

**ACTIVE TRANSPORTATION ALLIANCE  
AND WALK BIKE GO**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT**

**SEPTEMBER 30, 2017 AND 2016**

**ACTIVE TRANSPORTATION ALLIANCE and  
WALK BIKE GO  
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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
ACTIVE TRANSPORTATION ALLIANCE  
and WALK BIKE GO  
Chicago, Illinois

### **Report of Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of ACTIVE TRANSPORTATION ALLIANCE and WALK BIKE GO (nonprofit organizations), which comprise the consolidated statements of financial position as of September 30, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**


In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ACTIVE TRANSPORTATION ALLIANCE and WALK BIKE GO as of September 30, 2017 and 2016, 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.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2018, on our consideration of ACTIVE TRANSPORTATION ALLIANCE and WALK BIKE GO'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering ACTIVE TRANSPORTATION ALLIANCE and WALK BIKE GO's internal control over financial reporting and compliance.



Weiss, Sugar, Dvorak & Dusek, Ltd.

Chicago, Illinois  
August 7, 2018

**ACTIVE TRANSPORTATION ALLIANCE and  
WALK BIKE GO  
Consolidated Statements of Financial Position  
September 30, 2017 and 2016**

<b>ASSETS</b>		
	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 231,945	\$ 411,711
Active Transportation Alliance Fund money market fund	100,247	100,000
Investments	6,270	
Accounts, grants, contracts and pledges receivable net net of allowance for doubtful accounts of \$10,000	832,396	743,936
Inventory	17,645	17,645
Prepaid expenses	13,428	27,702
Deposits	17,990	10,000
Advance to Walk Bike Go		5,000
Total Current Assets	<u>1,219,921</u>	<u>1,315,994</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	254,065	252,860
Less: Accumulated depreciation	<u>(236,086)</u>	<u>(212,280)</u>
Net Property and Equipment	<u>17,979</u>	<u>40,580</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,237,900</u>	<u>\$ 1,356,574</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 82,140	\$ 117,297
Accrued payroll, payroll taxes, benefits and vacations	112,384	119,687
Funds held as fiscal agent	<u>3,328</u>	<u>5,542</u>
Total Liabilities	<u>197,852</u>	<u>242,526</u>
<b>NET ASSETS</b>		
Unrestricted	945,465	999,465
Temporarily restricted	<u>94,583</u>	<u>114,583</u>
Total Net Assets	<u>1,040,048</u>	<u>1,114,048</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,237,900</u>	<u>\$ 1,356,574</u>

See independent auditors' report and notes to the consolidated financial statements.

**ACTIVE TRANSPORTATION ALLIANCE and  
WALK BIKE GO**  
Consolidated Statements of Activities  
For the Years Ended September 30, 2017 and 2016

	2017		2016			
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
<b>SUPPORT AND REVENUE</b>						
Support:						
Contract revenue	\$ 1,196,296	\$	\$ 1,196,296	\$ 1,603,499	\$	\$ 1,603,499
Contributions	416,634		416,634	382,123		382,123
Grants	27,234	94,583	121,817	71,417	114,583	186,000
Donated goods and services	263,508		263,508	236,054		236,054
Total Support	1,903,672	94,583	1,998,255	2,293,093	114,583	2,407,676
Revenue:						
Membership dues	89,453		89,453	150,811		150,811
Program events	1,143,134		1,143,134	1,164,657		1,164,657
Sales of merchandise	72,677		72,677	55,316		55,316
Interest and investment income	925		925	140		140
Other	3,809		3,809	2,463		2,463
Net assets released from restriction	114,583	(114,583)		177,373	(177,373)	
Total Revenue	1,424,581	(114,583)	1,309,998	1,550,760	(177,373)	1,373,387
<b>TOTAL SUPPORT AND REVENUE</b>	3,328,253	(20,000)	3,308,253	3,843,853	(62,790)	3,781,063
<b>EXPENSES</b>						
Program	2,782,090		2,782,090	3,259,880		3,259,880
Management and general	493,522		493,522	448,853		448,853
Fundraising	106,641		106,641	152,430		152,430
Total Expenses	3,382,253		3,382,253	3,861,163		3,861,163
<b>CHANGE IN NET ASSETS</b>	(54,000)	(20,000)	(74,000)	(17,310)	(62,790)	(80,100)
<b>NET ASSETS - BEGINNING OF YEAR</b>	999,465	114,583	1,114,048	1,016,775	177,373	1,194,148
<b>NET ASSETS - END OF YEAR</b>	\$ 945,465	\$ 94,583	\$ 1,040,048	\$ 999,465	\$ 114,583	\$ 1,114,048

