

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**

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

SEPTEMBER 30, 2020 AND 2019

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES
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September 30, 2020 and 2019**

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WSDD

WSDD CPAs, Ltd. Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

Board of Directors
ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES
Chicago, Illinois

We have audited the accompanying consolidated financial statements of ACTIVE TRANSPORTATION ALLIANCE AND SUBSIDIARIES (nonprofit organizations), which comprise the consolidated statements of financial position as of September 30, 2020 and 2019, and the related consolidated statements of activities, cash flows and functional expenses 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 SUBSIDIARIES as of September 30, 2020 and 2019, 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.

WSDD CPAs, Ltd.

WSDD CPAs, Ltd.

Chicago, Illinois
August 6, 2021

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
September 30, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 976,050	\$ 1,036,877
Active Transportation Alliance Fund money market fund		100,836
Investments at fair market value	10,825	
Accounts, grants, contracts and pledges receivable net of allowance for doubtful accounts of \$3,400 in 2020 and \$0 in 2019	244,661	105,689
Inventory	8,822	8,822
Prepaid expenses	30,720	24,956
Deposits	7,990	7,990
Total Current Assets	1,279,068	1,285,170
PROPERTY AND EQUIPMENT		
Furniture and equipment	63,957	60,254
Less: Accumulated depreciation	(53,784)	(49,518)
Net Property and Equipment	10,173	10,736
TOTAL ASSETS	\$ 1,289,241	\$ 1,295,906
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 51,827	\$ 26,922
Accrued payroll, payroll taxes, benefits and vacations	113,166	92,741
Funds held as fiscal agent	3,230	3,362
Line of credit	200,000	
Total Current Liabilities	368,223	123,025
NET ASSETS		
Without donor restrictions	873,008	1,081,006
With donor restrictions	48,010	91,875
Total Net Assets	921,018	1,172,881
TOTAL LIABILITIES AND NET ASSETS	\$ 1,289,241	\$ 1,295,906

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Activities
For the Years Ended September 30, 2020 and 2019

	2020			2019		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Support:						
Contract revenue	\$ 470,244	\$	\$ 470,244	\$ 334,842	\$	\$ 334,842
Contributions	501,218		501,218	575,176		575,176
Grants	316,930	187,000	503,930	173,125	91,875	265,000
Donated goods and services	18,429		18,429	235,236		235,236
Total Support	<u>1,306,821</u>	<u>187,000</u>	<u>1,493,821</u>	<u>1,318,379</u>	<u>91,875</u>	<u>1,410,254</u>
Revenue:						
Membership dues	85,131		85,131	114,756		114,756
Program events	405,014		405,014	1,162,514		1,162,514
Sales of merchandise	23,815		23,815	80,015		80,015
Interest and dividend income	124		124	8,573		8,573
Other	1,706		1,706	6,342		6,342
Net assets released from restriction	230,865	(230,865)		98,617	(98,617)	
Total Revenue	<u>746,655</u>	<u>(230,865)</u>	<u>515,790</u>	<u>1,470,817</u>	<u>(98,617)</u>	<u>1,372,200</u>
TOTAL SUPPORT AND REVENUE	<u>2,053,476</u>	<u>(43,865)</u>	<u>2,009,611</u>	<u>2,789,196</u>	<u>(6,742)</u>	<u>2,782,454</u>
EXPENSES						
Program	1,619,571		1,619,571	2,196,085		2,196,085
Management and general	511,441		511,441	482,886		482,886
Fundraising	130,462		130,462	112,108		112,108
Total Expenses	<u>2,261,474</u>		<u>2,261,474</u>	<u>2,791,079</u>		<u>2,791,079</u>
CHANGE IN NET ASSETS	(207,998)	(43,865)	(251,863)	(1,883)	(6,742)	(8,625)
NET ASSETS - BEGINNING OF YEAR	<u>1,081,006</u>	<u>91,875</u>	<u>1,172,881</u>	<u>1,082,889</u>	<u>98,617</u>	<u>1,181,506</u>
NET ASSETS - END OF YEAR	<u>\$ 873,008</u>	<u>\$ 48,010</u>	<u>\$ 921,018</u>	<u>\$ 1,081,006</u>	<u>\$ 91,875</u>	<u>\$ 1,172,881</u>

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

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2020 (With Comparative Totals for 2019)

