

Audited Financial Statements



December 31, 2021

Quigley & Miron

Move America Forward
Audited Financial Statements
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December 31, 2021

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Independent Auditor's Report

Board of Directors
Move America Forward
Sacramento, California

Opinion

We have audited the accompanying financial statements of Move America Forward (MAF), a nonprofit organization, which comprise the statement of financial position as of December 31, 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of MAF as of December 31, 2021, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 MAF 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 opinion.

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 MAF's ability to continue as a going concern for one year after the date that the financial statements are issued.

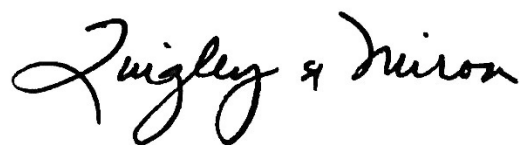
Auditor's Responsibilities for the Audit of the Financial Statements

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 GAAS 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, 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 MAF'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 MAF'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.

A handwritten signature in black ink, reading "Ziegler & Miron". The signature is written in a cursive, flowing style.

Campbell, California
November 15, 2022

Move America Forward
Statement of Financial Position
December 31, 2021

Assets

Cash and cash equivalents	\$	1,024,068
Investments—Note 4		1,056,726
Property and equipment, net—Note 5		15,614
Deposit—Note 10		4,040
Other assets		3,658
		<hr/>
Total Assets	\$	<u><u>2,104,106</u></u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$	316,335
		<hr/>
Total Liabilities		316,335

Net Assets

Without donor restrictions		1,787,771
		<hr/>
Total Net Assets		<u><u>1,787,771</u></u>
		<hr/>
Total Liabilities and Net Assets	\$	<u><u>2,104,106</u></u>

See notes to financial statements.

Move America Forward
Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Revenue and Other Support			
Contributions	\$ 2,422,191	\$	\$ 2,422,191
In-kind contributions—Note 7	2,071,586		2,071,586
CARES Act grant—Note 8	48,657		48,657
Interest and dividends	37,399		37,399
Total Revenue and Other Support	4,579,833		4,579,833
Net assets released from restrictions	15,750	(15,750)	
Total Revenue, Other Support, and Reclassification	4,595,583	(15,750)	4,579,833
Expenses			
Program services			
Care packages	3,142,709		3,142,709
Public education	296,175		296,175
Troopathon	625,847		625,847
Total Program Services	4,064,731		4,064,731
Supporting services			
Management and general	228,001		228,001
Fundraising	229,329		229,329
Total Expenses	4,522,061		4,522,061
Change in Net Assets From Operations	73,522	(15,750)	57,772
Nonoperating Activities			
Investment return, net	46,501		46,501
Total Nonoperating Activities	46,501		46,501
Change in Net Assets	120,023	(15,750)	104,273
Net Assets at Beginning of Year	1,667,748	15,750	1,683,498
Net Assets at End of Year	\$ 1,787,771	\$	\$ 1,787,771

See notes to financial statements.

