

Financial Statements
and Other Financial Information

Amputee Coalition of America, Inc.

*Years ended December 31, 2020 and 2019
with Independent Auditor's Report*

Amputee Coalition of America, Inc.

Financial Statements and
Other Financial Information

Years ended December 31, 2020 and 2019

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Independent Auditor's Report

Board of Directors
Amputee Coalition of America, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Amputee Coalition of America, Inc. (Amputee Coalition), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Amputee Coalition of America, Inc. as of December 31, 2020 and 2019, 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.

Board of Directors
Amputee Coalition of America, Inc.

Other Matters

Other Financial Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenses is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenses and the schedule of expenditures of federal awards are 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 June 21, 2021 on our consideration of Amputee Coalition’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 Amputee Coalition’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 Amputee Coalition’s internal control over financial reporting and compliance.

Coulter & Justus, P. C.

Knoxville, Tennessee
June 21, 2021

Amputee Coalition of America, Inc.

Statements of Financial Position

	December 31	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,394,455	\$ 1,715,847
Investments	617,343	1,754,047
Accounts receivable, net	17,465	17,061
Contributions receivable, related parties	-	6,255
Contributions receivable, other	2,500	21,317
Grants receivable	702,786	66,770
Other current assets	186,407	143,597
Total current assets	<u>3,920,956</u>	<u>3,724,894</u>
Net property and equipment	59,987	18,448
Net internally developed software	<u>362,272</u>	<u>376,069</u>
Total assets	<u><u>\$ 4,343,215</u></u>	<u><u>\$ 4,119,411</u></u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 180,253	\$ 131,319
Accrued expenses	103,340	71,181
Deferred revenues	38,296	111,361
Total current liabilities	<u>321,889</u>	<u>313,861</u>
Net assets:		
Without donor restrictions	3,288,573	3,111,302
With donor restrictions	732,753	694,248
Total net assets	<u>4,021,326</u>	<u>3,805,550</u>
Total liabilities and net assets	<u><u>\$ 4,343,215</u></u>	<u><u>\$ 4,119,411</u></u>

See accompanying Notes to Financial Statements.

Amputee Coalition of America, Inc.

Statement of Activities

For the year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
Grants	\$ 3,442,184	\$ -	\$ 3,442,184
Sponsorships	352,000	1,000	353,000
Contributions	408,207	22,524	430,731
Publication advertising	128,719	-	128,719
Memberships	4,100	-	4,100
Event registration	4,799	-	4,799
Educational material sales and other income	89,068	16,161	105,229
Net assets released from restrictions	1,180	(1,180)	-
Total support and revenues	<u>4,430,257</u>	<u>38,505</u>	<u>4,468,762</u>
Expenses:			
Program services	3,590,325	-	3,590,325
Management and general	354,892	-	354,892
Fundraising	307,769	-	307,769
Total expenses	<u>4,252,986</u>	<u>-</u>	<u>4,252,986</u>
Increase in net assets	177,271	38,505	215,776
Net assets at beginning of year	3,111,302	694,248	3,805,550
Net assets at end of year	<u>\$ 3,288,573</u>	<u>\$ 732,753</u>	<u>\$ 4,021,326</u>

See accompanying Notes to Financial Statements.

Amputee Coalition of America, Inc.

Statement of Activities

For the year ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
Grants	\$ 3,498,487	\$ -	\$ 3,498,487
Sponsorships	453,939	-	453,939
Contributions	235,651	80,787	316,438
Publication advertising	170,605	-	170,605
Memberships	15,924	-	15,924
Event registration	205,185	-	205,185
Educational material sales and other income	272,054	25,898	297,952
Net assets released from restrictions	99,272	(99,272)	-
Total support and revenues	<u>4,951,117</u>	<u>7,413</u>	<u>4,958,530</u>
Expenses:			
Program services	3,145,570	-	3,145,570
Management and general	955,579	-	955,579
Fundraising	282,071	-	282,071
Total expenses	<u>4,383,220</u>	<u>-</u>	<u>4,383,220</u>
Increase in net assets	567,897	7,413	575,310
Net assets at beginning of year	2,543,405	686,835	3,230,240
Net assets at end of year	<u>\$ 3,111,302</u>	<u>\$ 694,248</u>	<u>\$ 3,805,550</u>

See accompanying Notes to Financial Statements.