See independent auditors' report and notes to the consolidated financial statements.

**ACTIVE TRANSPORTATION ALLIANCE and  
WALK BIKE GO**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS OPERATING ACTIVITIES</b>		
Change in net assets	\$ (74,000)	\$ (80,100)
<i>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities</i>		
Depreciation	23,806	22,497
Bad debts	38,784	53,385
Realized (gain) on investments		(60)
Unrealized (gain) loss on investments	(494)	53
<i>Increase (decrease) in cash due to changes in:</i>		
Accounts, grants and pledges receivable	(127,244)	121,135
Change in inventory		(16,361)
Prepaid expenses	14,274	13,977
Deposits	(7,990)	
Advance to Walk Bike Go	5,000	(5,000)
Accounts payable and accrued expenses	(35,157)	85,195
Accrued payroll, payroll taxes, benefits and vacations	(7,303)	7,719
Deferred income		(100)
Funds held as fiscal agent	(2,214)	3,431
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(172,538)</u>	<u>205,771</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments		1,582
Purchase of money market fund		(100,000)
Donation of equity investments	(6,270)	
Net change in money market fund	247	
Purchases of equipment	(1,205)	(23,000)
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<u>(7,228)</u>	<u>(121,418)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(179,766)	84,353
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>411,711</u>	<u>327,358</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 231,945</u>	<u>\$ 411,711</u>

**ACTIVE TRANSPORTATION ALLIANCE**  
**Notes to Consolidated financial statements**  
**September 30, 2017 and 2016**

**NOTE 1 - DESCRIPTION OF ORGANIZATIONS**

The mission of Active Transportation Alliance ("ATA") is to make bicycling, walking and public transit so safe, convenient and fun that residents of the Chicago area will achieve a significant shift from environmentally harmful, sedentary travel to clean, active travel. For over 30 years, ATA has advocated for transportation that encourages and promotes safety, physical activity, health, recreation, social interaction, equity, environmental stewardship, and resource conservation. ATA has developed a strategic plan that outlines a 20-year vision for a more livable region in which half of all trips are made by walking, biking or transit, with half as many traffic crashes.

Active Transportation Alliance was incorporated in 1985 as an Illinois not-for-profit corporation as the Chicagoland Bicycle Federation, an all-volunteer organization of bicyclists who sought to promote bicycling and fight for the safety of bicyclists on the road. Along the way, ATA attracted members, donors, and political allies through years of respected work in bicycle safety, planning, and promotion. Since 1999, more than \$100 million worth of trails, bike lanes, bike racks and other projects became a reality because ATA was helping, asking, training and working. In 2008, ATA introduced a new brand and expanded mission statement to include advocating for pedestrians and transit users, and officially changed its name to Active Transportation Alliance.

The major programs of ATA are as follows:

**Movement Building**

The purpose of these programs is to demonstrate active transportation through events and activities.

**Safety and Encouragement**

The purpose of these programs and campaigns is to reduce bicycle and pedestrian crashes and injuries and increase active transportation.

**World Class Network**

The purpose of these programs is to enhance the size, safety, and convenience of the linear network through infrastructure improvement.

