

Financial Statements  
and Other Financial Information

Amputee Coalition of America, Inc.

*Years ended December 31, 2021 and 2020  
with Independent Auditor's Report*

Amputee Coalition of America, Inc.

Financial Statements and  
Other Financial Information

Years ended December 31, 2021 and 2020

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## Independent Auditor's Report

Board of Directors  
Amputee Coalition of America, Inc.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Amputee Coalition of America, Inc. (Amputee Coalition), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Amputee Coalition as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### Basis for Opinion

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

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Directors  
Amputee Coalition of America, Inc.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

Board of Directors  
Amputee Coalition of America, Inc.

**Other Matters**

*Other Financial Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenses is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenses and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of Amputee Coalition’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Amputee Coalition’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amputee Coalition’s internal control over financial reporting and compliance.

*Coulter & Justus, P. C.*

Knoxville, Tennessee  
September 30, 2022

Amputee Coalition of America, Inc.

Statements of Financial Position

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,426,911	\$ 2,394,455
Investments	1,480,224	617,343
Accounts receivable, net	20,195	17,465
Sponsorships receivable	17,935	2,500
Grants receivable	636,189	702,786
Other current assets	155,067	186,407
Total current assets	<u>3,736,521</u>	<u>3,920,956</u>
Net property and equipment	70,537	59,987
Net internally developed software	290,975	362,272
Total assets	<u>\$ 4,098,033</u>	<u>\$ 4,343,215</u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 226,987	\$ 180,253
Accrued expenses	251,091	103,340
Deferred revenues	39,099	38,296
Total current liabilities	<u>517,177</u>	<u>321,889</u>
Net assets:		
Without donor restrictions	2,811,115	3,288,573
With donor restrictions	769,741	732,753
Total net assets	<u>3,580,856</u>	<u>4,021,326</u>
Total liabilities and net assets	<u>\$ 4,098,033</u>	<u>\$ 4,343,215</u>

*See accompanying Notes to Financial Statements.*

Amputee Coalition of America, Inc.

Statement of Activities

For the year ended December 31, 2021

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and revenues:			
Grants	\$ 2,645,105	\$ -	\$ 2,645,105
Sponsorships	280,500	-	280,500
Contributions	314,849	29,639	344,488
Donated services	112,000	-	112,000
Publication advertising	73,125	-	73,125
Event registration	38,425	-	38,425
Educational material sales and other income	358,951	9,704	368,655
Net assets released from restrictions	2,355	(2,355)	-
Total support and revenues	<u>3,825,310</u>	<u>36,988</u>	<u>3,862,298</u>
Expenses:			
Program services	3,466,954	-	3,466,954
Management and general	440,129	-	440,129
Fundraising	395,685	-	395,685
Total expenses	<u>4,302,768</u>	<u>-</u>	<u>4,302,768</u>
(Decrease) increase in net assets	(477,458)	36,988	(440,470)
Net assets at beginning of year	<u>3,288,573</u>	<u>732,753</u>	<u>4,021,326</u>
Net assets at end of year	<u>\$ 2,811,115</u>	<u>\$ 769,741</u>	<u>\$ 3,580,856</u>

*See accompanying Notes to Financial Statements.*

Amputee Coalition of America, Inc.

Statement of Activities

For the year ended December 31, 2020

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

*See accompanying Notes to Financial Statements.*



Amputee Coalition of America, Inc.

Statement of Functional Expenses

For the year ended December 31, 2021

	Total Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Salaries	\$ 1,247,573	\$ 66,873	\$ 152,024	\$ 1,466,470
Fringe benefits	233,305	12,868	29,867	276,040
Advertising	341	-	-	341
Communications	32,120	5,977	2,391	40,488
Contractual costs	1,003,001	137,829	155,136	1,295,966
Depreciation and amortization	67,857	20,670	8,269	96,796
Events	134,178	2,947	1,179	138,304
Insurance	16,404	4,997	1,999	23,400
Postage and printing	362,258	802	8,527	371,587
Rent	123,652	37,422	14,970	176,044
Repairs and maintenance	4,236	1,290	516	6,042
Supplies	6,594	1,386	554	8,534
Technology	145,159	11,739	10,524	167,422
Travel	1,066	318	127	1,511
Utilities	1,965	598	239	2,802
Other	87,245	134,413	9,363	231,021
	<b>\$ 3,466,954</b>	<b>\$ 440,129</b>	<b>\$ 395,685</b>	<b>\$ 4,302,768</b>

*See accompanying Notes to Financial Statements.*

Amputee Coalition of America, Inc.