Amputee Coalition of America, Inc.

Statement of Functional Expenses

For the year ended December 31, 2020

	Total Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Salaries	\$ 1,210,670	\$ 123,100	\$ 131,140	\$ 1,464,910
Fringe benefits	204,769	18,648	18,608	242,025
Advertising	22,767	-	-	22,767
Communications	26,471	12,226	2,710	41,407
Contractual costs	946,663	76,068	97,529	1,120,260
Depreciation and amortization	56,935	25,799	6,227	88,961
Events	35,529	682	165	36,376
Insurance	7,072	3,046	735	10,853
Postage and printing	436,954	2,688	10,034	449,676
Rent	90,896	41,187	9,942	142,025
Repairs and maintenance	8,443	3,826	923	13,192
Supplies	37,912	1,473	443	39,828
Technology	370,608	31,097	10,067	411,772
Travel	73,719	4,243	1,178	79,140
Utilities	1,866	846	204	2,916
Other	59,051	9,963	17,864	86,878
	\$ 3,590,325	\$ 354,892	\$ 307,769	\$ 4,252,986

See accompanying Notes to Financial Statements.

Amputee Coalition of America, Inc.

Statement of Functional Expenses

For the year ended December 31, 2019

	<u>Supporting Services</u>			Totals
	Total Program Services	Management and General	Fundraising	
Salaries	\$ 738,147	\$ 398,146	\$ 97,421	\$ 1,233,714
Fringe benefits	240,709	194,181	31,228	466,118
Advertising	43,802	-	35	43,837
Communications	19,436	8,830	2,278	30,544
Contractual costs	368,443	98,137	67,033	533,613
Depreciation and amortization	61,656	5,137	2,166	68,959
Events	488,023	19,191	3,737	510,951
Insurance	11,723	12,563	1,501	25,787
Minor capital costs	7,009	3,728	1,572	12,309
Postage	78,743	2,237	2,212	83,192
Printing	120,782	317	416	121,515
Rent	53,833	79,334	11,163	144,330
Repairs and maintenance	10,779	5,734	2,418	18,931
Supplies	56,407	15,138	7,953	79,498
Technology	412,175	47,409	13,280	472,864
Travel	397,650	64,014	3,151	464,815
Utilities	2,789	1,483	626	4,898
Other	33,464	-	33,881	67,345
	<u>\$ 3,145,570</u>	<u>\$ 955,579</u>	<u>\$ 282,071</u>	<u>\$ 4,383,220</u>

See accompanying Notes to Financial Statements.

Amputee Coalition of America, Inc.

Statements of Cash Flows

	Year ended December 31	
	2020	2019
Cash flows from operating activities		
Increase in net assets	\$ 215,776	\$ 575,310
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Depreciation and amortization	88,961	68,959
Net appreciation in fair value of investments	(73,826)	(93,485)
Changes in operating assets and liabilities:		
Receivables	(611,348)	69,414
Other assets	(42,810)	23,138
Accounts payable and accrued expenses	81,093	(51,892)
Deferred revenues	(73,065)	48,401
Cash (used for) provided by operating activities	<u>(415,219)</u>	639,845
Cash flows from investing activities		
Purchases of equipment	(61,241)	(9,150)
Purchases of internally developed software	(55,462)	(181,538)
Net sales (purchases) of investments	1,210,530	(896,311)
Net cash provided by (used for) investing activities	<u>1,093,827</u>	<u>(1,086,999)</u>
Net increase (decrease) in cash and cash equivalents	678,608	(447,154)
Cash and cash equivalents at beginning of year	1,715,847	2,163,001
Cash and cash equivalents at end of year	<u>\$ 2,394,455</u>	<u>\$ 1,715,847</u>
Supplemental disclosure of noncash activities		
Internally developed software costs included in accounts payable	\$ -	\$ 5,775

See accompanying Notes to Financial Statements.

