debt expense for the years ended September 30, 2021 and 2020 totaled \$0 each year.

Property and Equipment

Significant additions of property and equipment are capitalized on the basis of cost. Donated assets are recorded at the fair market value on the date of donation. Depreciation is calculated on the straight-line method over the useful lives of the related assets. Land is not depreciated. Depreciation expense for the years ended September 30, 2021 and 2020 was \$17,054 and \$9,067, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***Donated Materials and Services***

The Organization receives donated materials and services. Donated materials and professional services are recorded as revenue without donor restrictions and/or with donor restrictions, depending on the existence and/or nature of any donor restrictions and program expense in the period received if an objective basis is available to measure the value of such items. Donated materials totaled \$283,908 and \$139,605 for the years ended September 30, 2021 and 2020, respectively. There were no donated services for the years ended September 30, 2021 and 2020.

Functional Allocation Expenses

The costs of the various programs and activities of the Organization have been summarized in the statements of functional expenses. Salaries and related benefits are allocated to the functions based on employees' responsibilities toward that specific function. Indirect costs, which include equipment rental, office supplies, postage, printing, telephone, and travel, are allocated to the functions based on usage of these costs by function.

Prepaid Expenses

Included in prepaid expenses are conference costs that are paid in advance and will be expensed in future periods when the costs are used.

Reclassification

Certain amounts in the September 30, 2020 financial statements previously issued have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. These reclassifications had no effect on the reported total change in net assets.

Recent Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued guidance related to leasing for both the lessees and the lessors. The new standard establishes a right-of-use (ROU) model that requires a lessee to record the ROU asset and a lease liability on the statement 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 statement of activities. The new standard is effective for the fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization will evaluate the effect that adoption of this new standard will have on the financial statements.

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2021 and 2020

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,241,025	\$ 3,252,943
Restricted cash	6,671	6,671
Grants receivable	1,627,851	650,991
Investments	<u>2,314,549</u>	<u>2,191,998</u>
	7,190,096	6,102,603

Less those unavailable for general expenditures within one year due to:

Donor-imposed purpose restriction	<u>746,925</u>	<u>543,226</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 6,443,171</u>	<u>\$ 5,559,377</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments. Excess cash is also invested in various money market, bond and equity funds.

NOTE D - CREDIT CARD LOANS

The Organization has an unsecured credit line with Chase Card Services under the Southwest Airlines Rapid Rewards program. The credit line provides \$54,000 of available credit at variable rates of interest, 15.99% per annum at September 30, 2021. The amount outstanding as of September 30, 2021 and 2020 totaled \$46,360 and \$39,768, respectively.

NOTE E - LEASES

In January 2017, the Organization entered into a new lease agreement to lease its office space under an operating lease expiring May 2022. Total rental expense for the years ended September 30, 2021 and 2020 was \$103,320 and \$96,726, respectively.

Future minimum payments, by year and in the aggregate, under the lease agreement are as follows:

<u>For Year Ending September 30,</u> 2022	<u>68,190</u>
	<u>\$ 68,190</u>

NOTE F - COMMITMENTS

The Organization has various contractual agreements with individuals and organizations to provide general services, annual events, and publications management.

See independent auditor's report.

NOTE G - CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and grants receivable.

The Organization maintains cash and investment balances that, at times, exceed federally insured limits. Management does not believe this results in any significant credit risk.

NOTE H - PROFIT SHARING PLAN

During 2018 the organization established a 403(b) retirement plan (the plan) which covers all eligible employees. Participation in the plan is voluntary. Participants in the plan may defer a portion of their annual wages up to the maximum amounts prescribed by the Internal Revenue Code. Contributions to the plan by the Organization are at the discretion of the Board of Directors. Employer discretionary contributions made to the plan for the years ended September 30, 2021 and 2020 totaled \$28,859 and \$23,084, respectively.

NOTE I - FAIR VALUE MEASUREMENTS AND INVESTMENTS

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- Level 1 input: Unadjusted quoted market prices in active markets for identical assets that the Organization has the ability to access at the measurement date.
- Level 2 input: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3 input: Unobservable inputs used for valuing the asset or liability not corroborated by market data

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 maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis. There have been no changes to the methodologies used at September 30, 2021 and 2020.

Money Market funds

These funds are valued at the closing price reported on the active market on which the individual securities are traded.

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2021 and 2020

NOTE I - FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued)**Corporate Fixed Income**

Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

Equity funds

Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

The Organization's investments are reported at fair value in the accompanying statement of financial position as of September 30, 2021.