	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	
				2020	2019
Salaries and wages	\$ 1,042,418	\$ 210,787	\$ 94,496	\$ 1,347,701	\$ 1,336,329
Payroll taxes	89,923	19,002	8,458	117,383	99,442
Employee benefits	114,730	26,465	11,780	152,975	157,519
Programs and events	107,478	502		107,980	649,740
Professional services	94,388	81,391		175,779	114,495
Contract expense					105
Supplies and office expense	4,381	25,651	351	30,383	41,517
Database fees	1,321	47,066	4,800	53,187	37,337
Computer supplies and software		15,828		15,828	44,185
Occupancy	85,013	22,081	3,312	110,406	112,057
Telephone and internet	7,232	1,879	282	9,393	6,539
Insurance	2,179	29,271		31,450	50,007
Printing	34,648		6,780	41,428	52,401
Postage	18,788	6,353	25	25,166	32,389
Travel and meetings	12,853	4,358	50	17,261	44,487
Bad debts		3,500		3,500	
Miscellaneous	934	16,454		17,388	6,466
Depreciation	3,285	853	128	4,266	6,064
Total Expenses - 2020	<u>\$ 1,619,571</u>	<u>\$ 511,441</u>	<u>\$ 130,462</u>	<u>\$ 2,261,474</u>	
Total Expenses - 2019	<u>\$ 2,196,085</u>	<u>\$ 482,886</u>	<u>\$ 112,108</u>		<u>\$ 2,791,079</u>

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS OPERATING ACTIVITES		
Change in net assets	\$ (251,863)	\$ (8,625)
<i>Adjustments to reconcile change in net assets to net cash (used)/provided by operating activities</i>		
Depreciation	4,266	6,064
Bad debts	3,500	
<i>Increase (decrease) in cash due to changes in:</i>		
Accounts, grants and pledges receivable	(142,472)	218,771
Change in inventory		
Prepaid expenses	(5,764)	(12,435)
Deposits		
Accounts payable and accrued expenses	24,905	(34,648)
Accrued payroll, payroll taxes, benefits and vacations	20,425	(1,328)
Funds held as fiscal agent	(132)	150
Proceeds from paycheck protection program loan	319,100	
(Use) of paycheck protection program loan	(319,100)	
NET CASH (USED)/PROVIDED BY OPERATING ACTIVITIES	<u>(347,135)</u>	<u>167,949</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Donation of equity investments	(10,825)	
Net change in money market fund	100,836	(242)
Purchase of equipment	(3,703)	(3,769)
Proceeds from line of credit	200,000	
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	<u>286,308</u>	<u>(4,011)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(60,827)	163,938
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,036,877</u>	<u>872,939</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 976,050</u>	<u>\$ 1,036,877</u>

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Notes to Consolidated Financial Statements
September 30, 2020 and 2019

NOTE 1 - DESCRIPTION OF ORGANIZATION

The mission of Active Transportation Alliance ("ATA") is to advocate for walking, biking and public transit to create healthy, sustainable and equitable communities. 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. The mission of Walk Bike Go is to make physically active transportation a viable part of daily life. 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.

NOTE 1 - DESCRIPTION OF ORGANIZATION (Continued)

During June 2018, ATA incorporated Active Transportation Now (“ATN”), a related organization resulting from common control. In April 2020, notification was received from the Internal Revenue Service that ATN was recognized as tax exempt under Section 501(c)(4) of the Internal Revenue Code. The mission of ATN is to promote better walking, bicycling and public transit.

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 was 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. During the year ended September 30, 2020, this partnership ended and the money market fund was transferred in its entirety to ATA.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidated Financial Statements

The accompanying consolidated financial statements reflect the consolidation of ATA, WBG and ATN (collectively, “ATA” or the “Organization”). All material inter-organizational accounts and transactions have been eliminated during consolidation.

Basis of Accounting

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.

Basis of Presentation

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:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use in general operations and are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions are subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by actions of the Organization or must be maintained permanently by the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

All contributions and non-governmental grants are considered to be net assets without donor restrictions 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 net assets with donor restrictions. Contributions are recognized when the donor makes a promise to give to the Organization 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 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.

Support, Revenue and Accounts Receivable

The Organization receives 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 net assets with donor restrictions are reclassified to net assets without donor restrictions, 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 Organization records 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 \$3,500 and \$0 during the years ended September 30, 2020 and 2019, respectively. The Organization recorded an allowance for doubtful accounts of \$3,400 and \$0 as of September 30, 2020 and 2019, respectively.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 net assets without donor restrictions 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 net assets with donor restrictions support. All property and equipment are depreciated using the straight-line method over the useful lives of the assets.