Amputee Coalition of America, Inc.

Notes to Financial Statements

December 31, 2020

1. Organization and Nature of Activities

The Amputee Coalition of America, Inc. (Amputee Coalition) is a not-for-profit organization whose mission is to reach out and empower people across the United States of America affected by limb loss to achieve their full potential through education, support, and advocacy, and to promote limb loss prevention. Amputee Coalition's primary funding sources are federal grants, donor contributions, membership dues, publication advertising, and sponsorships.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and provide for the accrual basis of accounting.

Amputee Coalition reports information regarding its financial position and activities according to the following classes of net assets:

Net assets without donor restrictions include revenue and contributions received without donor-imposed restrictions.

Net assets with donor restrictions include revenue and contributions subject to donor-imposed stipulations that limit the use of the donated assets and include those gifts for which the restriction is not met within the same fiscal year. When a donor restriction expires in a subsequent fiscal year, 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 Statement of Activities as net assets released from restrictions. Donor restricted gifts are classified as net assets without donor restrictions if the restriction expires in the same fiscal year. Net asset with donor restrictions primarily relate to temporary purpose restrictions such as camp attendance, well-being initiatives, and scholarships.

At December 31, 2020 and 2019, cash and cash equivalents, investments, and contributions receivable are available to satisfy net assets with donor restrictions.

Cash and Cash Equivalents

Amputee Coalition considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash on deposit at financial institutions is federally insured to certain limits or otherwise collateralized.

Amputee Coalition of America, Inc.
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investments and Fair Value Measurements

The investment portfolios are held and managed by investment advisors and stated at fair value based upon quoted prices in an active market (*Note 4*). Investment income, including unrealized gains and losses, is reported as an increase in net assets without donor restrictions or net assets with donor restrictions, depending upon donor stipulations, if any.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy (in order of priority) are described below:

Level 1	Quoted prices in active markets for identical investments.
Level 2	Significant other observable inputs.
Level 3	Significant unobservable inputs.

The 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. Amputee Coalition's investments in mutual funds that are valued at the daily closing price as reported by the fund. Mutual funds held by the Amputee Coalition are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by Amputee Coalition are deemed to be actively traded (Level 1). Certificates of deposit are valued using quoted prices from third parties such as brokers, market makers and pricing agencies (Level 1).

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Amputee Coalition believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounts Receivable

Due to the nature of the activities and services, Amputee Coalition's policies do not require collateral for receivables. The allowance method is used to determine uncollectible accounts receivable, if any, based on prior years' experience and management's analysis of specific accounts receivable. Credit losses, when realized, have been within management's expectations.

Amputee Coalition of America, Inc.
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Significant property and equipment additions are capitalized and stated at cost. The cost of maintenance and repairs is recorded as expenses are incurred, betterments are capitalized, and gains and losses from disposition are included in revenues or expenses. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. For property and equipment additions reimbursed by the grantor, revenue is recognized at the time of purchase.

Internally Developed Software

Internally developed software costs represent costs incurred creating and implementing a Peer Support Application and various subsequent versions of the Application (collectively, the Application).

Costs incurred in the planning and evaluation stage prior to obtaining the technological feasibility of the Application, as well as costs to maintain the Application, are expensed as incurred and totaled \$61,425 during 2020 and \$70,340 during 2019. Costs incurred after the technological feasibility of the Application has been established but before it becomes available for the general release to users, and those costs which add functionality, are capitalized and then amortized. Amortization is computed as the greater of the straight-line method over the remaining economic life of the Application (estimated by management to be seven years), or the ratio that current gross revenues for the Application bear to the total of current and anticipated gross revenues for the Application. Amortization begins when the Application become available for general release to users.

