

**Audited Financial Statements**



**December 31, 2022**

**Quigley & Miron**

**Move America Forward**  
**Audited Financial Statements**  
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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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MAF as of December 31, 2022, 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 "Twiggley & Miron". The script is fluid and cursive, with the ampersand clearly visible between the two names.

Campbell, California  
October 31, 2023

**Move America Forward**  
**Statement of Financial Position**  
**December 31, 2022**

**Assets**

Cash and cash equivalents	\$	572,622
Investments—Note 4		891,505
Property and equipment, net—Note 5		5,144
Deposit—Note 8		4,040

<b>Total Assets</b>	<b>\$</b>	<b><u>1,473,311</u></b>
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**Liabilities and Net Assets**

**Liabilities**

Accounts payable and accrued expenses	\$	195,635
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<b>Total Liabilities</b>	<b>195,635</b>
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**Net Assets**

Without donor restrictions		1,277,676
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<b>Total Net Assets</b>	<b><u>1,277,676</u></b>
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<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u>1,473,311</u></b>
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See notes to financial statements.

**Move America Forward**  
**Statement of Activities**  
**Year Ended December 31, 2022**

**Operating Activities**

**Revenue and Other Support**

Contributions	\$	1,093,846
In-kind contributions—Note 7		1,416,850
Interest and dividends		24,518
<b>Total Revenue and Other Support</b>		<b>2,535,214</b>

**Expenses**

Program services		
Care packages		1,977,958
Public education		211,365
Troopathon		278,169
<b>Total Program Services</b>		<b>2,467,492</b>

Supporting services		
Management and general		259,305
Fundraising		119,850
<b>Total Expenses</b>		<b>2,846,647</b>

**Change in Net Assets from Operations** **(311,433)**

**Nonoperating Activities**

Investment return, net		(188,333)
Loss on disposal of property and equipment		(10,329)
<b>Total Nonoperating Activities</b>		<b>(198,662)</b>

**Change in Net Assets** **(510,095)**

**Net Assets at Beginning of Year** **1,787,771**

**Net Assets at End of Year** **\$ 1,277,676**

See notes to financial statements.

Move America Forward  
Statement of Functional Expenses  
Year Ended December 31, 2022

	Program Services				Supporting Services			
	Care Packages	Public Education	Troopathon	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 43,650	\$ 61,000	\$ 36,900	\$ 141,550	\$ 67,500	\$	\$ 67,500	\$ 209,050
Payroll taxes	3,563	5,115	2,823	11,501	5,382		5,382	16,883
Employee benefits	2,474	3,296	2,880	8,650	5,062		5,062	13,712
<b>Total Personnel Expenses</b>	<b>49,687</b>	<b>69,411</b>	<b>42,603</b>	<b>161,701</b>	<b>77,944</b>		<b>77,944</b>	<b>239,645</b>
Accounting					18,165		18,165	18,165
Advertising		85,954	217,566	303,520		94,893	94,893	398,413
Bank service charges	40,874			40,874	1,163		1,163	42,037
Care packages—Note 7	1,430,274			1,430,274				1,430,274
Conferences and meetings	27			27	1,158		1,158	1,185
Depreciation	141			141				141
Dues and subscriptions	668			668	2,749		2,749	3,417
Legal fees					41,769		41,769	41,769
Occupancy	35,296			35,296	34,251		34,251	69,547
Postage and shipping	299,449			299,449	9		9	299,458
Professional services	83,114	20,000		103,114	13,571		13,571	116,685
Program management	9,000	36,000	18,000	63,000	27,000		27,000	90,000
Supplies	25,566			25,566	3,770	24,957	28,727	54,293
Taxes, licenses, and insurance					26,592		26,592	26,592
Telephone					2,905		2,905	2,905
Travel	489			489	389		389	878
Utilities	3,004			3,004	7,870		7,870	10,874
Volunteer expenses	369			369				369
<b>Total Expenses</b>	<b>\$ 1,977,958</b>	<b>\$ 211,365</b>	<b>\$ 278,169</b>	<b>\$ 2,467,492</b>	<b>\$ 259,305</b>	<b>\$ 119,850</b>	<b>\$ 379,155</b>	<b>\$ 2,846,647</b>

See notes to financial statements.

**Move America Forward**  
**Statement of Cash Flows**  
**December 31, 2022**

**Cash Flows from Operating Activities**

Change in net assets	\$ (510,095)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Investment losses	188,333
Loss on disposal of property and equipment	10,329
Depreciation	141
Changes in operating assets and liabilities:	
Other assets	3,658
Accounts payable and accrued expenses	(120,700)

**Net Cash Used in Operating Activities** (428,334)

**Cash Flows from Investing Activities**

Purchases of investments	<u>(23,112)</u>
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**Net Cash Used in Investing Activities** (23,112)

**Decrease in  
Cash and Cash Equivalents** (451,446)

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

1,024,068

**Cash and Cash Equivalents  
at the End of Year** \$ 572,622

**Supplementary Disclosures**

Income taxes paid	<u>\$</u>
Interest paid	<u><u>\$</u></u>

See notes to financial statements.



