

**Audited Financial Statements
and Supplementary Information**

MOVE UNITED

Rockville, Maryland

September 30, 2023 and 2022

AUDITED FINANCIAL STATEMENTS

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CPAs AND BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2023 and 2022, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Move United as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. 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 the Move United and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements 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 the Move United's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 the Move United's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Move United's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our 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 schedule of expenditures of federal awards 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 February 12, 2024, 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 the 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 the Move United's internal control over financial reporting and compliance.

CST GROUP, CPAS, PC

February 12, 2024

Move United

STATEMENTS OF FINANCIAL POSITION - ASSETS as of September 30

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,426,956	\$ 4,234,534
Investments	1,138,868	967,615
Grants receivable	841,779	715,068
Contributions receivable	163,671	570,436
Membership services receivable	3,600	3,100
Prepaid expenses	<u>83,740</u>	<u>145,884</u>
	6,658,614	6,636,637
PROPERTY AND EQUIPMENT		
Land	0	334,925
Furniture and equipment	340,909	329,588
Leasehold improvements	5,800	5,800
Building	<u>30,600</u>	<u>30,600</u>
	377,309	700,913
Less: allowance for depreciation	<u>(216,574)</u>	<u>(221,603)</u>
	160,735	479,310
OTHER ASSETS		
Investments held by USOPE	250,960	0
Right-of-use asset, operating, net	374,087	0
Deposits	<u>59,817</u>	<u>19,553</u>
	684,864	19,553
	<u>\$ 7,504,213</u>	<u>\$ 7,135,500</u>

See notes to financial statements.

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

	<u>2023</u>	<u>2022</u>
CURRENT LIABILITIES		
Accounts payable	\$ 626,914	\$ 518,184
Credit cards payable	54,101	48,182
Payroll liabilities	1,259	3,476
Accrued wages	32,332	33,810
Accrued vacation	82,675	81,044
Accrued expenses	26,054	22,855
Lease liability, operating, short-term	88,121	0
Deferred revenue	<u>322,711</u>	<u>290,465</u>
	<u>1,234,167</u>	<u>998,016</u>
LONG TERM LIABILITIES		
Lease liability, operating, long-term	<u>312,001</u>	<u>0</u>
	<u>312,001</u>	<u>0</u>
NET ASSETS		
Without donor restrictions	5,278,742	5,544,387
With donor restrictions	<u>679,303</u>	<u>593,097</u>
	<u>5,958,045</u>	<u>6,137,484</u>
	<u>\$ 7,504,213</u>	<u>\$ 7,135,500</u>

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

	2023	2022
OPERATING ACTIVITIES		
SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS		
Donations	\$ 4,673,397	\$ 3,914,295
In-kind donations	318,392	314,673
Grants	2,171,170	1,635,820
Chapter membership services	847,154	701,648
Membership services revenue	56,150	49,000
Registration fees	355,708	176,075
TOTAL SUPPORT AND REVENUE	8,421,971	6,791,511
Net assets released from restrictions	191,025	419,304
SUPPORT AND REVENUE FROM OPERATIONS WITHOUT DONOR RESTRICTIONS	8,612,996	7,210,815
EXPENSES		
Programs	7,776,209	6,449,867
Management and general	507,012	308,272
Fundraising	627,265	612,703
TOTAL EXPENSES FROM OPERATIONS	8,910,486	7,370,842
DECREASE IN NET ASSETS FROM OPERATIONS WITHOUT DONOR RESTRICTIONS	(297,490)	(160,027)
SUPPORT AND REVENUE WITH DONOR RESTRICTIONS		
Donations	84,390	160,977
Grants	386,204	104,850
Net assets released from restrictions	(191,025)	(419,304)
TOTAL INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	279,568	(153,477)
DECREASE IN NET ASSETS FROM OPERATIONS	(17,922)	(313,504)
NON-OPERATING ACTIVITIES		
Investment income - interest and dividends	116,433	92,529
Investment income - net realized gains from sale	2,779	3,653
Investment income - net unrealized gains/(losses)	43,785	(218,381)
Realized loss from sale property and equipment	(314,925)	0
Expenses paid from investments	(9,589)	(9,654)
TOTAL NON-OPERATING ACTIVITIES	(161,517)	(131,853)
DECREASE IN NET ASSETS	(179,439)	(445,358)
Net assets, beginning of year	6,137,484	6,582,842
NET ASSETS, END OF YEAR	\$ 5,958,045	\$ 6,137,484