During May 2015, ATA incorporated Walk Bike Go ("WBG"), a related organization resulting from common control. In August 2015, notification was received from the Internal Revenue Service that Walk Bike Go was recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code. Walk Bike Go will focus on fee-for-service work while also exploring innovative mission-aligned partnerships and ventures, helping to amplify ATA's goals of creating communities that are healthy, vibrant and environmentally friendly through better biking, walking and transit. During the year ended September 30, 2016, Active Transportation Alliance advanced \$5,000 to Walk Bike Go. No other activity occurred on the books of Walk Bike Go through September 30, 2016.



## **NOTE 1 - DESCRIPTION OF ORGANIZATIONS (Continued)**

During the year ended September 30, 2016, ATA partnered with The Advise Us Fund, a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. This partnership is intended to support ATA in its future development and planned giving efforts. In June 2016, ATA purchased a money market fund in the amount of \$100,000 to establish a charity fund with The Advise Us Fund, known as the Active Transportation Alliance Fund. ATA reserves the right to direct the investment of the Active Transportation Alliance Fund and maintains control over the use of the funds.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Consolidated Financial Statements**

The accompanying consolidated financial statements reflect the consolidation of ATA and WBG. All material inter-organizational accounts and transactions have been eliminated during consolidation.

### **Accounting Method**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. These consolidated financial statements have been prepared to focus on the organizations as a whole. Net assets and revenue, expenses, and gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

#### **Permanently Restricted Net Assets**

Net assets subject to donor imposed stipulations that they be maintained permanently by the organizations. The organizations had no permanently restricted net assets.

#### **Temporarily Restricted Net Assets**

Net assets subject to donor imposed stipulations that may be met by the actions of organizations or by the passage of time.

#### **Unrestricted Net Assets**

Net assets not subject to donor imposed stipulations and represent expendable resources that are available for operations at management discretion.

### **Contributions**

All contributions and non-governmental grants are considered to be available for unrestricted use unless specifically restricted by the donor for specific purposes. Amounts that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. Contributions are recognized when the donor makes a promise to give to the Organizations that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Restricted contributions received and spent in the same year are treated as unrestricted support.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Support, Revenue and Accounts Receivable**

The Organizations receive grant and contract support from various Federal, State and Local governmental units, as well as individuals, foundations, and corporations. Support received from those grants and contracts is recognized based on their contract length, or by other contract provisions of the specific contract. When temporarily restricted net assets are reclassified to unrestricted net assets, those net assets are reported in the statement of activities as net assets released from restrictions.

Accounts receivable are presented on the statement of financial position net of estimated uncollectible amounts. The Organizations record an allowance for doubtful accounts in an amount approximating anticipated losses. Individual uncollectible accounts are written off against the allowance when collection of the individual accounts appears doubtful. Individual uncollectible accounts are included in the statement of functional expense as bad debts and amounted to \$38,784 and \$53,385 during the years ended September 30, 2017 and 2016, respectively. The Organizations recorded an allowance for doubtful accounts of \$10,000 as of September 30, 2017 and 2016.

### **Membership Dues**

Revenue from membership dues is recognized when received.

### **Use of Estimates**

The preparation of consolidated financial statements in accordance 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, liabilities, and operations, and the related disclosures at the date of the consolidated financial statements and during the reporting period. Actual results could differ from those estimates.

### **Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include all highly liquid investments purchased with an original maturity of three months or less.

### **Promises to Give**

Unconditional promises to give are recognized as revenue in the period the promise is received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year.

### **Investments**

Investments are stated at fair value (as described in Note 4) based on quoted market prices.

### **Property and Equipment**

Property and equipment are recorded at cost. Donations for property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. All property and equipment are depreciated using the straight-line method over the useful lives of the assets.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Property and Equipment (Continued)**

The Organizations capitalize those assets of \$1,000 or more with an estimated useful life greater than one year. Depreciation is calculated using the straight-line method, over periods of 3 to 5 years. Depreciation for the years ended September 30, 2017 and 2016 amounted to \$23,806 and \$22,497, respectively.