**Move America Forward**  
**Notes to Financial Statements**  
**December 31, 2022**

**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 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 900 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 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.

**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.

**Note 2—Summary of Significant Accounting Policies—Continued**

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.

Recently Adopted Accounting Principles

Gifts-in-Kind—In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards (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. MAF adopted ASU No. 2020-07 on a for the year ended December 31, 2022, and has adjusted the presentation of the financial statements accordingly.

Leases—In February 2016, FASB issued ASU No. 2016-02 (ASU 2016-02), *Leases (Topic 842)*. This standard requires lessees to recognize the assets and liabilities that arise from leases in the statement of financial position. Additionally, in July 2018, FASB issued ASU 2018-11 *Leases (Topic 842)—Targeted Improvements*, which, among other things, provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the financial statements and instead recognize a cumulative effect adjustment to the opening balance of net assets without donor restrictions in the period of adoption. MAF adopted ASU 2016-02 on a prospective basis for the year ended December 31, 2022 without restating any prior year amounts or disclosures.

**Move America Forward**  
**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

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, 2022. 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.

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. Such cash balances are normally not in excess of FDIC insurance limits.

Cash held in investment accounts at investment custodians is 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 may exceed SIPC insurance limits during the normal course of business.

MAF’s Executive Director, Board of Directors, and Treasurer, in consultation with professional investment advisors, determines the composition of the investment portfolio in accordance with a Board-approved investment policy.

While MAF is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf, MAF’s management has assessed the credit risk associated with its cash deposits and investments at December 31, 2022 and believes it is not exposed to any significant credit risk with its cash and cash equivalents and investments. However, due to the current risk and uncertainties affecting financial institutions (see Note 9), the potential related impact cannot be reasonably estimated at this time.

In-Kind Contributions—MAF records the value of donated materials and services, which includes donated care package supplies, at their fair value at the date of donation. In-kind services are recorded 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. Donated care packages are fully utilized for MAF’s program services and are reported without donor restriction. In-kind contributions have no donor-imposed restrictions unless otherwise noted.

**Move America Forward**  
**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

Interest income—Interest income is recognized when received and is reported 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.

The expenses that are allocated include the following:

<u>Allocated Expense</u>	<u>Method of Allocation</u>
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
Depreciation	Square footage
Dues and subscriptions	Time and effort
Equipment rental and maintenance	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, 2022 to cover operating expenses for the next fiscal year:

Cash and cash equivalents	\$ 572,622
Investments	<u>891,505</u>
<b>Current Availability of Financial Assets</b>	<b><u><u>\$ 1,464,127</u></u></b>

**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, 2022.

Assets measured on a recurring basis at December 31, 2022 consist of the following:

	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Exchange traded funds	\$ 733,077	\$ 733,077	\$	\$
Bond funds	89,301	89,301		
Equities	60,760	60,760		
Equity funds	8,367	8,367		
<b>Totals</b>	<b>\$ 891,505</b>	<b>\$ 891,505</b>	<b>\$</b>	<b>\$</b>

Investment return for the year ended December 31, 2022 consists of the following:

Unrealized gains	\$ (188,333)
<b>Investment Return, Net</b>	<b>(188,333)</b>
Investment interest and dividends	24,518
<b>Total Return on Investments</b>	<b>\$ (163,815)</b>

**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, 2022 are as follows:

Furniture and equipment	\$	4,915
Leasehold improvements		<u>5,500</u>
<b>Total Property and Equipment</b>		<b>10,415</b>
Less accumulated depreciation		<u>(5,271)</u>
<b>Net</b>	<b>\$</b>	<b><u>5,144</u></b>

Total depreciation expense recorded for the year ended December 31, 2022 was \$141.

**Note 6—In-Kind Contributions**

In-kind contributions reported in the statement of activities for the year ended December 31, 2022 consist of the following:

Candy and snacks	\$	1,237,683
Care package supplies		121,890
Coffee		<u>57,277</u>
<b>Total</b>	<b>\$</b>	<b><u>1,416,850</u></b>

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 \$13,424 during the year ended December 31, 2022.

**Note 7—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 8—Facility Lease**

In July 2017, MAF entered into a facility lease with an unrelated party for its headquarter office. The lease required a one-time 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. A new extension has been signed for each subsequent year, including an extension signed subsequent to year-end, in May 2023 for the period of September 2023 through August 2024. Future minimum payments on these leases are as follows:

<u>Year Ending December 31,</u>		
2023	\$	68,600
2024		<u>50,816</u>
<b>Total</b>	<b>\$</b>	<b><u>119,416</u></b>

**Move America Forward**  
**Notes to Financial Statements—Continued**

**Note 9—Risks and Uncertainties**

In March 2023, subsequent to year-end, the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system, however, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. As disclosed in Note 2, at times, MAF maintains cash and cash equivalents and investment balances in excess of federally-insured limits. Given the uncertainty of the situation, the potential related financial impact cannot be reasonably estimated at this time.

**Note 10—Subsequent Events**

Management evaluated all activities of Move America Forward through October 31, 2023, which is the date the financial statements were available to be issued, and concluded that, other than the new lease described in Note 8 and the banking crisis reported in Note 9, no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.