See notes to financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES
for Year Ended September 30, 2023**

	Warfighter Sports	Competitions	Member Services	General Programs	Total Program	Management & General	Fundraising	Total
Salaries and payroll taxes	\$ 84,386	\$ 231,448	\$ 317,234	\$ 1,125,186	\$ 1,758,254	\$ 337,716	\$ 115,182	\$ 2,211,152
Sports supplies	367,822	123,633	107	327,190	818,752	68	1,793	820,613
Insurance expense	4,919	2,667	637,448	6,673	651,707	15,146	454	667,307
Contract fees	161,096	85,250	8,700	374,578	629,624	15,900	73,141	718,665
Lodging and meals	96,650	152,615	10,332	422,755	682,352	10,812	28,702	721,866
Chapter development	0	2,500	0	840,250	842,750	0	0	842,750
Stipends / Athlete training	107,110	31,918	18,049	150,421	307,498	975	170,462	478,935
Travel expense	47,499	144,664	3,758	293,186	489,107	3,711	8,433	501,251
Event fees	436,886	51,366	1,468	108,237	597,957	0	24,863	622,820
Equipment rental and maintenance	26,646	14,806	332	51,083	92,867	4,476	10,282	107,625
Banquet services	0	0	0	53,155	53,155	0	95,846	149,001
Copying and printing	523	13,905	11,034	64,963	90,425	1,611	8,717	100,753
Hardware and software	0	3,190	0	80,928	84,118	3,005	3,695	90,818
Photography and video	0	9,400	0	11,488	20,888	0	8,000	28,888
Office and facilities rental	9,773	8,100	6,534	39,206	63,613	45,634	6,534	115,781
Postage and shipping	263	11,728	1,237	95,877	109,105	853	2,446	112,404
Car rental	12,494	28,014	1,196	53,393	95,097	481	5,408	100,986
Promotional items	7,453	31,696	7,032	13,638	59,819	0	52,968	112,787
Fees, licenses and taxes	18,645	8,407	5,379	22,158	54,589	12,634	1,598	68,821
Telephone	1,295	1,623	3,744	51,460	58,122	1,421	489	60,032
Apparel	8,777	28,502	16,319	30,902	84,500	137	3,965	88,602
Depreciation	1,426	3,565	0	23,173	28,164	7,487	0	35,651
Auction	34,790	0	0	0	34,790	0	0	34,790
Retirement Contributions	752	3,160	5,493	18,676	28,081	5,734	2,351	36,166
Professional fees	0	0	3,713	3,781	7,494	30,000	0	37,494
Advertising	0	115	0	19,840	19,955	0	0	19,955
Office supplies and expense	527	1,121	574	2,792	5,014	6,511	603	12,128
Dues and subscriptions	32	1,492	4,365	2,523	8,412	2,700	1,333	12,445
	<u>\$ 1,429,764</u>	<u>\$ 994,885</u>	<u>\$ 1,064,048</u>	<u>\$ 4,287,512</u>	<u>\$ 7,776,209</u>	<u>\$ 507,012</u>	<u>\$ 627,265</u>	<u>\$ 8,910,486</u>

See notes to financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES
for Year Ended September 30, 2022**