### **Compensated Absences**

Compensated absences consist of accumulated unused vacation days. The total compensated absences at September 30, 2017 and 2016, amounted to \$46,177 and \$44,135, respectively.

### **Advertising Costs**

The Organizations expense all advertising costs in the period incurred.

### **Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Direct expenses are charged to the related program. Indirect expenses are allocated to each program in proportion to the services provided.

### **Donated Services and In-Kind Contributions**

The organizations receive donations of professional services, advertising, meeting room space, food and beverage, and raffle prizes. The estimated value of these donations amounted to \$263,508 and \$236,054 for the years ended September 30, 2017 and 2016, respectively. The value of these donated services and materials are recognized as revenues and expenses in the statement of activities. Additionally, individuals volunteer their time and perform a variety of services that do not meet the criteria for recognition as contributed services.

### **Long Lived Assets**

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the assets' carrying amount over the fair value of the asset. Fair value is based on market quotes, if available, or is based on valuation techniques. There were no impairment losses recognized during the years ended September 30, 2017 and 2016.

### **New Accounting Pronouncement**

During 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The ASU is effective for the year ending September 30, 2018. This ASU replaces the three classes of net assets used in financial statements of nonprofit entities (unrestricted, temporarily restricted, and permanently restricted) with two classes of net assets (net assets with donor restrictions and net assets without donor restrictions).

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### New Accounting Pronouncement (Continued)

The new ASU also will require expanded disclosures about liquidity and availability of resources, presentation of expenses by both functional and natural classifications, changes in the cash flow statement when prepared using the direct method, and changes in reporting of investment returns.

The FASB issued ASU 2016-02, *Leases* (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for fiscal years beginning after December 15, 2019 with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

The effect of these pronouncements on the financial statements has not been determined.

### Reclassifications

Certain amounts in the 2016 financial statements have been reclassified for comparative purposes to conform to the 2017 presentation with no effect on previously reported change in net assets.

## NOTE 3 - INVESTMENTS

Investments at September 30, 2017 and 2016 amounted to \$6,270 and \$-0-, respectively. Investments at September 30, 2017 are summarized as follows:

	2017	
	MARKET VALUE	COST
ATA Equities	\$ <u>6,270</u>	\$ <u>5,776</u>

Investment income for each of the respective years ended September 30, 2017 and 2016 is as follows:

	2017	2016
Interest and dividends	\$ 431	\$ 133
Unrealized gain (loss)	494	(53)
Realized gain		60
Total	<u>\$ 925</u>	<u>\$ 140</u>

#### NOTE 4 - FAIR VALUE MEASUREMENTS

The Organizations comply with the provisions of Accounting Standards Codification 820 (ASC 820), "Fair Value Measurements and Disclosures". Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

The Organizations' significant financial instruments are investments. The carrying values of these financial instruments recorded in the accompanying statement of financial position approximate fair value.

Investments at September 30, 2017 and 2016 amounted to \$6,720 and \$0-, respectively. These investments are considered Level 1 investments since their fair value is derived from accessible unadjusted quoted prices in active markets for identical assets.

#### NOTE 5 - BANK LINE OF CREDIT

ATA has a line of credit with a bank which provides borrowings up to \$200,000 with no stated maturity date. Advances bear interest at bank's Prime rate plus 1% and are secured by all ATA assets. The credit line was not drawn down as of September 30, 2017 or 2016.