Move America Forward
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services				Supporting Services			
	Care Packages	Public Education	Troopathon	Total	Management and General	Fundraising	Total	Total
Salaries	\$ 32,281	\$ 64,513	\$ 46,506	\$ 143,300	\$ 55,000	\$ 9,007	\$ 64,007	\$ 207,307
Payroll taxes	2,742	5,208	3,558	11,508	4,481	962	5,443	16,951
Employee benefits	2,224	4,808	3,183	10,215	4,390		4,390	14,605
Total Personnel Expenses	37,247	74,529	53,247	165,023	63,871	9,969	73,840	238,863
Accounting					17,814		17,814	17,814
Advertising		185,362	511,425	696,787		219,360	219,360	916,147
Bank service charges	68,420			68,420	992		992	69,412
Care packages—Note 7	2,197,493			2,197,493				2,197,493
Conferences and meetings					723		723	723
Depreciation	543			543				543
Dues and subscriptions	164		18	182	6,214		6,214	6,396
Equipment rental and maintenance			240	240				240
Legal fees					37,869		37,869	37,869
Occupancy	28,334			28,334	26,091		26,091	54,425
Postage and shipping	561,735			561,735				561,735
Professional services	181,509	3,399	27,453	212,361	4,288		4,288	216,649
Program management	8,100	32,400	16,200	56,700	24,300		24,300	81,000
Supplies	57,585	485	91	58,161	6,180		6,180	64,341
Taxes, licenses and insurance					24,405		24,405	24,405
Telephone					4,757		4,757	4,757
Travel	546		16,576	17,122				17,122
Utilities	48			48	10,408		10,408	10,456
Volunteer expenses	985		597	1,582	89		89	1,671
Total Expenses	\$ 3,142,709	\$ 296,175	\$ 625,847	\$ 4,064,731	\$ 228,001	\$ 229,329	\$ 457,330	\$ 4,522,061

See notes to financial statements.

Move America Forward
Statement of Cash Flows
December 31, 2021

Cash Flows from Operating Activities

Change in net assets	\$ 104,273
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Investment gains	(46,501)
Depreciation	543
Changes in operating assets and liabilities:	
Contributions receivable	15,750
Accounts payable and accrued expenses	292,620

Net Cash Provided by Operating Activities	366,685
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Cash Flows from Investing Activities

Purchases of investments	(558,595)
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Net Cash Used in Investing Activities	(558,595)
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Decrease in Cash and Cash Equivalents	(191,910)
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**Cash and Cash Equivalents
at the Beginning of Year**

1,215,978

**Cash and Cash Equivalents
at the End of Year**

\$ 1,024,068

Supplementary Disclosures

Income taxes paid	\$
Interest paid	\$

See notes to financial statements.

Move America Forward
Notes to Financial Statements
December 31, 2021

Note 1—Organization

Move America Forward (MAF) is a non-profit military charity based in Sacramento, California dedicated to supporting the brave men and women of our Armed Forces, veterans, and military families. Our principal mission today is to provide care packages and letters from grateful Americans to the troops deployed in combat areas around the world.

While there are many admirable groups supporting our veterans, we are one of the few organizations left supporting active duty troops deployed to the front lines of Afghanistan, Iraq, and other areas around the world where our troops are in harm's way.

MAF began by providing general troop support and educating the American public on the good works of our military men and women in combat areas in the Middle East. We employed television, radio, social media and the internet to reach out to Americans, so they would support and defend our troops when they were unfairly criticized or attacked. We further engaged people in supporting troops by conducting national bus tours with public rallies throughout the country. We led delegations to Iraq and Guantanamo Bay, taking Gold Star Parents to Iraq, working with military servicemen and women, pro troop companies, service organizations, and many other supporters from across the nation to benefit our troops.

We early on recognized that our troops in harm's way needed to hear directly from American citizens affirming their support and providing some comforts from home. We began by sending special, fresh coffee that was purchased directly in coffee-growing regions in the world and shipped back to the United States where it was ground and packaged so fresh, quality coffee could be provided to our troops. We added cookies, stamped with the insignias of the military branches, to the packages that went directly to the troops. We differed from other pro-military organizations by making sure that our care packages were individually addressed to military personnel in combat areas. Each package would include a note from the package sponsor that indicated their support and gratitude for the sacrifices being made to protect our freedom. Our mission and care packages quickly transformed into a year-round military care package operation providing the most requested items and the taste of home to our heroes.

Move America Forward has sent over 846 tons of care packages to deployed troops and that continues to this day as our major activity. We help educate Americans on the need for the care packages in multiple social media and internet ways, and in addition produce a celebrity-filled nationally televised telethon, called *Troopathon* around the 4th of July holiday when patriotic fervor is at its highest.