Revenue Recognition

Contributions and grants are recognized as revenue when cash is received, when the donor/grantor makes an unconditional promise to give or as conditions imposed by a donor/grantor on a conditional promise to give are satisfied. They are recorded at fair value as support with donor restrictions or support without donor restrictions, depending on the existence or absence of donor-imposed restrictions.

Sponsorship revenues support specific activities of Amputee Coalition. Cash receipts are reported as deferred revenue when received and then recognized as revenue over the term of the sponsorship agreement based upon the transfer of goods or services to the sponsor.

Membership dues are reported as deferred revenue when received and then recognized as revenue over the period of membership. Revenues from sales of materials, advertising, projects, and events for which the Amputee Coalition has been contracted to render services are recognized upon the transfer of the goods or services to the customer.

Amputee Coalition of America, Inc.
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Amputee Coalition is also a designated beneficiary in a planned giving arrangement of a certain individual retirement account. No amounts are recorded in connection with such arrangements until the point when the amount of the gift becomes determinable and not subject to revocation by the potential donor.

Liquidity and Availability of Resources

Amputee Coalition has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

As of December 31, 2020, Amputee Coalition has approximately \$2,946,000 of financial assets, including approximately \$2,095,000 of cash and cash equivalents, \$129,000 of investments, \$17,000 of accounts receivable, \$2,500 of contributions receivable, and \$703,000 of grants receivable available to meet cash needs for general expenditures that will be available within one year of the statement of financial position date. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The accounts and grant receivables are expected to be collected within one year of the statement of financial position date. Contributions receivable are subject to implied time restrictions but are also expected to be collected within one year of the statement of financial position date.

As of December 31, 2020, Amputee Coalition has approximately \$300,000 of cash and cash equivalents and \$488,000 of investments that are subject to donor restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

Functional Expenses

Expenses have been allocated between program and supporting services primarily on the basis of specific identification. Supporting services include management and general and fundraising expenses.

Income Taxes

Amputee Coalition is classified as an organization exempt from income tax under Internal Revenue Code Section 501(c)(3) as other than a private foundation. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Advertising

Advertising costs are expensed as incurred and totaled \$22,767 and \$43,837 in 2020 and 2019, respectively.

Amputee Coalition of America, Inc.
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Estimates

The preparation of 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 related disclosures. Accordingly, actual results could differ from those estimates.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which supersedes FASB ASC 840, *Leases*, and makes conforming amendments to U.S. GAAP. ASU 2016-02 requires, among other changes to the lease accounting guidance, lessees to recognize most leases on balance sheet via a right of use asset and lease liability, and additional qualitative and quantitative disclosures. ASU 2016-02 is effective for Amputee Coalition for fiscal years beginning after December 15, 2022. Amputee Coalition is currently evaluating the effect this new standard will have on its financial statements.

Subsequent Events

In preparation of the accompanying financial statements, management has evaluated subsequent events that have occurred since December 31, 2020 through June 21, 2021, the date the financial statements were available for issuance.

During April 2021, Amputee Coalition entered into a promissory note with a financial institution in the amount of \$303,237 under the Paycheck Protection Program (the PPP loan). The Paycheck Protection Program (PPP) was established under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and is administered by the U.S. Small Business Administration (SBA). The PPP Loan is unsecured, with a term of five years and has an annual interest rate of 1%. Payment of accrued interest and principal is deferred for the first six months of the PPP loan.

Under the terms of the CARES Act, Amputee Coalition can apply for and be granted forgiveness for all or a portion of the PPP Loan. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds by Amputee Coalition for eligible payroll, rent, utilities, and the maintenance of employee and compensation levels for a 24-week period, beginning April 20, 2021, the date proceeds from the PPP Loan were disbursed to the Company. At least 75% of such forgiven amount must be used for eligible payroll costs.

