

Financial Statements
and Other Financial Information

Amputee Coalition of America, Inc.

*Year ended December 31, 2022
with Independent Auditor's Report*

Amputee Coalition of America, Inc.

Financial Statements and
Other Financial Information

Year ended December 31, 2022

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Independent Auditor's Report

Board of Directors
Amputee Coalition of America, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Amputee Coalition of America, Inc. (Amputee Coalition), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Amputee Coalition as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

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

Board of Directors
Amputee Coalition of America, Inc.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Amputee Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Amputee Coalition's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, 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), 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 GAAS. 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 November 3, 2023, 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
November 3, 2023

Amputee Coalition of America, Inc.

Statement of Financial Position

December 31, 2022

Assets

Current assets:

Cash and cash equivalents	\$ 934,113
Investments	1,306,311
Accounts receivable	11,005
Sponsorships receivable	30,000
Grants receivable	172,450
Other current assets	192,421

Total current assets 2,646,300

Net property and equipment 98,666

Right-of-use asset, net 399,526

Net internally developed software 219,679

Total assets \$ 3,364,171

Liabilities and net assets

Current liabilities:

Accounts payable	\$ 293,555
Accrued expenses	144,085
Deferred revenues	19,303
Current portion of operating lease liability	190,157

Total current liabilities 647,100

Operating lease liability, less current portion 282,750

Total liabilities 929,850

Net assets:

Without donor restrictions	1,673,242
With donor restrictions	761,079

Total net assets 2,434,321

Total liabilities and net assets \$ 3,364,171

See accompanying Notes to Financial Statements.

Amputee Coalition of America, Inc.

Statement of Activities

For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
Grants	\$ 4,814,295	\$ -	\$ 4,814,295
Sponsorships	276,560	-	276,560
Contributions	409,446	2,364	411,810
Donated services	113,000	-	113,000
Publication advertising	30,984	-	30,984
Event registration	39,673	-	39,673
Other support and revenues	4,856	-	4,856
Total support and revenues	<u>5,688,814</u>	<u>2,364</u>	<u>5,691,178</u>
Expenses:			
Program services	5,947,400	-	5,947,400
Management and general	660,118	-	660,118
Fundraising	60,099	-	60,099
Total expenses	<u>6,667,617</u>	<u>-</u>	<u>6,667,617</u>
Change in net assets before net depreciation in fair value of investments	(978,803)	2,364	(976,439)
Net depreciation in fair value of investments	(159,070)	(11,026)	(170,096)
Change in net assets	<u>(1,137,873)</u>	<u>(8,662)</u>	<u>(1,146,535)</u>
Net assets at beginning of year	<u>2,811,115</u>	<u>769,741</u>	<u>3,580,856</u>
Net assets at end of year	<u>\$ 1,673,242</u>	<u>\$ 761,079</u>	<u>\$ 2,434,321</u>

See accompanying Notes to Financial Statements.

Amputee Coalition of America, Inc.

Statement of Functional Expenses

For the year ended December 31, 2022

	Total Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Salaries	\$ 1,523,003	\$ 127,750	\$ 27,317	\$ 1,678,070
Fringe benefits	228,775	15,975	4,774	249,524
Advertising	25,162	16	1	25,179
Communications	17,765	4,416	204	22,385
Contractual costs	1,954,816	352,588	20,240	2,327,644
Depreciation and amortization	76,824	29,799	1,378	108,001
Events	788,561	2,797	129	791,487
Insurance	8,023	2,797	129	10,949
Postage and printing	338,512	443	953	339,908
Operating lease	105,060	63,756	1,875	170,691
Repairs and maintenance	714	277	13	1,004
Supplies	296,004	9,533	441	305,978
Technology	230,746	19,793	1,137	251,676
Travel	254,256	15,559	755	270,570
Other	99,179	14,619	753	114,551
	<u>\$ 5,947,400</u>	<u>\$ 660,118</u>	<u>\$ 60,099</u>	<u>\$ 6,667,617</u>

See accompanying Notes to Financial Statements.

Amputee Coalition of America, Inc.

Statement of Cash Flows

For the year ended December 31, 2022

Cash flows from operating activities:

Decrease in net assets	\$ (1,146,535)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation and amortization	108,001
Net depreciation in fair value of investments	170,096
Lease costs in excess of cash payments	73,381
Changes in operating assets and liabilities:	
Receivables	460,864
Other assets	(37,354)
Accounts payable and accrued expenses	(40,438)
Deferred revenues	(19,796)
Net cash used for operating activities	<u>(431,781)</u>

Cash flows from investing activities:

Purchases of equipment	(64,834)
Net sales of investments	3,817
Net cash used for investing activities	<u>(61,017)</u>

Net decrease in cash and cash equivalents (492,798)

Cash and cash equivalents at beginning of year	<u>1,426,911</u>
Cash and cash equivalents at end of year	<u>\$ 934,113</u>

See accompanying Notes to Financial Statements.