	Warfighter Sports	Competitions	Member Services	General Programs	Total Program	Management & General	Fundraising	Total
Salaries and payroll taxes	\$ 118,620	\$ 276,009	\$ 256,165	\$ 968,864	\$ 1,619,658	\$ 163,474	\$ 131,221	\$ 1,914,353
Sports supplies	360,680	70,408	0	270,259	701,347	0	3,420	704,767
Insurance expense	5,785	856	542,093	0	548,734	25,963	0	574,697
Contract fees	161,582	29,260	100	298,265	489,207	15,600	64,121	568,928
Lodging and meals	67,862	128,697	495	319,606	516,660	13,483	20,661	550,804
Chapter development	0	0	0	492,304	492,304	0	0	492,304
Stipends / Athlete training	127,933	56,485	46,867	81,500	312,785	0	169,331	482,116
Travel expense	35,906	62,393	381	204,231	302,911	2,095	4,098	309,104
Event fees	105,064	48,908	0	110,868	264,840	105	25,075	290,020
Equipment rental and maintenance	33,933	14,263	149	210,359	258,704	1,366	4,881	264,951
Banquet services	0	25,878	0	46,198	72,076	304	79,991	152,371
Copying and printing	4,504	55,330	10,889	46,163	116,886	142	10,258	127,286
Hardware and software	0	5,164	170	102,226	107,560	4,607	9,087	121,254
Photography and video	0	13,300	0	96,275	109,575	0	8,550	118,125
Office and facilities rental	50,080	6,258	3,357	33,567	93,262	5,915	0	99,177
Postage and shipping	1,110	11,283	318	80,899	93,610	927	3,084	97,621
Car rental	16,867	31,077	0	45,679	93,623	867	2,871	97,361
Promotional items	1,183	13,730	0	8,012	22,925	0	66,986	89,911
Fees, licenses and taxes	13,817	4,741	4,037	10,759	33,354	11,587	2,575	47,516
Telephone	7,305	227	2,090	28,639	38,261	2,497	145	40,903
Apparel	5,189	7,730	0	24,076	36,995	0	522	37,517
Depreciation	2,089	4,874	4,526	18,104	29,593	5,222	0	34,815
Auction	34,600	0	0	0	34,600	0	0	34,600
Retirement Contributions	1,897	3,938	4,347	16,315	26,497	2,766	2,413	31,676
Professional fees	0	0	2,452	336	2,788	25,229	0	28,017
Advertising	0	0	538	14,662	15,200	0	0	15,200
Office supplies and expense	874	2,350	268	2,875	6,367	5,003	1,814	13,184
Dues and subscriptions	975	2,429	2,720	3,421	9,545	1,120	1,599	12,264
Bad Dept Expense	0	0	0	0	0	20,000	0	20,000
	<u>\$ 1,157,855</u>	<u>\$ 875,588</u>	<u>\$ 881,962</u>	<u>\$ 3,534,462</u>	<u>\$ 6,449,867</u>	<u>\$ 308,272</u>	<u>\$ 612,703</u>	<u>\$ 7,370,842</u>

See notes to financial statements.

Move United

STATEMENTS OF CASH FLOWS for Years Ended September 30

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (179,439)	\$ (445,358)
Changes to net assets not affecting cash:		
Depreciation	35,651	34,816
Unrealized (gain) loss on investments	(43,785)	218,382
Realized gain from sale of investments	(2,779)	(3,653)
Realized loss from sale of property and equipment	314,925	0
Donated Securities	(83,744)	(20,375)
Investments held by USOPE	(252,048)	0
Effects of changes in operating accounts:		
(Increase) Decrease in grants receivable	(126,711)	500,735
(Increase) Decrease in contributions receivable	406,765	(165,738)
(Increase) Decrease in membership dues receivable	(500)	4,250
(Increase) Decrease in prepaid expenses	62,144	(56,486)
Increase in right-of-use assets, net	(374,087)	0
(Increase) Decrease in deposits	(40,264)	8,847
Increase (Decrease) in accounts payable	108,730	(198,176)
Increase in credit card payable	5,919	1,822
Increase (Decrease) in payroll liabilities	(2,217)	2,994
Increase (Decrease) in accrued wages	(1,478)	4,107
Increase (Decrease) in accrued vacation	1,631	(11,843)
Increase (Decrease) in accrued expenses	3,199	(79,693)
Increase in lease liabilities	400,122	0
Increase in deferred revenue	<u>32,246</u>	<u>53,221</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	264,280	(152,148)
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Expenses paid from investments	9,589	9,654
Cash payments for the purchase of property and equipment	(52,000)	(13,595)
Proceeds from sale of land	20,000	0
Cash payments for the purchase of investments	(122,033)	(233,989)
Proceeds from sale of investments	<u>72,586</u>	<u>1,376,916</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(71,858)	1,138,986
NET INCREASE IN CASH	192,422	986,838
Cash and restricted cash, beginning of the year	<u>4,234,534</u>	<u>3,247,696</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 4,426,956</u>	<u>\$ 4,234,534</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022**

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 both September 30, 2023 and 2022 there was no 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, 2023 and 2022.

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, 2023 and 2022, 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 \$19,955 and \$15,200 for the years ended September 30, 2023 and 2022, respectively.

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022

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.

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022

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 opening and closing contract balances were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Ski Spectacular Sponsors	\$ 200,353	\$ 178,593	\$ 173,353
Ski Spectacular Registration	107,558	72,542	63,891
World Abilitysport Games Registration	14,800	39,250	0
Other deferred revenue	<u>0</u>	<u>80</u>	<u>0</u>
	<u>\$ 322,711</u>	<u>\$ 290,465</u>	<u>\$ 237,244</u>

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.