Statement of Functional Expenses

For the year ended December 31, 2020

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

*See accompanying Notes to Financial Statements.*

Amputee Coalition of America, Inc.

Statements of Cash Flows

	<b>Year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
(Decrease) increase in net assets	\$ (440,470)	\$ 215,776
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation and amortization	96,796	88,961
Net appreciation in fair value of investments	(60,939)	(73,826)
Changes in operating assets and liabilities:		
Receivables	48,432	(611,348)
Other assets	31,340	(42,810)
Accounts payable and accrued expenses	194,485	81,093
Deferred revenues	803	(73,065)
Cash used for operating activities	<u>(129,553)</u>	<u>(415,219)</u>
<b>Cash flows from investing activities</b>		
Purchases of equipment	(36,049)	(61,241)
Purchases of internally developed software	-	(55,462)
Net (purchases) sales of investments	<u>(801,942)</u>	<u>1,210,530</u>
Net cash (used for) provided by investing activities	<u>(837,991)</u>	<u>1,093,827</u>
Net (decrease) increase in cash and cash equivalents	(967,544)	678,608
Cash and cash equivalents at beginning of year	<u>2,394,455</u>	<u>1,715,847</u>
Cash and cash equivalents at end of year	<u>\$ 1,426,911</u>	<u>\$ 2,394,455</u>

*See accompanying Notes to Financial Statements.*

# Amputee Coalition of America, Inc.

## Notes to Financial Statements

December 31, 2021

### 1. Organization and Nature of Activities

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

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting and Presentation

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

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

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

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

At December 31, 2021 and 2020, cash and cash equivalents, investments, and sponsorships receivable are available to satisfy net assets with donor restrictions.

#### Cash and Cash Equivalents

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

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

**2. Summary of Significant Accounting Policies (continued)**

**Investments and Fair Value Measurements**

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

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

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

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Amputee Coalition's investments in mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Amputee Coalition are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by Amputee Coalition are deemed to be actively traded (Level 1). Certificates of deposits are valued using quoted process form third parties such as brokers, market makers and pricing agencies (Level 1).

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

**Accounts Receivable**

Due to the nature of the activities and services, Amputee Coalition's policies do not require collateral for receivables. The allowance method is used to determine uncollectible accounts receivable, if any, based on prior years' experience and management's analysis of specific accounts receivable. Credit losses, when realized, have been within management's expectations. Accounts receivable, sponsorships receivable, and grants receivable as of January 1, 2020 totaled \$17,061, \$27,572, and \$66,770, respectively.

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

**2. Summary of Significant Accounting Policies (continued)**

**Property and Equipment**

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

**Internally Developed Software**

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

Costs incurred in the planning and evaluation stage prior to obtaining the technological feasibility of the Application, as well as costs to maintain the Application, are expensed as incurred and totaled \$13,513 during 2021 and \$61,425 during 2020. Costs incurred after the technological feasibility of the Application has been established but before it becomes available for the general release to users, and those costs which add functionality, are capitalized and then amortized. Amortization is computed as the greater of the straight-line method over the remaining economic life of the Application (estimated by management to be seven years), or the ratio that current gross revenues for the Application bear to the total of current and anticipated gross revenues for the Application. Amortization begins when the Application become available for general release to users.

**Revenue Recognition**

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

Sponsorship revenues support specific activities of Amputee Coalition. Cash receipts are reported as deferred revenue when received and then recognized as revenue over the term of the sponsorship agreement based upon the transfer of goods or services to the sponsor. Deferred revenue as of January 1, 2020 totaled \$111,361.

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

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

**2. Summary of Significant Accounting Policies (continued)**

**Revenue Recognition (continued)**

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

**Donated Goods and Services**

During 2021, Amputee Coalition received certain donated services, primarily consisting of legal services, from an employer of a board member, totaling approximately \$112,000, which are reported as contributions at their estimated fair value based on standard industry pricing for similar services on the date of receipt. If the services were not donated, Amputee Coalition would have needed to purchase the services. There were no donor restrictions placed on any donated services received in 2021.