Amputee Coalition of America, Inc.
Notes to Financial Statements (continued)

3. Grant and Other Revenues

Amputee Coalition receives grant revenues from the U.S. Department of Health and Human Services (HHS) Administration for Community Living (ACL). These revenues accounted for approximately 77% and 71% of total support and revenues in 2020 and 2019, respectively. Grant receivables from ACL of \$702,786 and \$66,770 were recorded as of December 31, 2020 and 2019, respectively. The grants are cost reimbursement grants with costs subject to audit by ACL or its agents.

In addition to federal grants, Amputee Coalition has concentrations in revenue sources for sponsorships and contributions. Sponsorships and contributions totaling \$43,200 and \$39,095 in 2020 and 2019, respectively, were received directly from board members or employers of board members.

4. Investments

The cost and fair value of investments based on quoted market prices, a Level 1 hierarchy, are classified as available for sale and summarized as follows as of December 31, 2020:

	Cost	Fair Value
Mutual funds investing in domestic equity securities	\$ 215,733	\$ 298,366
Mutual funds investing in fixed income	131,351	137,721
Certificates of deposit	107,000	108,098
Other mutual funds	66,875	73,158
Total investments	<u>\$ 520,959</u>	<u>\$ 617,343</u>

The cost and fair value of investments based on quoted market prices, a Level 1 hierarchy, are classified as available for sale and summarized as follows as of December 31, 2019:

	Cost	Fair Value
Mutual funds investing in domestic equity securities	\$ 209,736	\$ 250,001
Mutual funds investing in fixed income	127,848	128,338
Certificates of deposit	1,297,000	1,301,552
Other mutual funds	66,754	74,156
Total investments	<u>\$1,701,338</u>	<u>\$1,754,047</u>

Amputee Coalition of America, Inc.
Notes to Financial Statements (continued)

5. Property and Equipment

Property and equipment consists of the following as of December 31:

	2020	2019
Equipment and furniture	\$ 226,364	\$165,122
Leasehold improvements	4,544	4,544
	230,908	169,666
Less accumulated depreciation	(170,921)	(151,218)
Net property and equipment	\$ 59,987	\$ 18,448

6. Internally Developed Software

The capitalized internally developed software costs and the related accumulated amortization were as follows as of December 31:

	2020	2019
Internally developed software	\$499,078	\$443,616
Less: accumulated amortization	(136,806)	(67,547)
Net internally developed software	\$362,272	\$376,069

During 2020 and 2019, Amputee Coalition recorded amortization expense of \$69,259 and \$51,999, respectively, which is included in the statements of functional expenses in the accompanying financial statements.

Expected future amortization expense for each of the fiscal periods thereafter is as follows:

2021	\$ 71,296
2022	71,296
2023	71,296
2024	71,296
2025	55,747
Thereafter	21,341
Total	\$362,272

7. Employee Benefit Plan

Amputee Coalition has a defined contribution retirement plan that covers all employees who meet eligibility requirements. After one year of employment, Amputee Coalition contributes 5% of each participant's compensation, as defined, to the plan. Retirement plan expense was \$63,019 and \$55,128 during 2020 and 2019, respectively.

Amputee Coalition of America, Inc.
Notes to Financial Statements (continued)

8. Operating Lease

Total lease expense for office space and equipment was \$142,025 and \$144,330, respectively for 2020 and 2019. Estimated future lease payments for operating leases as for December 31, 2020 are as follows:

2021	\$184,306
2022	153,108
2023	38,192
Total	<u>\$375,606</u>

Amputee Coalition of America, Inc.

