

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**

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

SEPTEMBER 30, 2021 AND 2020

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES
Table of Contents
September 30, 2021 and 2020**

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 16
SUPPLEMENTARY INFORMATION	
Consolidating Statement of Financial Position	17
Consolidating Statement of Activities	18
Consolidating Statement of Functional Expenses	19

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, 2021 and 2020, 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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.

Emphasis of Matter

As discussed in Note 2, during the year ended September 30, 2021, ACTIVE TRANSPORTATION ALLIANCE AND SUBSIDIARIES adopted a new accounting standard for recognizing revenue from contracts with customers. Our opinion is not modified with respect to this matter.

Chicago, Illinois
June 30, 2022

WSDD CPAs, Ltd.

WSDD CPAs, Ltd.

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
September 30, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,265,763	\$ 976,050
Investments	2,492	10,825
Grants and contracts receivable net of allowance for doubtful accounts of \$0 in 2021 and \$3,400 in 2020	269,819	244,661
Inventory	900	8,822
Prepaid expenses	96,081	30,720
Deposits	<u>7,990</u>	<u>7,990</u>
Total Current Assets	<u>1,643,045</u>	<u>1,279,068</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	63,957	63,957
Less: Accumulated depreciation	<u>(57,853)</u>	<u>(53,784)</u>
Net Property and Equipment	<u>6,104</u>	<u>10,173</u>
TOTAL ASSETS	<u>\$ 1,649,149</u>	<u>\$ 1,289,241</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 56,375	\$ 51,827
Accrued payroll, payroll taxes, benefits and vacations	105,977	113,166
Funds held as fiscal agent	3,230	3,230
Line of credit	<u>200,000</u>	<u>200,000</u>
Total Current Liabilities	<u>365,582</u>	<u>368,223</u>
NET ASSETS		
Without donor restrictions	1,085,357	873,008
With donor restrictions	<u>198,210</u>	<u>48,010</u>
Total Net Assets	<u>1,283,567</u>	<u>921,018</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,649,149</u>	<u>\$ 1,289,241</u>

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Activities
For the Years Ended September 30, 2021 and 2020

	2021			2020		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Support:						
Contract revenue	\$ 410,761	\$	\$ 410,761	\$ 470,244	\$	\$ 470,244
Contributions	462,143		462,143	501,218		501,218
Grants	544,323	198,210	742,533	316,930	187,000	503,930
Donated goods and services	274,373		274,373	18,429		18,429
Total Support	<u>1,691,600</u>	<u>198,210</u>	<u>1,889,810</u>	<u>1,306,821</u>	<u>187,000</u>	<u>1,493,821</u>
Revenue:						
Membership dues	104,439		104,439	85,131		85,131
Program events	1,084,644		1,084,644	405,014		405,014
Sales of merchandise	44,313		44,313	23,815		23,815
Interest and dividend income	72		72	124		124
Other				1,706		1,706
Net assets released from restriction	48,010	(48,010)		230,865	(230,865)	
Total Revenue	<u>1,281,478</u>	<u>(48,010)</u>	<u>1,233,468</u>	<u>746,655</u>	<u>(230,865)</u>	<u>515,790</u>
TOTAL SUPPORT AND REVENUE	<u>2,973,078</u>	<u>150,200</u>	<u>3,123,278</u>	<u>2,053,476</u>	<u>(43,865)</u>	<u>2,009,611</u>
EXPENSES						
Program	2,034,634		2,034,634	1,619,571		1,619,571
Management and general	605,438		605,438	511,441		511,441
Fundraising	120,657		120,657	130,462		130,462
Total Expenses	<u>2,760,729</u>		<u>2,760,729</u>	<u>2,261,474</u>		<u>2,261,474</u>
CHANGE IN NET ASSETS	212,349	150,200	362,549	(207,998)	(43,865)	(251,863)
NET ASSETS - BEGINNING 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>
NET ASSETS - END OF YEAR	<u>\$ 1,085,357</u>	<u>\$ 198,210</u>	<u>\$ 1,283,567</u>	<u>\$ 873,008</u>	<u>\$ 48,010</u>	<u>\$ 921,018</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, 2021 (With Comparative Totals for 2020)