Amputee Coalition of America, Inc.

Notes to Financial Statements

December 31, 2022

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, 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 (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, 2022, cash and cash equivalents and investments 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 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).

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. Accounts receivable, sponsorships receivable, and grants receivable as of January 1, 2022 totaled \$20,195, \$17,935, and \$636,189, respectively.

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.

Right-of-Use Assets and Lease Liability

In 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes previous lease accounting guidance and required lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. Amputee Coalition adopted ASU 2016-02 and related amendments using a modified retrospective transition approach as of January 1, 2022. Amputee Coalition elected to adopt the package of transition practical expedients and, therefore, did not reassess (1) whether existing or expired contracts contain a lease, (2) lease classification for existing or expired leases, or (3) the accounting for initial direct costs that were previously capitalized and (4) made an accounting policy election to use published U.S. Treasury rates as the discount rates for all leases. As a result of adopting ASU 2016-02, Amputee Coalition recognized a lease liability of \$592,552 with a corresponding right-of-use (ROU) asset of \$560,696, which is net of certain deferred rent amounts of \$31,856, as of January 1, 2022.

Amputee Coalition determines if an arrangement is or contains a lease at contract inception and recognizes an ROU asset and a lease liability at the lease commencement date. Amputee Coalition elected to not account for lease components separately from non-lease components in a contract.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. Lease payments included in the measurement of the lease liability include fixed payments owed over the lease term. Amputee Coalition discounts its unpaid lease payments using published U.S. Treasury rates.

The lease term includes the noncancellable period of the lease plus any additional periods covered by either an Amputee Coalition option to extend (or not to terminate) the lease that Amputee Coalition is reasonably certain to exercise or an option to extend (or not to terminate) the lease controlled by the lessor. Amputee Coalition elected not to recognize a ROU asset and lease liability for any short-term leases, which are defined as leases with an initial term of 12 months or less.

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

2. Summary of Significant Accounting Policies (continued)

Right-of-Use Assets and Lease Liabilities (continued)

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability (adjusted for lease payments made at or before the lease commencement date), plus any initial direct costs incurred, less any lease incentives received, and adjusted for the carrying amount of any deferred rents. The ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability less any accrued lease payments. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Variable lease payments associated with Amputee Coalition's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented as operating expenses in the accompanying statement of activity.

Amputee Coalition monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset.

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 approximately \$68,000 during 2022. 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.

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

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

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. Deferred revenue as of January 1, 2022 totaled \$39,099.

Revenues from 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 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.

Donated Goods and Services

Contributions of services are recognized as revenue if the services received create or enhance nonfinancial assets or are performed by individuals requiring specialized skills. Donated services are reported as contributions at their estimated fair value based on standard industry pricing for similar services on the date of receipt and reported as expense when utilized. During 2022, Amputee Coalition received certain donated services, primarily consisting of legal services used as part of operations, from an employer of a board member, totaling approximately \$113,000. If the services were not donated, Amputee Coalition would have needed to purchase the services. There were no donor restrictions placed on any donated services received in 2022.

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, 2022, Amputee Coalition has approximately \$1,967,000 of financial assets, including approximately \$524,000 of cash and cash equivalents, \$1,230,000 of investments, \$11,000 of accounts receivable, \$30,000 of sponsorships receivable, and \$172,000 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. Sponsorships receivable are subject to implied time restrictions but are also expected to be collected within one year of the statement of financial position date.

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

2. Summary of Significant Accounting Policies (continued)

Liquidity and Availability of Resources (continued)

As of December 31, 2022, Amputee Coalition has approximately \$410,000 of cash and cash equivalents and \$76,000 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 \$25,179 in 2022.

Use of Estimates

The preparation of financial statements in conformity with 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.

Subsequent Events

In preparation of the accompanying financial statements, management has evaluated subsequent events that have occurred since December 31, 2022 through November 3, 2023, the date the financial statements were available for issuance.

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 87% of total support and revenues in 2022. Grant receivables from ACL of \$172,450 were recorded as of December 31, 2022. 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 \$4,000 in 2022 were received directly from board members or employers of board members.

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

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, 2022:

	Cost	Fair Value
Mutual funds investing in domestic equity securities	\$ 328,770	\$ 275,451
Mutual funds investing in fixed income	921,231	821,157
Other mutual funds	249,736	209,703
Total investments	\$1,499,737	\$1,306,311

5. Property and Equipment

Property and equipment consists of the following as of December 31, 2022:

Equipment and furniture	\$ 327,247
Leasehold improvements	4,544
	331,791
Less accumulated depreciation	(233,125)
Net property and equipment	\$ 98,666

Depreciation expense for 2022 totaled \$36,705.