The Organization capitalizes 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, 2020 and 2019 amounted to \$4,266 and \$6,064, respectively.

Compensated Absences

Compensated absences consist of accumulated unused vacation days. The total compensated absences at September 30, 2020 and 2019, amounted to \$46,160 and \$31,233, respectively.

Advertising Costs

The Organization expenses 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 \$18,429 and \$235,236 for the years ended September 30, 2020 and 2019, respectively. Due to the COVID-19 pandemic, the 2020 in-kind donations were significantly lower than 2019. 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, 2020 and 2019.

NOTE 3 - 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 line of credit balance amounted to \$200,000 and \$0 as of September 30, 2020 or 2019, respectively.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2020 and 2019, the Organization recorded \$48,010 and \$91,875, respectively, in net assets with donor restrictions, which consisted of the following purpose or timing restrictions:

	<u>2020</u>	<u>2019</u>
Back on the Bus	\$ 26,135	\$ 57,500
Trail Connect Chicagoland	8,364	14,167
Chicago River Initiatives	6,011	3,333
Timing	<u>7,500</u>	<u>16,875</u>
	<u>\$ 48,010</u>	<u>\$ 91,875</u>

NOTE 5 - LEASE COMMITMENTS

The Organization entered into a 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 originally expired on October 31, 2020. In November 2019, the Organization agreed to a lease extension, which expires on October 31, 2025. The monthly lease payments over the term range from \$7,990 to \$9,268.

Future minimum fiscal year payments under this lease are as follows:

2021	\$ 77,339
2022	105,303
2023	107,220
2024	109,138
2025	111,055
Thereafter	<u>9,268</u>
	<u>\$ 519,323</u>

Rent expense amounted to \$95,279 and \$97,853 for the years ended September 30, 2020 and 2019, respectively.

NOTE 6 - INCOME TAXES AND UNCERTAIN TAX POSITIONS

ATA and WBG are tax-exempt entities under Sections 501(c)(3) of the Internal Revenue Code and ATN is tax-exempt under Section 501(c)(4) of the Internal Revenue Code. As such, these entities are generally exempt from income tax except for any unrelated business taxable income (UBIT). ATA and WBG 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).

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 Organization's 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 Organization files returns in the U.S. federal and Illinois state jurisdictions. The Organization is no longer subject to U.S. federal and state examinations by tax authorities for years before September 2017. As of and for the year ended September 30, 2020, management has determined that there are no uncertain tax positions.

NOTE 7 - RETIREMENT PLAN

Effective January 1, 2008 (amended April 15, 2015), the Organization adopted a 401(k) retirement plan available to all employees. The Organization, 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 the Organization's contribution to the plan. Contributions made to the plan amounted to \$23,956 and \$19,300 during the years ended September 30, 2020 and 2019, respectively.

NOTE 8 - CONCENTRATION OF RISK

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

NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 976,050	\$ 1,036,877
Active Transportation Alliance Fund money market fund		100,836
Accounts, grants, contracts and pledges receivable - net	<u>244,661</u>	<u>105,689</u>
Total Financial Assets Available Within One Year	1,220,711	1,243,402
Less:		
Amounts unavailable for general expenditures within one year due to:		
Time or purpose restricted	<u>48,010</u>	<u>91,875</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>\$ 1,172,701</u>	<u>\$ 1,151,527</u>

NOTE 10 – COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant changes in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its operations, including cancellation of major program events, and its liquidity, and is actively working to minimize the impact of these changes. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, cannot be determined. Accordingly, the extent to which COVID-19 may impact Organization's financial position, change in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

In May 2020, the Organization received a \$319,100 loan, under the Paycheck Protection Program ("PPP 1 loan"), implemented by the Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security Act. The Organization applied for PPP 1 loan forgiveness with respect to these qualified expenses and in April 2021, received a Notice of Paycheck Protection Program Forgiveness Payment from the SBA for 100% of the PPP 1 loan. In accordance with FASB Accounting Standards Codification 958-605, *Not-for-Profit Entities - Revenue Recognition*, the Organization determined that conditions of release had been substantially met for the year ended September 30, 2020, amounting to \$319,100, which is included in grant revenue in the accompanying consolidated statement of activities and changes in net assets.