**Liquidity and Availability of Resources**

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

As of December 31, 2021, Amputee Coalition has approximately \$3,083,000 of financial assets, including approximately \$1,018,000 of cash and cash equivalents, \$1,391,000 of investments, \$20,000 of accounts receivable, \$18,000 of sponsorships receivable, and \$636,000 of grants receivable available to meet cash needs for general expenditures that will be available within one year of the statement of financial position date. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The accounts and grant receivables are expected to be collected within one year of the statement of financial position date. Sponsorships receivable are subject to implied time restrictions but are also expected to be collected within one year of the statement of financial position date.

As of December 31, 2021, Amputee Coalition has approximately \$409,000 of cash and cash equivalents and \$89,000 of investments that are subject to donor restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

**Functional Expenses**

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

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

**2. Summary of Significant Accounting Policies (continued)**

**Income Taxes**

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

**Advertising**

Advertising costs are expensed as incurred and totaled \$341 and \$22,767 in 2021 and 2020, respectively.

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures. Accordingly, actual results could differ from those estimates.

**Recently Issued Accounting Standards**

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

**Subsequent Events**

In preparation of the accompanying financial statements, management has evaluated subsequent events that have occurred since December 31, 2021 through September 30, 2022, the date the financial statements were available for issuance.

**3. Grant and Other Revenues**

Amputee Coalition receives grant revenues from the U.S. Department of Health and Human Services (HHS) Administration for Community Living (ACL). These revenues accounted for approximately 71% and 77% of total support and revenues in 2021 and 2020, respectively. Grant receivables from ACL of \$636,189 and \$702,786 were recorded as of December 31, 2021 and 2020, respectively. The grants are cost reimbursement grants with costs subject to audit by ACL or its agents.



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

**3. Grant and Other Revenues (continued)**

In addition to federal grants, Amputee Coalition has concentrations in revenue sources for sponsorships and contributions. Sponsorships and contributions totaling \$4,700 and \$43,200 in 2021 and 2020, respectively, were received directly from board members or employers of board members.

**4. Investments**

The cost and fair value of investments based on quoted market prices, a Level 1 hierarchy, are classified as available for sale and summarized as follows as of December 31, 2021:

	<u>Cost</u>	<u>Fair Value</u>
Mutual funds investing in domestic equity securities	\$ 354,122	\$ 361,495
Mutual funds investing in fixed income	1,045,147	1,035,591
Other mutual funds	82,388	83,138
Total investments	<u>\$1,481,657</u>	<u>\$1,480,224</u>

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

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

**5. Property and Equipment**

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

	<u>2021</u>	<u>2020</u>
Equipment and furniture	\$ 262,414	\$ 226,364
Leasehold improvements	4,544	4,544
	<u>266,958</u>	230,908
Less accumulated depreciation	<u>(196,421)</u>	<u>(170,921)</u>
Net property and equipment	<u>\$ 70,537</u>	<u>\$ 59,987</u>

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

**6. Internally Developed Software**

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

	<b>2021</b>	<b>2020</b>
Internally developed software	<b>\$499,078</b>	\$499,078
Less: accumulated amortization	<b>(208,103)</b>	(136,806)
Net internally developed software	<b>\$290,975</b>	\$362,272

During 2021 and 2020, Amputee Coalition recorded amortization expense of \$71,297 and \$69,259, respectively, which is included in the statements of functional expenses in the accompanying financial statements.

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

2022	<b>\$ 71,296</b>
2023	<b>71,296</b>
2024	<b>71,296</b>
2025	<b>55,747</b>
2026	<b>19,301</b>
Thereafter	<b>2,039</b>
Total	<b>\$290,975</b>

**7. Paycheck Protection Program Loan**

During April 2021, the Amputee Coalition entered into a loan agreement and received proceeds of \$303,267 as part of the Paycheck Protection Program (PPP) from the Small Business Administration (SBA) established as part of the CARES Act. Under the PPP: (i) loans are fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (at least 60% of the forgiven amount must be used for payroll), and partially forgiven if full-time equivalent headcount declines, or if salaries and wages decrease; (ii) interest on the loans is charged at 1%, and principal and interest payments are to begin seven months from the date of the loan, with a maturity date of five years from the date of the loan; (iii) no collateral is required; and (iv) the loans are guaranteed by the SBA. Amputee Coalition used the funds as contemplated under the PPP and, accordingly, has recognized the government grant as a component of other income in the accompanying statement of activities. Amputee Coalition applied for forgiveness and, during April 2022, received notification that the SBA had paid the full principal and interest to the lender; accordingly, the lender has forgiven the PPP loan, and the related interest, in full.