6. Right-of-Use Asset and Lease Liability

Amputee Coalition leases certain office space under an operating lease agreement that expires in May 2025. The lease does not contain any renewal options, and the lease does not include termination options or restrictive financial or other covenants. Payments due under the leases increase by 2.5% each year through maturity.

Amounts reported in the statement of financial position as of December 31, 2022 are as follows:

Operating right-of-use asset	\$ 399,526
Current portion of operating lease liability	\$ 190,157
Long-term portion of operating lease liability	282,750
Total operating lease liability	\$ 472,907

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

6. Right-of-Use Asset and Lease Liability (continued)

Future minimum lease payments and maturities for the noncancellable operating lease consist of the following as of December 31, 2022:

2023	\$195,000
2024	199,875
2025	85,363
Total minimum lease payments	<u>480,238</u>
Less imputed interest	<u>(7,331)</u>
Total operating lease liability	<u>\$472,907</u>

Lease costs for the year ended December 31, 2022 all relate to the operating lease and totaled \$170,691.

Other information related to leases as of December 31, 2022 is as follows:

Supplemental cash flow information:	
Operating cash flows from operating leases	\$57,612
Weighted average remaining lease term	2.42 years
Weighted average discount rate	1.31%

7. Internally Developed Software

The capitalized internally developed software costs and the related accumulated amortization were as follows as of December 31, 2022:

Internally developed software	\$ 499,078
Less: accumulated amortization	<u>(279,399)</u>
Net internally developed software	<u>\$ 219,679</u>

During 2022, Amputee Coalition recorded amortization expense of \$71,296, which is included in the statement of functional expenses in the accompanying financial statements.

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

2023	\$ 71,296
2024	71,296
2025	55,747
2026	19,301
Thereafter	<u>2,039</u>
Total	<u>\$219,679</u>

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

8. 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 \$58,593 during 2022.

Amputee Coalition of America, Inc.

Schedule of Expenses

For the year ended December 31, 2022

	Total Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Salaries	\$ 1,193,656	\$ 463,005	\$ 21,410	\$ 1,678,071
Fringe benefits	187,591	57,897	4,035	249,523
Advertising	25,119	60	-	25,179
Communications	6,380	16,006	-	22,386
Contractual costs	1,383,886	933,758	10,000	2,327,644
Depreciation and amortization	-	108,001	-	108,001
Events	781,350	10,138	-	791,488
Insurance	811	10,138	-	10,949
Postage and printing	337,371	1,604	932	339,907
Operating Lease	531	170,160	-	170,691
Repairs and maintenance	-	1,004	-	1,004
Supplies	271,429	34,549	-	305,978
Technology	179,717	71,737	222	251,676
Travel	214,144	56,390	35	270,569
Other	53,556	61,060	(65)	114,551
Subtotal	4,635,541	1,995,507	36,569	6,667,617
Management and general allocation	1,311,859	(1,335,389)	23,530	-
	<u>\$ 5,947,400</u>	<u>\$ 660,118</u>	<u>\$ 60,099</u>	<u>\$ 6,667,617</u>

Amputee Coalition of America, Inc.
 Schedule of Expenditures of Federal Awards
 For the year ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Entity Identifying Number	Federal Expenditures
US Department of Health and Human Services			
Direct Program:			
Paralysis Resource Center	93.325	90LLPH0001-01-00	\$ 30,962
Paralysis Resource Center	93.325	90LLRC0001-03-00	951,373
Paralysis Resource Center	93.325	90LLRC0001-04-00	3,341,262
Paralysis Resource Center	93.325	90LLRC0001-04-02	<u>490,698</u>
Total Expenditures of Federal Awards			<u>\$4,814,295</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 39.40% 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, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2023.

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 financial statements, but not for the purpose of expressing an 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
November 3, 2023



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

Opinion on Each Major Federal Program

We have audited Amputee Coalition of America, Inc.'s (Amputee Coalition) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Amputee Coalition's major federal program for the year ended December 31, 2022. Amputee Coalition's major federal program is identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs.

In our opinion, Amputee Coalition complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Board of Directors
Amputee Coalition of America, Inc.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Amputee Coalition's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Amputee Coalition's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Board of Directors
Amputee Coalition of America, Inc.

Report on Internal Control Over Compliance

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

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

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

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

Coulter & Justus, P.C.

Knoxville, Tennessee
November 3, 2023

Amputee Coalition of America, Inc.
 Schedule of Findings and Questioned Costs
 For the year ended December 31, 2022

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:	AL 93.325 Paralysis Resource Center
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, 2022

Summary Schedule of Prior Year Audit Findings

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

Corrective Action Plan for 2021 Findings

Not applicable as there were no 2021 findings reported.