NOTE 10 – COVID-19 (Continued)

In January 2021, the Organization received a second PPP loan (“PPP 2 loan”) of \$311,533. The Organization is eligible for loan forgiveness of up to 100% of the PPP 2 loan, upon meeting certain SBA requirements including using the PPP 2 loan proceeds to pay qualified expenses such as payroll costs and maintaining specified levels of payroll and employment. To the extent that all or part of the PPP 2 loan is not forgiven, the Organization will be required to pay interest on the PPP 2 loan at a rate of 1.0% per annum and commence principal and interest payments through the maturity date of January 1, 2026. The PPP 2 loan is uncollateralized and is fully guaranteed by the SBA.

NOTE 11 - NEW ACCOUNTING STANDARDS UPDATE

In May 2014, the FASB Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (“Topic 606”). The ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB ASC Topic 605, Revenue Recognition, and most industry specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. The new standard will be effective for the Organization’s year ending September 30, 2021. Early adoption is permitted.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which will supersede the current lease recording requirements in Topic 842. The ASU looks to increase transparency and comparability by conforming US GAAP with International Accounting Standards as it relates to leases. The new standard will require that all leases, including operating leases, be included on the balance sheet as a “right of use” asset with an offsetting liability for the payments remaining on the lease. The new standard will be effective for the Organization’s year ending September 30, 2023. Early adoption is permitted.

Management is evaluating the effects of these pronouncements on its financial statements.

NOTE 12 - SUBSEQUENT EVENTS

As discussed in Note 10, in January 2021, the Organization received a second PPP loan of \$311,533.

The date through which events occurring after September 30, 2020 have been evaluated for possible adjustment to the consolidated financial statements or disclosure is August 6, 2021, which is the date on which the consolidated financial statements were available to be issued.

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidating Statement of Financial Position
September 30, 2020 (With Comparative Totals for 2019)

	ASSETS				CONSOLIDATED TOTALS	
	<u>ATA</u>	<u>WBG</u>	<u>ATN</u>	<u>ELIMINATIONS</u>	<u>2020</u>	<u>2019</u>
CURRENT ASSETS						
Cash and cash equivalents	\$ 502,044	\$ 440,869	\$ 33,137	\$	\$ 976,050	\$ 1,036,877
Active Transportation Alliance Fund money market fund						100,836
Investments at fair market value	10,825				10,825	
Accounts, grants, contracts and pledges receivable net of allowance for doubtful accounts of \$3,400 in 2020 and \$0 in 2019	43,778	200,883			244,661	105,689
Inventory	8,822				8,822	8,822
Prepaid expenses	30,720				30,720	24,956
Deposits	7,990				7,990	7,990
Due from WBG and ATN - related parties	<u>674,889</u>			<u>(674,889)</u>		
Total Current Assets	<u>1,279,068</u>	<u>641,752</u>	<u>33,137</u>	<u>(674,889)</u>	<u>1,279,068</u>	<u>1,285,170</u>
PROPERTY AND EQUIPMENT						
Furniture and equipment	63,957				63,957	60,254
Less: Accumulated depreciation	<u>(53,784)</u>				<u>(53,784)</u>	<u>(49,518)</u>
Net Property and Equipment	<u>10,173</u>				<u>10,173</u>	<u>10,736</u>
TOTAL ASSETS	<u>\$ 1,289,241</u>	<u>\$ 641,752</u>	<u>\$ 33,137</u>	<u>\$ (674,889)</u>	<u>\$ 1,289,241</u>	<u>\$ 1,295,906</u>
	LIABILITIES AND NET ASSETS					
LIABILITIES						
Accounts payable and accrued expenses	\$ 51,827	\$	\$	\$	\$ 51,827	\$ 26,922
Accrued payroll, payroll taxes, benefits and vacations	113,166				113,166	92,741
Funds held as fiscal agent	3,230				3,230	3,362
Line of credit	200,000				200,000	
Due to ATA - related party		<u>641,752</u>	<u>33,137</u>	<u>(674,889)</u>		
Total Liabilities	<u>368,223</u>	<u>641,752</u>	<u>33,137</u>	<u>(674,889)</u>	<u>368,223</u>	<u>123,025</u>
NET ASSETS						
Without donor restrictions	873,008				873,008	1,081,006
With donor restrictions	<u>48,010</u>				<u>48,010</u>	<u>91,875</u>
Total Net Assets	<u>921,018</u>				<u>921,018</u>	<u>1,172,881</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,289,241</u>	<u>\$ 641,752</u>	<u>\$ 33,137</u>	<u>\$ (674,889)</u>	<u>\$ 1,289,241</u>	<u>\$ 1,295,906</u>