MAF is supported by hundreds of thousands of pro-troop activists, veterans, and military families all across the nation who share in our unwavering support of the military men and women who are on the front lines of protecting our country. We work with other non-profits, military service organizations, corporate sponsors, community networks and private citizens to support active-duty military, veterans and military families to demonstrate affirmatively our appreciation and admiration for their service to America.

It is our strong belief that American citizens must be enlisted in the effort to let our troops know that they are in our hearts and prayers and that we will defend their service and honor them here on the home front while they protect America on the front lines overseas.

Move America Forward
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. MAF's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of the MAF and changes therein are presented and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of MAF. These net assets may be used at the discretion of MAF's management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of MAF and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit MAF to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. It is the policy of MAF to record contributions that are restricted by the donor as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

Measure of operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of MAF's care packages program, public education, and *Troopathon* events; nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes—MAF is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements. In addition, MAF has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2021. Generally, MAF's information returns remain open for examination for a period of three years (federal) or four years (state of California) from the date of filing.

Cash and Cash Equivalents—MAF considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Move America Forward
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Property and Equipment—Property and equipment are recorded at cost when purchased or at estimated fair market value to the extent a fair market value could be derived at the date of donation. Depreciation of property and equipment is provided using the straight-line method over their estimated useful lives. Individual property items valued at less than \$2,000 are expensed when purchased or donated.

Concentration of Credit Risk—Financial instruments which potentially subject MAF to concentrations of credit risk consist of cash and cash equivalents, and investments in securities. MAF places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Cash held in investment accounts at investment custodians / securities brokerage firms are insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. At times, such balances are in excess of the FDIC and SIPC coverage limits. Management regularly reviews the financial stability of its cash and money market fund depositories and its allocation of investments and deems the risk of loss due to these concentrations to be minimal.

In-Kind Contributions—Contributions of donated non-cash assets are recorded at their fair value in the period received. MAF receives care package donations in the form of personal hygiene products, snacks, candy, and other items from individuals, businesses, and other organizations. MAF sorts, re-packages, and boxes these items to be shipped to military personnel stationed overseas. Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services that do not meet the criteria are not recognized. There were no contributed services recorded for the year ended December 31, 2021.

Investments—Investments are valued at fair value. Investment transactions are recorded on the trade date. Investment income and realized and unrealized gains and losses, net of investment management fees, are reported as increases or decreases in the appropriate net asset category. Interest and dividend income earned on investments is recognized when received and reported as interest and dividends under revenue and other support in the statement of activities.

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. All other functional expenses are charged directly to either the programs or management and general category.

Move America Forward
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

The expenses that are allocated include the following:

Allocated Expense	Method of Allocation
Salaries	Time and effort
Payroll taxes	Time and effort
Employee benefits	Time and effort
Advertising	Time and effort
Bank service charges	Time and effort
Conferences and meetings	Time and effort
Equipment rental and maintenance	Time and effort
Dues and subscriptions	Time and effort
Occupancy	Square footage
Professional services	Time and effort
Program management	Time and effort
Supplies	Time and effort
Travel	Time and effort
Utilities	Square footage

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The most sensitive estimates affecting the financial statements are the valuation of donated food, and the valuation of donated volunteer service hours.

Note 3—Availability and Liquidity

MAF's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$200,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

The following represents the availability and liquidity of MAF's financial assets at December 31, 2021 to cover operating expenses for the next fiscal year:

Cash and cash equivalents	\$ 1,024,068
Investments	1,056,726
Current Availability of Financial Assets	<u>\$ 2,080,794</u>

Move America Forward
Notes to Financial Statements—Continued

Note 4—Investments and Fair Value Measurements

In determining the fair value of assets and liabilities, MAF utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. MAF determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to MAF at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

MAF may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by MAF to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. MAF had no assets or liabilities classified at NAV as a practical expedient during the year ended December 31, 2021.