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 1,221,689	\$ 1,221,689	\$ 0	\$ 0
Corporate Fixed Income	307,758	0	307,758	0
Mutual Funds	<u>785,102</u>	<u>0</u>	<u>785,102</u>	<u>0</u>
Totals	<u>\$ 2,314,549</u>	<u>\$ 1,221,689</u>	<u>\$ 1,092,860</u>	<u>\$ 0</u>

The Organization's investments are reported at fair value in the accompanying statement of financial position as of September 30, 2020.

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 31,569	\$ 31,569	\$ 0	\$ 0
Corporate Fixed Income	295,848	0	295,848	0
Mutual Funds	<u>1,864,581</u>	<u>0</u>	<u>1,864,581</u>	<u>0</u>
Totals	<u>\$ 2,191,998</u>	<u>\$ 31,569</u>	<u>\$ 2,160,429</u>	<u>\$ 0</u>

Components of investment income for the years ended September 30 are as follows:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 95,029	\$ 64,926
Realized gain (loss)	2,285	(914)
Unrealized gain	<u>38,884</u>	<u>9,584</u>
Totals	<u>\$ 136,198</u>	<u>\$ 73,596</u>

Investment costs relating to investment revenues totaled \$11,457 and \$18,342 for the years ended September 30, 2021 and 2020, respectively.

See independent auditor's report.

**NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2021 and 2020**

NOTE J - PPP LOAN

To help mitigate the risks associated with the current economic uncertainty, on May 5, 2020 the Organization received a \$242,800 loan through the Small Business Administration's (SBA) Payroll Protection Program. The loan was fully forgiven on February 21, 2021 and was included in revenue for the year ended September 30, 2020.

To help mitigate the risks associated with the current economic uncertainty, on February 11, 2021 the Organization received a \$274,020 loan through the Small Business Administration's (SBA) Payroll Protection Program. The loan accrues interest at 1% per annum and is payable over 60 months beginning February 11, 2021 until paid in full on February 11, 2026. This loan is intended to be forgiven and was included in revenue for the year ended September 30, 2021.

NOTE K - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition or disclosure through March 30, 2022, which is the date the financial statements were available to be issued. Effective December 31, 2020, Adaptive Sports USA merged with and into the Organization, and the Organization continued as the surviving organization.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Organization management is actively monitoring the situation. Given the daily evolution of the COVID-19 outbreak and the responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for year ended September 30, 2021.

Supplementary Information

MOVE UNITED

September 30, 2021

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for Year Ended September 30, 2021

<u>Federal Grantor/Pass through</u>	<u>Federal CFDA</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
DEPARTMENT OF VETERANS AFFAIRS				
Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces. SPORTS-19-025	64.034	-	\$ 0	\$ 8,149
Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces. SPORTS-19-026	64.034	-	\$ 0	\$ 81,900
Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces. SPORTS-19-027	64.034	-	\$ 0	\$ 178,687
Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces. SPORTS-20-073	64.034	-	\$ 0	\$ 482,117
Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces. SPORTS-20-074	64.034	-	\$ 0	\$ 445,573
Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces. SPORTS-20-120	64.034	-	\$ 0	\$ 66,786
Total Department of Veterans Affairs				<u>\$ 1,263,212</u>
Total expenditures of federal awards				<u>\$ 1,263,212</u>

See independent auditor's report.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for Year Ended September 30, 2021**

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Move United under programs of the federal government for the year ended September 30, 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 Move United, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Move United.

NOTE B - 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

Move United has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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

**To the Board of Directors
Move United
Rockville, Maryland**

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 Move United (the Organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-01.

Move United's Response to Findings

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

CST GROUP, CPAs, PC

March 30, 2022

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

**To the Board of Directors
Move United
Rockville, Maryland**

Report on Compliance for Each Major Federal Program

We have audited Move United's (the Organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-01. Our opinion on each major federal program is not modified with respect to these matters.

The Organization's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-01 that we consider to be a significant deficiency.

The Organization's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

CST GROUP, CPAs, PC

March 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Move United were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements.
3. There was one instance of noncompliance material to the financial statements of Move United, that was required to be reported in accordance with *Government Auditing Standards*.
4. A significant deficiency in internal control over major programs was disclosed by the audit.
5. The auditor's report on compliance for the major federal programs for Move United expresses an unmodified opinion on all major federal award programs.
6. There was one audit finding that was required to be reported in accordance with 2 CFR §200.516(a).
7. The program tested as major was: CFDA: 64.034 - VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces.
8. The threshold for determining between Type A and Type B programs was \$750,000.
9. Move United did not qualify as a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY

2021-01

Timely Submission of Quarterly SF-425 Report

Condition: During our testing of compliance, we noted that the organization filed the quarterly SF-425 for the period ending December 31, 2020 late. The SF-425 was due January 30, 2021 and was not submitted until February 22, 2021.