#### NOTE 6 - RESTRICTIONS AND LIMITATIONS ON NET ASSETS

At September 30, 2017 and 2016, ATA recorded \$94,583 and \$114,583, respectively, in temporarily restricted net assets for grants received for project expenditures in subsequent years. Those net assets consisted of funds from the following entities:

	<u>2017</u>	<u>2016</u>
Chicago Community Trust	\$ 50,000	\$ 50,000
Good Heart Work Smart	26,250	40,000
REI	18,333	22,917
Other		1,666
	<u>\$ 94,583</u>	<u>\$ 114,583</u>

## NOTE 7 - LEASE COMMITMENTS

### Office Lease

ATA leased approximately 5,500 square feet of office facilities under the terms of a lease that expired on October 30, 2017. Scheduled aggregate lease payments for the periods subsequent to September 30, 2017, is as follows:

2018	<u>\$ 9,567</u>
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ATA entered into a new lease for approximately 3,835 square feet of office facilities at 35 E. Wacker Dr., Chicago, IL. The lease is effective November 1, 2017 and expires on October 31, 2020. The monthly lease payments over the term range from \$7,990 to \$8,309. Future minimum fiscal year payments under this lease are as follows:

2018	\$ 87,885
2019	97,633
2020	99,550
2021	<u>8,309</u>
	<u>\$ 293,377</u>

Rent expense under these operating leases amounted to \$115,415 and \$111,188 for the years ended September 30, 2017 and 2016, respectively.

### Other Leases

In January 2014, ATA entered into a copier equipment lease which requires 63 monthly payments of \$243.

The future minimum rental payments for the software and copier leases for the periods subsequent to September 30, 2017, are as follows:

2018	\$ 2,910
2019	<u>1,455</u>
	<u>\$ 4,365</u>

## NOTE 8 - INCOME TAXES AND UNCERTAIN TAX POSITIONS

The Organizations are tax-exempt entities under Section 501(c)(3) of the Internal Revenue Code, and as such, are generally exempt from income tax except for any unrelated business taxable income (UBIT). The Organizations qualify for charitable contribution deductions under Section 170(b)(1)(iii) and have been classified as organizations that are not a private foundation under Section 509(a)(1).

## **NOTE 8 - INCOME TAXES AND UNCERTAIN TAX POSITIONS (Continued)**

Accounting standards provide guidance for how certain tax positions should be recognized, measured, disclosed and presented in the consolidated financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing Organizations' returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit and asset or expense and liability in the current year. The Organizations file returns in the U.S. federal jurisdiction and Illinois state jurisdiction. The Organizations are no longer subject to U.S. federal and state examinations by tax authorities for years before September 2014. As of and for the year ended September 30, 2017, management has determined that there are no uncertain tax positions.

## **NOTE 9 - RETIREMENT PLAN**

Effective January 1, 2008 (amended April 15, 2015), ATA adopted a 401(k) retirement plan available to all employees. ATA, at its discretion, may make an elective contribution to each employee's account, based on a percentage of the employee's salary. Employer contributions vest to the employee at a rate of 25% per year commencing in year one, with full vesting after four years of service. Forfeited contributions will reduce ATA's contribution to the plan. ATA made contributions to the plan of \$-0- and \$21,679 during the years ended September 30, 2017 and 2016, respectively.

## **NOTE 10 - CONCENTRATIONS OF RISK**

ATA has concentrated its credit risk for cash by maintaining deposits in financial institutions which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). ATA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

A governmental agency owed WBG \$615,919 at September 30, 2017, and owed ATA \$443,146 at September 30, 2016.

## **NOTE 11 - SUBSEQUENT EVENTS**

The date through which events occurring after September 30, 2017 have been evaluated for possible adjustment to the consolidated financial statements or disclosure is August 7, 2018, which is the date on which the consolidated financial statements were available to be issued.