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, Contributions and Membership Dues 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, 2023 and 2022, management believes all receivables are fully collectible, and no allowance for doubtful accounts is necessary. Bad debt expense for the years ended September 30, 2023 and 2022 totaled \$0 and \$20,000, respectively.

See independent auditor's report.

**NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***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, 2023 and 2022 was \$35,650 and \$34,815, respectively.

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 are valued based on the estimated prices of identical or similar materials. Donated materials totaled \$318,392 and \$314,673 for the years ended September 30, 2023 and 2022, respectively. There were no donated services for the years ended September 30, 2023 and 2022. The total fair value of donated materials is included in in-kind donations in the accompanying statements of activities.

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.

Leases

The Organization leases office space and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the Organization's balance sheets.

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since most of the Organization's leases do not provide an implicit rate, to determine the present value of lease payments, management has elected to use a risk-free discount rate, determined using a period comparable with that of the lease term. ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

Reclassification

Certain amounts in the September 30, 2022 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 Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statements of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.

The Organization elected to adopt these ASUs effective October 1, 2022 and the Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Organization to carry forward the historical lease classification. The adoption had a material impact on the Organization's balance sheet but did not have a material impact on the income statement. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard required the Organization to restate amounts as of October 1, 2022, resulting in an increase in operating lease ROU assets of \$458,066 and an increase in operating lease liabilities of \$458,066.

In September 2020, the FASB issued ASU 2020-7, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively to annual reporting periods beginning after June 15, 2021 and interim periods will annual reporting periods beginning after June 15, 2022. The Organization adopted the standard on October 1, 2022. The standard did not have a material impact on the financial statements.

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,426,956	\$ 4,234,534
Grants receivable	841,779	715,068
Contributions receivable	163,671	570,436
Membership services receivable	3,600	3,100
Investments	<u>1,138,868</u>	<u>967,615</u>
	<u>6,574,874</u>	<u>6,490,753</u>

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

Donor-imposed purpose restriction	<u>679,303</u>	<u>593,097</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 5,895,571</u>	<u>\$ 5,897,656</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, 2023. The amount outstanding as of September 30, 2023 and 2022 totaled \$54,101 and \$48,182, respectively.

NOTE E - LEASING ARRANGEMENTS

The Organization has three operating leases. The Organization leases office space in Rockville, Maryland under an operating lease agreement that expires in October 2027. The Organization is responsible for its proportionate share of building costs and real estate taxes.

The Organization leases equipment under operating leases. These operating leases have expirations dates through June 2026.

The Organization does not have any financing leases.

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022

NOTE E - LEASING ARRANGEMENTS (continued)

The leases contain options to renew, with renewal terms that can extend the lease term. Only lease options that the Organization believes are reasonably certain to exercise or the renewal option rests with the lessor are included in the measurement of the lease assets and liabilities. The lease termination options are not expected to be exercised. Certain leases also include options to purchase the leased property. The depreciable life of assets are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. The Organization has not committed to any leases which have not yet commenced.

The following summarizes the line items in the statements of financial position which include amounts for the operating leases as of September 30, 2023.

Operating:	
Operating lease right-of-use asset	\$ 374,087
Operating lease liability- current	88,121
Operating lease liability- non-current	<u>312,001</u>
Total operating lease liabilities	<u>\$ 400,122</u>
Weighted Average Remaining Lease Term (years):	
Operating leases	4.06
Weighted Average Discount Rate:	
Operating leases	4.05%

Future annual minimum lease payments under the current operating leases are as follows:

<u>For Year Ending September 30,</u>	
2024	102,403
2025	105,861
2026	106,790
2027	109,553
2028	9,340
Thereafter	<u>0</u>
	<u>\$ 433,947</u>
Less: Interest	<u>(33,825)</u>
Present value of lease liabilities	<u>\$ 400,122</u>

The following summarizes the line items in the statements of activities and changes in net assets for the year ended September 30, 2023.

Operating:	
Office lease expense	\$ 97,908
Equipment lease expense	\$ 3,596

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022

NOTE E - LEASING ARRANGEMENTS (continued)**Cash flow information:**

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 75,469
Lease assets obtained in exchange for lease liabilities:	
Operating leases	\$ 458,066

NOTE F - COMMITMENTS

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

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 – EMPLOYEE RETIREMENT 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, 2023 and 2022 totaled \$36,167 and \$31,676, 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.