Criteria: Under the Uniform guidance and terms of the federal award agreement, the Organization is required to submit the quarterly SF-425 report at the end of each quarter within 30 days from the last day of the service for each program quarter.

Cause: CFO was unavailable at the due date of the reporting and therefore the report was not submitted timely.

Effect: The quarterly SF-425 report was filed late and was not in compliance with the Uniform Guidance and the federal award requirements.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2021 and 2020

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

Questioned Costs: None.

Perspective Information: This occurrence appears to be an isolated instance.

Repeat Finding: This was not a repeat finding in the immediate prior audit.

Recommendation: We recommend that the Organization review its monitoring process for the quarterly reporting of SF-425 reports, and ensure reports are filed timely within the requirements of the reporting deadlines. If an extension is necessary for any instances of reporting, a request for extension should be filed with the federal agency, along with a justified explanation for the additional time needed. Otherwise, all quarterly reports should be filed timely within 30 days after the end of each calendar quarter.

Views of Responsible Officials and Planned Corrective Action: Move United will put in place a three-tier redundancy plan for ensuring that filings, both within the VA Salesforce system and within the Payment Management System, are filed prior to or on time each quarter. The Chief Financial Officer, Programs Director and Grants Administrator will work collaboratively to complete the necessary data compilation at least one week prior to the filing deadline. All three individuals will be trained on and have access to the two systems. In the event one individual is incapacitated at the time of filing, one of the other two will complete the filing on time.



CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2021

April 11, 2022

Move United (the Organization) respectfully submits the following Corrective Action Plan for the year ended September 30, 2021.

Name and address of independent public accounting firm:

CST Group CPAs, PC
10740 Parkridge Blvd, Fifth Fl
Reston, VA 20191

Audit period:

10/1/2020 – 9/30/2021

The findings from the Schedule of Findings and Questioned Costs for the year ended September 30, 2021 are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Section III – Federal Award Findings and Questioned Costs

Significant Deficiency:

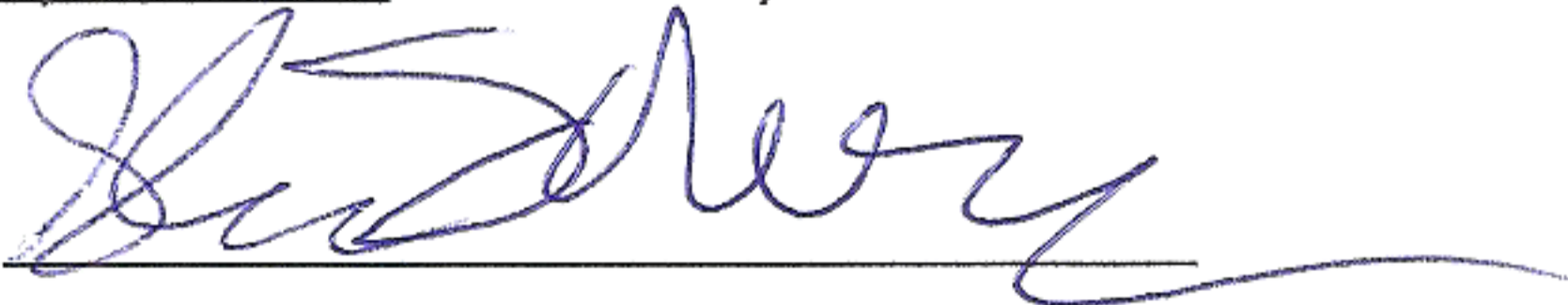
2021-01 – Timely Submission of Quarterly SF-425 Report

Recommendation: We recommend that the Organization review its monitoring process for the quarterly reporting of SF-425 reports, and ensure reports are filed timely within the requirements of the reporting deadlines. If an extension is necessary for any instances of reporting, a request for extension should be filed with the federal agency, along with a justified explanation for the additional time needed. Otherwise, all quarterly reports should be filed timely no later than 30 days after the end of each calendar quarter.

Views of Responsible Officials and Planned Corrective Action: Move United will put in place a three tier redundancy plan for ensuring that filings, both within the VA Salesforce system and within the Payment Management System, are filed prior to or on time each quarter. The Chief Financial Officer, Programs Director and Grants Administrator will work collaboratively to complete the necessary data compilation at least one week prior to the filing deadline. All three individuals will be trained on and have access to the two systems. In the event one individual is incapacitated at the time of filing, one of the other two will complete the filing on time.

Person Responsible: Chief Financial & Operating Officer

Planned Completion Date: Immediately

Signature: 

Glenn Merry, Executive Director

451 Hungerford Drive, Suite #608
Rockville, Maryland 20850
moveunitedsport.org
(301) 217-0960