

Movemeant Foundation

Financial Statements

December 31, 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors Movemeant Foundation

We have reviewed the accompanying financial statements of Movemeant Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

BAKER TILLY US, LLP

Baker Tilly US, LLP

San Francisco, California
February 10, 2021

MOVEMEANT FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31, 2019

ASSETS

Cash	\$	83,131
Contributions receivable		<u>4,750</u>
Total assets	\$	<u><u>87,881</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$	2,810
Grants payable		<u>26,000</u>
Total liabilities		<u>28,810</u>

Net Assets

Without donor restrictions		54,321
With donor restrictions		<u>4,750</u>
Total net assets		<u>59,071</u>
Total liabilities and net assets	\$	<u><u>87,881</u></u>

MOVEMEANT FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Contributions	\$ 452,408	\$ 4,750	\$ 457,158
Sponsorships	163,673	-	163,673
Other income	10,367	-	10,367
Total revenue	<u>626,448</u>	<u>4,750</u>	<u>631,198</u>
EXPENSES			
Program	501,173	-	501,173
Management and general	83,441	-	83,441
Fundraising	44,283	-	44,283
Total expenses	<u>628,897</u>	<u>-</u>	<u>628,897</u>
CHANGE IN NET ASSETS	(2,449)	4,750	2,301
NET ASSETS - beginning of period	<u>56,770</u>	<u>-</u>	<u>56,770</u>
NET ASSETS - end of period	<u>\$ 54,321</u>	<u>\$ 4,750</u>	<u>\$ 59,071</u>

MOVEMEANT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 94,464	\$ 13,495	\$ 26,990	\$ 134,949
Payroll taxes	8,100	1,157	2,314	11,571
Program events	325,231	-	-	325,231
Grants to others	55,691	-	-	55,691
Professional fees	-	42,961	-	42,961
Office expense	2,694	2,694	12,572	17,960
Advertising and promotion	-	12,575	-	12,575
Travel	5,337	5,337	-	10,674
Insurance	3,221	3,221	-	6,442
Storage	5,919	-	-	5,919
Membership dues and fees	516	516	2,407	3,439
Other	-	1,485	-	1,485
	<u>\$ 501,173</u>	<u>\$ 83,441</u>	<u>\$ 44,283</u>	<u>\$ 628,897</u>

MOVEMEANT FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 2,301
Changes in operating assets and liabilities	
Accounts receivable	(4,750)
Accounts payable	(6,036)
Grants payable	<u>26,000</u>
Net cash provided by operating activities	<u>17,515</u>
NET INCREASE IN CASH	17,515
CASH - beginning of year	<u>65,616</u>
CASH - end of year	<u><u>\$ 83,131</u></u>

MOVEMEANT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Operations

Movemeant Foundation (the “Foundation”), is a Delaware nonprofit organization established in 2012 committed to making fitness accessible, fun and empowering while shifting the conversation from weight loss and typical beauty ideals to that of body positivity and supporting one another. Through its programs and events, Movemeant Foundation teaches women and girls that fitness and physical movement is essential to unlocking the values of self-confidence, resiliency, commitment, balance, and community.

A summary of the Foundation’s significant accounting policies applied in the presentation of the accompanying financial statements follows:

Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets as follows:

- *Without donor restrictions* – Net assets not subject to donor-imposed stipulations.
- *With donor restrictions* – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time. When net assets subject to donor imposed restrictions are received and then subsequently released in the same year, they are classified as net assets without donor restrictions. At December 31, 2019, net assets with donor restrictions consisted of time restricted pledges due within one year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less, at the time of purchase to be cash equivalents. At December 31, 2019, the Foundation did not have any cash equivalents.

MOVEMEANT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Grants Payable

Grants to be paid by the Foundation are accrued and recognized as an expense at the time the Foundation unconditionally commits to the grant. At December 31, 2019, all grants payable are considered current liabilities.

Contributions

Contributions are recognized when the donor makes a promise to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

Sponsorships are recognized as contribution revenue as the sponsors do not receive commensurate value in exchange for consideration.

Functional Allocation of Expenses

The costs of providing the Foundation's various programs and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the estimates of employees' time and on usage of resources.

Income Taxes

The Foundation is a tax-exempt organization under the provisions of the Internal Revenue Code, Section 501(c)(3), and the California Revenue and Taxation Code, Section 23701(d). Accordingly, no provision for federal and state income taxes has been reflected in these financial statements.

Management evaluated the Foundation's tax positions and concluded that the Foundation had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

MOVEMEANT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Recently Issued Accounting Standards

In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2020-07, *Contributed Nonfinancial assets* (Topic 958) (“ASU 2020-07”). ASU 2020-07 increases the transparency of contributed nonfinancial assets through enhancements to presentation and disclosures in programs and other activities of a not-for-profit organization. The new standard will be effective for the Foundation for the year ending December 31, 2021. The Foundation is currently evaluating the timing of its adoption and its impact on its financial statements.

2. NEWLY ADOPTED ACCOUNTING PRONOUNCEMENT

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The ASU clarified and improved the scope and accounting guidance around contributions of cash and other assets received and made by all entities, including business entities. The ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal) transactions and (2) determining whether a contribution is conditional or unconditional. The adoption of ASU 2018-08 under the modified prospective method effective January 1, 2019 did not have a material effect on the Foundation’s financial position or results of operations.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation’s primary source of revenue is contributions. The sources that provide liquidity during the period is cash. General expenditures include program and supporting expenses that are expected to be paid in the subsequent year.

The table below presents financial assets available to fund general operating expenditures within one year at December 31, 2019:

Financial assets at year-end:	
Cash	\$ 83,131
Contributions receivable	4,750
Financial assets available to meet general expenditures within one year	<u>\$ 87,881</u>

MOVEMEANT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

4. CONCENTRATIONS

Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash. Risks associated with cash are mitigated by banking with creditworthy institutions. Such balances with any one institution may, at times, be in excess of federally insured amounts (currently \$250,000 per depositor).

Other

For the year ended December 31, 2019, approximately 71% of contributions was received from three donors.

5. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. In addition, the California State Governor ordered the closure of the physical location of every business, except those identified in the “critical infrastructure sectors,” for a limited period of time. The outbreak has led to severe disruptions and uncertainty to economic conditions and credit and capital markets and funding sources. The duration and economic impact of the outbreak are uncertain but it is possible operations may be negatively impacted.

In response to the COVID-19 outbreak, in March 2020 the Foundation shifted to virtual events. The Foundation will continue to monitor the situation closely, but given the uncertainty about the situation, management cannot estimate the impact to the financial statements.

Management has evaluated subsequent events through the date the financial statements are available to be issued February 10, 2021.