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

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidating Statement of Activities
For the Year Ended September 30, 2020 (With Comparative Totals for 2019)

	ATA		WBG		ATN		CONSOLIDATED TOTALS	
	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	WITHOUT DONOR RESTRICTION	WITHOUT DONOR RESTRICTION	ELIMINATIONS	2020	2019	
SUPPORT AND REVENUE								
Support:								
Contract revenue	\$ 199,280	\$	\$ 270,964	\$	\$	\$ 470,244	\$ 334,842	
Contributions	501,218					501,218	575,176	
Grants	316,930	187,000				503,930	265,000	
Donated goods and services	18,429					18,429	235,236	
Total Support	<u>1,035,857</u>	<u>187,000</u>	<u>270,964</u>			<u>1,493,821</u>	<u>1,410,254</u>	
Revenue:								
Membership dues	85,131					85,131	114,756	
Program events	405,014					405,014	1,162,514	
Management fees	134,279				(134,279)			
Sales of merchandise	23,815					23,815	80,015	
Interest and dividend income	124					124	8,573	
Other	1,706					1,706	6,342	
Net assets released from restriction	230,865	(230,865)						
Total Revenue	<u>880,934</u>	<u>(230,865)</u>			<u>(134,279)</u>	<u>515,790</u>	<u>1,372,200</u>	
TOTAL SUPPORT AND REVENUE	<u>1,916,791</u>	<u>(43,865)</u>	<u>270,964</u>		<u>(134,279)</u>	<u>2,009,611</u>	<u>2,782,454</u>	
EXPENSES								
Program	1,471,852		270,964	11,034	(134,279)	1,619,571	2,196,085	
Management and general	511,441					511,441	482,886	
Fundraising	130,462					130,462	112,108	
Total Expenses	<u>2,113,755</u>		<u>270,964</u>	<u>11,034</u>	<u>(134,279)</u>	<u>2,261,474</u>	<u>2,791,079</u>	
CHANGE IN NET ASSETS	(196,964)	(43,865)		(11,034)		(251,863)	(8,625)	
NET ASSETS - BEGINNING OF YEAR	<u>1,069,972</u>	<u>91,875</u>		<u>11,034</u>		<u>1,172,881</u>	<u>1,181,506</u>	
NET ASSETS - END OF YEAR	<u>\$ 873,008</u>	<u>\$ 48,010</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 921,018</u>	<u>\$ 1,172,881</u>	

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

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidating Statement of Functional Expenses
For the Year Ended September 30, 2020 (With Comparative Totals for 2019)

	ATA				WBG		ATN	CONSOLIDATED TOTALS	
	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM	PROGRAM	ELIMINATIONS	2020	2019
Salaries and wages	\$ 915,847	\$ 210,787	\$ 94,496	\$ 1,221,130	\$ 126,571	\$	\$	\$ 1,347,701	\$ 1,336,329
Payroll taxes	82,382	19,002	8,458	109,842	7,541			117,383	99,442
Employee benefits	114,730	26,465	11,780	152,975				152,975	157,519
Programs and events	107,478	502		107,980				107,980	649,740
Professional services	83,354	81,391		164,745		11,034		175,779	114,495
Contract expense					134,279		(134,279)		105
Supplies and office expense	4,381	25,651	351	30,383				30,383	41,517
Database fees	1,321	47,066	4,800	53,187				53,187	37,337
Computer supplies and software		15,828		15,828				15,828	44,185
Occupancy	85,013	22,081	3,312	110,406				110,406	112,057
Telephone and internet	7,232	1,879	282	9,393				9,393	6,539
Insurance		29,271		29,271	2,179			31,450	50,007
Printing	34,648		6,780	41,428				41,428	52,401
Postage	18,788	6,353	25	25,166				25,166	32,389
Travel and meetings	12,853	4,358	50	17,261				17,261	44,487
Bad debts		3,500		3,500				3,500	
Miscellaneous	540	16,454		16,994	394			17,388	6,466
Depreciation	3,285	853	128	4,266				4,266	6,064
Total Expenses	<u>\$ 1,471,852</u>	<u>\$ 511,441</u>	<u>\$ 130,462</u>	<u>\$ 2,113,755</u>	<u>\$ 270,964</u>	<u>\$ 11,034</u>	<u>\$ (134,279)</u>	<u>\$ 2,261,474</u>	<u>\$ 2,791,079</u>

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