Assets measured on a recurring basis at December 31, 2021 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Exchange traded funds	\$ 839,508	\$ 839,508	\$	\$
Bond funds	105,962	105,962		
Equities	102,376	102,376		
Equity funds	8,880	8,880		
Totals	<u><u>\$ 1,056,726</u></u>	<u><u>\$ 1,056,726</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

Investment return for the year ended December 31, 2021 consists of the following:

Unrealized gains	<u>\$ 46,501</u>
Investment Return, Net	46,501
Investment interest and dividends	<u>37,399</u>
Total Return on Investments	<u><u>\$ 83,900</u></u>

Move America Forward
Notes to Financial Statements—Continued

Note 5—Property and Equipment, Net

The major classes of property and equipment, net at December 31, 2021 are as follows:

Furniture and equipment	\$	19,396
Leasehold improvements		<u>21,158</u>
Total Property and Equipment		40,554
Less accumulated depreciation		<u>(24,940)</u>
Net	\$	<u>15,614</u>

Total depreciation expense recorded for the year ended December 31, 2021 was \$543.

Note 6—Net Assets With Donor Restrictions

There were no net assets with donor restrictions at December 31, 2021.

Net assets released from donor restrictions for the year ended December 31, 2021 amounted to \$15,750 and solely relate to satisfaction of the passage of time.

Note 7—In-Kind Contributions

In-kind contributions reported in the statement of activities for the year ended December 31, 2021 consist of the following:

Candy and snacks	\$	1,889,950
Coffee		143,306
Care package supplies		<u>38,330</u>
Total	\$	<u>2,071,586</u>

In-kind candy and snacks, coffee, and care package supplies have been included in the care packages caption in the statement of functional expenses. MAF purchased additional care package items valued at \$125,907 during the year ended December 31, 2021.

Note 8—CARES Act Grant

On January 25, 2021, MAF received a \$48,657 advance through the Paycheck Protection Program (PPP) from the U.S. Small Business Administration (SBA) established by the Coronavirus Aid, Relief, and Economic Security (CARES Act). The advance was designed to provide a direct incentive for small businesses struggling from the impact of the COVID-19 pandemic (see Note 12) to keep their workers on the payroll. During the year ended December 31, 2021, MAF recognized the full amount of the grant advance based on qualifying expenditures incurred as grant revenue. In August 2021, MAF received notification of forgiveness of the grant advance.

Move America Forward
Notes to Financial Statements—Continued

Note 9—Contingencies

MAF is subject to various claims that arise in the normal course of business. Management does not believe that the resolution of these claims will have a significant impact on MAF's financial position or results of operations.

Note 10—Facility Lease

In July 2017, MAF entered into a facility lease with an unrelated party for its headquarter office. The lease required a cash deposit of \$4,040 upon its signing. The term of the lease ran through July 2020. In June 2020, an extension to this lease was signed for the period of August 2020 through July 2021. After the extension expired, an additional extension was signed for the period of August 2021 through August 2023. Future minimum payments on these leases are as follows:

<u>Year Ending December 31,</u>		
2022	\$	64,788
2023		43,192
Total		\$ 107,980

Note 11—Recent Accounting Pronouncements

Leases—In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards (ASU) 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is to be applied using the modified retrospective approach and is effective for nonprofit organizations with fiscal years beginning after December 15, 2021, with early adoption permitted. MAF is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. ASU No. 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after

Move America Forward
Notes to Financial Statements—Continued

Note 11—Recent Accounting Pronouncements—Continued

June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. MAF is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

Note 12—Risks and Uncertainties

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been, and continues to be, severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. MAF has continued to conduct its activities, primarily on a remote basis, and to monitor the ongoing impact of the pandemic response on its overall operations. At the time of this reporting, the cumulative financial impact of the pandemic on the MAF, if any, cannot be fully determined, therefore no related adjustment has been made to these financial statements.

Note 13—Subsequent Events

Management evaluated all activities of Move America Forward through November 15, 2022, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.