**ACTIVE TRANSPORTATION ALLIANCE and  
WALK BIKE GO**  
**Consolidating Statement of Financial Position**  
**September 30, 2017 (With Comparative Totals for 2016)**

	<b>ASSETS</b>			<b>CONSOLIDATED TOTALS</b>	
	<u>ATA</u>	<u>WBG</u>	<u>ELIMINATIONS</u>	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 63,169	\$ 168,776		\$ 231,945	\$ 411,711
Active Transportation Alliance Fund money market fund	100,247			100,247	100,000
Investments	6,270			6,270	
Accounts, grants, contracts and pledges receivable net net of allowance for doubtful accounts of \$10,000	216,477	615,919		832,396	743,936
Inventory	17,645			17,645	17,645
Prepaid expenses	13,428			13,428	27,702
Deposits	17,990			17,990	10,000
Advance to Walk Bike Go					5,000
Due from Walk Bike Go - related party	784,695		(784,695)		
Total Current Assets	<u>1,219,921</u>	<u>784,695</u>	<u>(784,695)</u>	<u>1,219,921</u>	<u>1,315,994</u>
<b>PROPERTY AND EQUIPMENT</b>					
Furniture and equipment	254,065			254,065	252,860
Less: Accumulated depreciation	<u>(236,086)</u>			<u>(236,086)</u>	<u>(212,280)</u>
Net Property and Equipment	<u>17,979</u>			<u>17,979</u>	<u>40,580</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 1,237,900</u>	 <u>\$ 784,695</u>	 <u>\$ (784,695)</u>	 <u>\$ 1,237,900</u>	 <u>\$ 1,356,574</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 82,140			\$ 82,140	\$ 117,297
Accrued payroll, payroll taxes, benefits and vacations	112,384			112,384	119,687
Funds held as fiscal agent	3,328			3,328	5,542
Due to Active Transportation Alliance - related party		784,695	(784,695)		
Total Liabilities	<u>197,852</u>	<u>784,695</u>	<u>(784,695)</u>	<u>197,852</u>	<u>242,526</u>
<b>NET ASSETS</b>					
Unrestricted	945,465			945,465	999,465
Temporarily restricted	94,583			94,583	114,583
Total Net Assets	<u>1,040,048</u>			<u>1,040,048</u>	<u>1,114,048</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u>\$ 1,237,900</u>	 <u>\$ 784,695</u>	 <u>\$ (784,695)</u>	 <u>\$ 1,237,900</u>	 <u>\$ 1,356,574</u>



**ACTIVE TRANSPORTATION ALLIANCE and  
WALK BIKE GO**  
Consolidating Statement of Activities  
For the Year Ended September 30, 2017 (With Comparative Totals for 2016)

	ATA		WBG		CONSOLIDATED TOTALS	
	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	ELIMINATIONS	2017	2016
<b>SUPPORT AND REVENUE</b>						
Support:						
Contract revenue	\$ 428,532		\$ 767,764	\$	\$ 1,196,296	\$ 1,603,499
Contributions	509,449		600	(93,415)	416,634	382,123
Grants	27,234	94,583			121,817	186,000
Donated goods and services	263,508				263,508	236,054
Total Support	<u>1,228,723</u>	<u>94,583</u>	<u>768,364</u>	<u>(93,415)</u>	<u>1,998,255</u>	<u>2,407,676</u>
Revenue:						
Membership dues	89,453				89,453	150,811
Program events	1,143,134				1,143,134	1,164,657
Management fees	674,949			(674,949)		
Sales of merchandise	72,677				72,677	55,316
Interest and investment income	925				925	140
Other	3,809				3,809	2,463
Net assets released from restriction	114,583	(114,583)				
Total Revenue	<u>2,099,530</u>	<u>(114,583)</u>		<u>(674,949)</u>	<u>1,309,998</u>	<u>1,373,387</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>3,328,253</b>	<b>(20,000)</b>	<b>768,364</b>	<b>(768,364)</b>	<b>3,308,253</b>	<b>3,781,063</b>
<b>EXPENSES</b>						
Program	2,782,090		768,364	(768,364)	2,782,090	3,259,880
Management and general	493,522				493,522	448,853
Fundraising	106,641				106,641	152,430
Total Expenses	<u>3,382,253</u>		<u>768,364</u>	<u>(768,364)</u>	<u>3,382,253</u>	<u>3,861,163</u>
<b>CHANGE IN NET ASSETS</b>	<b>(54,000)</b>	<b>(20,000)</b>			<b>(74,000)</b>	<b>(80,100)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>999,465</b>	<b>114,583</b>			<b>1,114,048</b>	<b>1,194,148</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 945,465</b>	<b>\$ 94,583</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,040,048</b>	<b>\$ 1,114,048</b>

See independent auditors' report and notes to the consolidated financial statements.