Schedule of Expenses

For the year ended December 31, 2020

	Total Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Salaries	\$ 939,001	\$ 424,483	\$ 101,426	\$ 1,464,910
Fringe benefits	163,615	64,303	14,107	242,025
Advertising	22,767	-	-	22,767
Communications	1,697	38,710	-	40,407
Contractual costs	778,789	262,304	79,168	1,120,261
Depreciation and amortization	-	88,961	-	88,961
Events	34,024	2,351	-	36,375
Insurance	350	10,503	-	10,853
Postage and printing	431,022	9,270	9,386	449,678
Rent	-	142,025	-	142,025
Repairs and maintenance	-	13,192	-	13,192
Supplies	34,661	5,080	87	39,828
Technology	301,979	107,232	2,560	411,771
Travel	64,356	14,630	154	79,140
Utilities	-	2,916	-	2,916
Other	35,018	37,623	15,236	87,877
Subtotal	2,807,279	1,223,583	222,124	4,252,986
Management and general allocation	783,046	(868,691)	85,645	-
	<u>\$ 3,590,325</u>	<u>\$ 354,892</u>	<u>\$ 307,769</u>	<u>\$ 4,252,986</u>

Amputee Coalition of America, Inc.
 Schedule of Expenditures of Federal Awards
 For the year ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Entity Identifying Number	Federal Expenditures
US Department of Health and Human Services			
Direct Program:			
Limb Loss	93.325	90LLRC0001-01-00	\$ 974,398
Limb Loss	93.325	90LLRC0001-02-00	<u>2,467,786</u>
Total Expenditures of Federal Awards			<u>\$3,442,184</u>

Notes to the Schedule of Expenditures of Federal Awards

Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal award related grant activity of Amputee Coalition of America, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Amputee Coalition did not elect to use the 10% de minimis indirect cost rate. Instead, Amputee Coalition elected to enter into a Nonprofit Rate Agreement with the US Department of Health and Human Services for a provisional 33.93% indirect cost rate.

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*

Independent Auditor's Report

Board of Directors
Amputee Coalition of America, Inc.

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 Amputee Coalition of America, Inc. (Amputee Coalition), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, 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 June 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Amputee Coalition'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 effectiveness of Amputee Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of Amputee Coalition'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 the 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 may exist that have not been identified.

Board of Directors
Amputee Coalition of America, Inc.

Compliance and Other Matters

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

Purpose of the 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 Amputee Coalition's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amputee Coalition's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Coulter & Justus, P. C.

Knoxville, Tennessee
June 21, 2021



Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditor's Report

Board of Directors
Amputee Coalition of America, Inc.

Report on Compliance for Each Major Federal Program

We have audited Amputee Coalition of America, Inc.'s (Amputee Coalition) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Amputee Coalition's major federal program for the year ended December 31, 2020. Amputee Coalition's major federal program is identified in the summary of auditor 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 applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Amputee Coalition's major federal program 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; and the audit requirements of Title 2 *U.S. Code of Federal Regulations (CFR) 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 Amputee Coalition'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 Amputee Coalition's major federal program. However, our audit does not provide a legal determination of Amputee Coalition's compliance.

Opinion on Major Federal Program

In our opinion, Amputee Coalition complied, in all material respects, with the types of compliance requirements referred to above that could have direct and material effect on its major federal program for the year ended December 31, 2020.

Board of Directors
Amputee Coalition of America, Inc.

Report on Internal Control Over Compliance

Management of Amputee Coalition 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 Amputee Coalition's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Amputee Coalition'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 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Coulter & Justus, P. C.

Knoxville, Tennessee
June 21, 2021

Amputee Coalition of America, Inc.
 Schedule of Findings and Questioned Costs
 For the year ended December 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	None reported
Significant deficiencies(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	None reported

Federal Awards

Internal control over major programs: Material weakness(es) identified?	None reported
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?	None reported
Identification of major programs:	CFDA 93.325 Limb Loss
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Amputee Coalition of America, Inc.
Schedule of Findings and Questioned Costs (continued)

Section II -- Financial Statement Findings

None reported.

Section III -- Federal Award Findings and Questioned Costs

None reported.

Amputee Coalition of America, Inc.
Summary Schedule of Prior Year Audit Findings and Corrective Action Plan
For the year ended December 31, 2020

Summary Schedule of Prior Year Audit Findings

Not applicable as there were no prior year audit findings reported.

Corrective Action Plan for 2019 Findings

Not applicable as there were no 2019 findings reported.