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

**8. Employee Benefit Plan**

Amputee Coalition has a defined contribution retirement plan that covers all employees who meet eligibility requirements. After one year of employment, Amputee Coalition contributes 5% of each participant's compensation, as defined, to the plan. Retirement plan expense was \$78,577 and \$63,019 during 2021 and 2020, respectively.

**9. Operating Lease**

Total lease expense for office space and equipment was \$176,044 and \$142,025, respectively for 2021 and 2020. Estimated future lease payments for operating leases as for December 31, 2021 are as follows:

2022	<b>\$195,042</b>
2023	<b>195,001</b>
2024	<b>199,876</b>
2025	<b>68,291</b>
Total	<b><u>\$658,210</u></b>

Amputee Coalition of America, Inc.

Schedule of Expenses

For the year ended December 31, 2021

	Total Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Salaries	\$ 1,028,041	\$ 313,157	\$ 125,273	\$ 1,466,471
Fringe benefits	191,062	60,259	24,720	276,041
Advertising	341	-	-	341
Communications	12,500	27,988	-	40,488
Contractual costs	550,532	645,435	100,000	1,295,967
Depreciation and amortization	-	96,796	-	96,796
Events	124,505	13,798	-	138,303
Insurance	-	23,400	-	23,400
Postage and printing	359,626	3,754	8,206	371,586
Rent	802	175,242	-	176,044
Repairs and maintenance	-	6,043	-	6,043
Supplies	2,046	6,489	-	8,535
Technology	106,620	54,974	5,828	167,422
Travel	23	1,488	-	1,511
Utilities	-	2,802	-	2,802
Other	11,889	218,949	180	231,018
Subtotal	2,387,987	1,650,574	264,207	4,302,768
Management and general allocation	1,078,967	(1,210,445)	131,478	-
	<u>\$ 3,466,954</u>	<u>\$ 440,129</u>	<u>\$ 395,685</u>	<u>\$ 4,302,768</u>

Amputee Coalition of America, Inc.  
 Schedule of Expenditures of Federal Awards  
 For the year ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Entity Identifying Number	Federal Expenditures
<b>US Department of Health and Human Services</b>			
Direct Program:			
Limb Loss	93.325	90LLRC0001-02-00	\$ 563,740
Limb Loss	93.325	90LLRC0001-03-00	<u>2,081,365</u>
Total Expenditures of Federal Awards			<u>\$2,645,105</u>

**Notes to the Schedule of Expenditures of Federal Awards**

**Basis of Presentation**

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

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

Report on Internal Control over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

*Independent Auditor's Report*

Board of Directors  
Amputee Coalition of America, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Amputee Coalition of America, Inc. (Amputee Coalition), which comprise the statement of financial position as of December 31, 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, and have issued our report thereon dated September 30, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Amputee Coalition's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of Amputee Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of Amputee Coalition's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors  
Amputee Coalition of America, Inc.

### **Compliance and Other Matters**

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

### **Purpose of the Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Amputee Coalition’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amputee Coalition’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Coulter & Justus, P. C.*

Knoxville, Tennessee  
September 30, 2022

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

### *Independent Auditor's Report*

Board of Directors  
Amputee Coalition of America, Inc.

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Amputee Coalition of America, Inc.'s (Amputee Coalition) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Amputee Coalition's major federal program for the year ended December 31, 2021. Amputee Coalition's major federal program is identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs.

In our opinion, Amputee Coalition complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

#### ***Basis for Opinion on Each Major Federal Program***

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

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



Board of Directors  
Amputee Coalition of America, Inc.

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

Board of Directors  
Amputee Coalition of America, Inc.

### **Report on Internal Control Over Compliance**

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

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

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

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

*Coulter & Justus, P.C.*

Knoxville, Tennessee  
September 30, 2022

Amputee Coalition of America, Inc.  
 Schedule of Findings and Questioned Costs  
 For the year ended December 31, 2021

**Section I - Summary of Auditor's Results**

**Financial Statements**

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

**Federal Awards**

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

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

**Section II -- Financial Statement Findings**

None reported.

**Section III -- Federal Award Findings and Questioned Costs**

None reported.

Amputee Coalition of America, Inc.  
Summary Schedule of Prior Year Audit Findings and Corrective Action Plan  
For the year ended December 31, 2021

**Summary Schedule of Prior Year Audit Findings**

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

**Corrective Action Plan for 2020 Findings**

Not applicable as there were no 2020 findings reported.