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022

NOTE I - FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued)

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, 2023 and 2022.

Money Market funds

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

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, 2023.

	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 8,653	\$ 8,653	\$ 0	\$ 0
Corporate Fixed Income	306,068	0	306,068	0
Equity Funds	<u>824,147</u>	<u>0</u>	<u>824,147</u>	<u>0</u>
Totals	<u>\$ 1,138,868</u>	<u>\$ 8,653</u>	<u>\$ 1,130,215</u>	<u>\$ 0</u>

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022

NOTE I - FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued)

The Organization's investments are reported at fair value in the accompanying statement of financial position as of September 30, 2022.

	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 8,619	\$ 8,619	\$ 0	\$ 0
Corporate Fixed Income	413,759	0	413,759	0
Equity Funds	<u>545,237</u>	<u>0</u>	<u>545,237</u>	<u>0</u>
Totals	<u>\$ 967,615</u>	<u>\$ 8,619</u>	<u>\$ 958,996</u>	<u>\$ 0</u>

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

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 116,433	\$ 92,529
Realized gain	2,779	3,653
Unrealized gain (loss)	<u>43,785</u>	<u>(218,382)</u>
Totals	<u>\$ 162,997</u>	<u>\$ (122,200)</u>

Investment costs relating to investment revenues totaled \$9,589 and \$9,654 for the years ended September 30, 2023 and 2022, respectively.

NOTE J – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30, 2023 and 2022 are available for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Adaptive Track & Field USA	\$ 0	\$ 2,000
Bob Woodruff Foundation	355,053	104,850
Charities Aid Foundation	38,984	0
Dick's Sporting Good Foundation	75,000	0
PepsiCo Inc. (Gatorade)	20,000	0
The Hartford	14,483	61,675
May & Stanley Smith Foundation	61,000	0
Ralph Armento Scholarship Fund	13,923	0
Kirk Bauer Scholarship Fund	25,566	51,066
Survivor Fund	45,031	45,031
Undaunted: Veterans Mission to the North Pole	<u>30,263</u>	<u>328,475</u>
Totals	<u>\$ 679,303</u>	<u>\$ 593,097</u>

See independent auditor's report.

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022

NOTE J – NET ASSETS WITH DONOR RESTRICTIONS (continued)

For 2023, the amount from Bob Woodruff Foundation is restricted for future work which should conclude by January 2024. For 2022, all other amounts are restricted for future work.

NOTE K – INVESTMENTS HELD BY USOPE

In January 2023, the Organization entered an agreement to pool investments with the United States Olympic & Paralympic Endowment (USOPE). The USOPE acts solely as agent for the investments of United States Olympic & Paralympic Committee members.

The investment objective of the USOPE is long term maximization of total return through the use of investment strategies designed to maximize the long term total return in a manner consistent with reasonable efforts to preserve the real value of capital.

Following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis.

Money Market funds

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

Domestic and International 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.

Domestic bonds

These funds are valued using pricing models, which maximize the use of observable inputs for similar securities. This includes basing value of yields currently available on comparable securities of issuers with similar ratings.

Alternative funds

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

NOTES TO FINANCIAL STATEMENTS
for Years Ended September 30, 2023 and 2022

NOTE K – INVESTMENTS HELD BY USOPE (continued)

The Organization's investments held by USOPE are reported at fair value in the accompanying statement of financial position as of September 30, 2023.

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash & equivalents	\$ 2,258	\$ 2,258	\$ 0	\$ 0
Domestic equities	86,205	0	86,205	0
International equities	42,287	0	42,287	0
Alternative funds	102,643	0	102,643	0
Domestic bonds	<u>17,567</u>	<u>0</u>	<u>17,567</u>	<u>0</u>
Totals	<u>\$ 250,960</u>	<u>\$ 2,258</u>	<u>\$ 248,702</u>	<u>\$ 0</u>

The Organization had no investments held by USOPE as of September 30, 2022.

NOTE L - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition or disclosure through February 12, 2024, which is the date the financial statements were available to be issued.

Supplementary Information

MOVE UNITED

September 30, 2023

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for Year Ended September 30, 2023**

<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-22-063	64.034	-	\$ 0	\$ 620,903
Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces. SPORTS-22-064	64.034	-	\$ 0	\$ 678,864
Total Department of Veterans Affairs				<u>\$ 1,299,767</u>
Total expenditures of federal awards				<u>\$ 1,299,767</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for Year Ended September 30, 2023**

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, 2023. 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.