**ACTIVE TRANSPORTATION ALLIANCE and  
WALK BIKE GO**  
Consolidating Statement of Functional Expenses  
For the Year Ended September 30, 2017 (With Comparative Totals for 2016)

	ATA			WBG		CONSOLIDATED TOTALS	
	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM ELIMINATIONS	2017	2016
Salaries and wages	\$ 1,121,565	\$ 347,787	\$ 76,182	\$ 1,545,534	\$	\$ 1,545,534	\$ 1,683,809
Payroll taxes	112,579	28,986	6,301	147,866		147,866	162,538
Employee benefits	97,192	24,644	5,357	127,193		127,193	156,964
Programs and events	661,724			661,724		661,724	707,421
Professional services	32,124	10,262	2,231	44,617		44,617	108,946
Contract expense	398,442			398,442	674,949	398,442	507,753
Contribution to ATA					93,415		
Supplies and office expense	21,936	6,978	1,517	30,431		30,431	78,290
Database fees	33,289	10,634	2,312	46,235		46,235	68,961
Computer supplies and software	20,922	6,683	1,453	29,058		29,058	26,330
Occupancy	88,677	28,327	6,158	123,162		123,162	120,844
Telephone and internet	13,530	4,322	940	18,792		18,792	25,409
Insurance	28,846	7,401	1,609	37,856		37,856	45,234
Printing	54,720			54,720		54,720	29,475
Postage	18,938	6,397	1,391	26,726		26,726	7,242
Travel and meetings	12,086	1,046		13,132		13,132	28,247
Membership and promotion	5,720			5,720		5,720	15,818
Cost of inventory items sold	323			323		323	1,284
Bad debts	38,784			38,784		38,784	53,385
Miscellaneous	3,552	4,580		8,132		8,132	10,716
Depreciation	17,141	5,475	1,190	23,806		23,806	22,497
Total Expenses	<u>\$ 2,782,090</u>	<u>\$ 493,522</u>	<u>\$ 106,641</u>	<u>\$ 3,382,253</u>	<u>\$ 768,364</u>	<u>\$ 3,382,253</u>	<u>\$ 3,861,163</u>

See independent auditors' report and notes to the consolidated financial statements.

# **WEISS, SUGAR, DVORAK & DUSEK, LTD.**

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*Robert Rehayem, CPA*

## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
ACTIVE TRANSPORTATION ALLIANCE  
and WALK BIKE GO  
Chicago, Illinois

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 consolidated financial statements of ACTIVE TRANSPORTATION ALLIANCE and WALK BIKE GO (Illinois nonprofit organizations), which comprise the consolidated statement of financial position as of September 30, 2017, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated August 7, 2018.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered ACTIVE TRANSPORTATION ALLIANCE and WALK BIKE GO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of organizations' 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 consolidated 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.

**Internal Control Over Financial Reporting (Continued)**

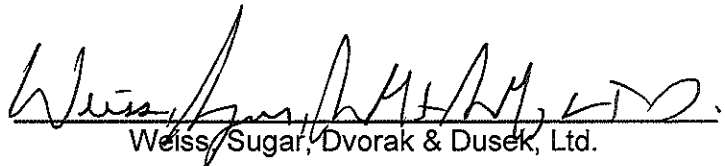
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the organizations' consolidated 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 determination of financial statement amounts. 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 this Report**

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



Weiss, Sugar, Dvorak & Dusek, Ltd.

Chicago, Illinois  
August 7, 2018