CPAs AND BUSINESS ADVISORS

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, 2023, 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 February 12, 2024.

Report on 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-01 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-02 to be a significant deficiency.

Report on 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 instances 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 items 2023-03.

Move United's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

February 12, 2024



CPAs AND BUSINESS ADVISORS

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

Opinion on Each Major Federal Program

We have audited Move United's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2023. 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.

In our opinion, the Organization 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 September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal 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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances 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 items 2023-03. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-03, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. the Organization's response was not subjected to the other 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

February 12, 2024

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For Year Ended September 30, 2023**

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. A material weaknesses in internal control was disclosed by the audit of the financial statements. Significant deficiencies in internal control were disclosed by the audit of the financial statements. No material weaknesses in internal controls on all major federal award programs.
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. There were no material weakness over internal controls over major programs.
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

MATERIAL WEAKNESS

2023-01

Authorized Bank Signor

Condition: During our audit we noted that the CFO was an authorized signer on the CitiBank bank accounts. This impedes the system of segregation of duties, as the CFO has power to enter data into the accounting system, has check signing authority, and performs bank reconciliation. This increases the risk that intentional fraud or unintentional errors could occur and not be detected timely.

Criteria: Proper segregation of duties should be in place segregating incompatible duties.

Cause: Executive director was added as an authorized signor, but the CFO is still on the account as an authorized signor.

Effect: The result of allowing access to both the cash accounts and the general ledger is the danger that intentional or unintentional errors could be made and not detected.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended September 30, 2023**

SECTION II - FINANCIAL STATEMENT FINDINGS (continued)

Questioned Costs: None.

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

Repeat Finding: This was a repeat finding in the immediate prior audit.

Recommendation: We recommend that management change the authorized signers on the bank accounts to remove the CFO.

Views of Responsible Officials and Planned Corrective Action: Move United will close the Citi Bank accounts and move the VA payments to the Bank of America accounts. The Executive Director and Development Director are the authorized signatories on the Bank of America accounts.

SIGNIFICANT DEFICIENCY

2023-02

Inadequate Controls over Financial Reporting and Year End Balances

Condition: The year-end financial statements that management prepared and presented to us to audit contained several errors, inconsistencies and omissions. Therefore, as a result of our audit, we proposed several material adjustments that were subsequently made by the Organization.

The year-end financial statement adjustments included recording significant grant receivables, reversing accounts payment and prepaid expenses, and recording asset dispositions for the year end.

Criteria: Proper design of internal controls over financial reporting and year end balances.

Cause: The cause of the errors, inconsistencies and omissions was from inadequate design of control policies and procedures related to preparation of the year end financial statements.

Effect: The year end financial information we received did not include proper adjustments to accounts receivable, prepaid expenses, fixed assets and accounts payable. The result of posting these transactions was a net increase adjustment to the change in net assets of \$745,384.

Questioned Costs: None.

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

Recommendation: We recommend that the Organization establish a more efficient and effective responsibilities matrix for its year end closing process to provide timely and accurate completion of financial reporting as well as timely review and approval by the controller of all balance sheet reconciliations and account balances, respectively. The Organization should consider assembling an inventory of financial spreadsheets used to support preparation of the financial statements and assign responsibility to review all such spreadsheets for accuracy of calculations.

Views of Responsible Officials and Planned Corrective Action: Move United will implement a review policy for financial balances prior to submitting the final trial balance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended September 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY

2023-03

Timely Submission of Annual SF-425 Report

Condition: During our testing of compliance, we noted that the organization filed the annual SF-425 for the period ending September 30, 2023 late. The SF-425 was due November 30, 2023, and was not submitted until January 9, 2024.

Criteria: Under the Uniform guidance and terms of the federal award agreement, the Organization is required to submit the annual SF-425 report at the end of the fiscal year within 60 days from the last day of the service for each program quarter.

Cause: The due date of the reporting was missed by the Organization and therefore the report was not submitted timely.

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

Questioned Costs: None.

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

Repeat Finding: This was a repeat finding in the immediate prior audit.

Recommendation: We recommend that the Organization review its monitoring process for the annual 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 annual reports should be filed timely within 60 days after the end of each fiscal year.

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.