	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	
				2021	2020
Salaries and wages	\$ 992,025	\$ 328,460	\$ 83,042	\$ 1,403,527	\$ 1,347,701
Payroll taxes	86,689	28,703	7,257	122,649	117,383
Employee benefits	109,258	42,872	10,839	162,969	152,975
Programs and events	588,009		1,992	590,001	107,980
Professional services	104,908	41,720		146,628	175,779
Supplies and office expense	5,195	28,214	68	33,477	30,383
Database fees	3,327	50,581	5,263	59,171	53,187
Computer supplies and software		26,228		26,228	15,828
Occupancy	61,076	23,966	6,059	91,101	110,406
Telephone and internet	6,925	2,717	687	10,329	9,393
Insurance	5,082	19,881		24,963	31,450
Printing	31,501		5,157	36,658	41,428
Postage	1,360	6,470	22	7,852	25,166
Travel and meetings	6,757	2,994		9,751	17,261
Grants to other organizations	29,778			29,778	
Bad debts		(3,400)		(3,400)	3,500
Miscellaneous	16	4,962		4,978	17,388
Depreciation	2,728	1,070	271	4,069	4,266
Total Expenses - 2021	<u>\$ 2,034,634</u>	<u>\$ 605,438</u>	<u>\$ 120,657</u>	<u>\$ 2,760,729</u>	
Total Expenses - 2020	<u>\$ 1,619,571</u>	<u>\$ 511,441</u>	<u>\$ 130,462</u>		<u>\$ 2,261,474</u>

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS OPERATING ACTIVITES		
Change in net assets	\$ 362,549	\$ (251,863)
<i>Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities</i>		
Depreciation	4,069	4,266
Bad debts	(3,400)	3,500
<i>Increase (decrease) in cash due to changes in:</i>		
Accounts, grants and pledges receivable	(21,758)	(142,472)
Inventory	7,922	
Prepaid expenses	(65,361)	(5,764)
Accounts payable and accrued expenses	4,548	24,905
Accrued payroll, payroll taxes, benefits and vacations	(7,189)	20,425
Funds held as fiscal agent		(132)
Proceeds from paycheck protection program loan	311,533	319,100
(Use) of paycheck protection program loan	<u>(311,533)</u>	<u>(319,100)</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>281,380</u>	<u>(347,135)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Donation of equity investments	8,333	(10,825)
Net change in money market fund		100,836
Purchase of equipment		(3,703)
Proceeds from line of credit		<u>200,000</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>8,333</u>	<u>286,308</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	289,713	(60,827)
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>976,050</u>	<u>1,036,877</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,265,763</u>	<u>\$ 976,050</u>

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments

Investments consist of marketable equity securities, which are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell that asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date (the exit price).

Grants and Contracts Receivable

Grants and contracts receivable are presented in 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. The Organization recorded an allowance for doubtful accounts of \$0 and \$3,400 as of September 30, 2021 and 2020 respectively.

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, 2021 and 2020 amounted to \$4,069 and \$4,266, respectively.

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, 2021 and 2020.

Compensated Absences

Compensated absences consist of accumulated unused vacation days. The total compensated absences at September 30, 2021 and 2020, amounted to \$40,922 and \$46,160, respectively, and are included in accrued payroll, payroll taxes, benefits and vacations in the accompanying consolidated statements of financial position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants

All contributions and non-governmental grants are considered to be net assets without donor restrictions unless specifically restricted by the donor. 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 (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the fiscal year in which the contributions are 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 consolidated statement of activities.

Support and Revenue

The Organization receives contract support from various Federal, State and Local governmental units, as well as individuals, foundations, and corporations. Support received from those contracts is recognized as income at the point in time in which the services are performed. Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received. The Organization recognizes the exchange portion of membership dues over the membership period. Program events revenue is recognized during the period in which the program is held. Due to the COVID-19 pandemic, the Bike the Drive event was cancelled in 2020, but resumed in 2021, resulting in 2021 program events revenue that was significantly higher than 2020. Sales of merchandise is recognized at the point in time in which the sale occurs. Interest and dividend income is recognized when earned.

Donated Goods and Services

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 \$274,373 and \$18,429 for the years ended September 30, 2021 and 2020, respectively. Due to the COVID-19 pandemic, the Bike the Drive event was cancelled in 2020, but resumed in 2021, resulting in 2021 donated goods and services that were significantly higher than in 2020. 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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Authoritative Guidance

Effective October 1, 2020, the Organization adopted ASU 2014-09, Revenue from Contracts with Customers ("Topic 606"). This guidance requires that the Organization recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The guidance uses a principles-based approach for determining revenue recognition, eliminates the transaction and industry specific guidance, and establishes a five step approach for the recognition of revenue. The Organization implemented this standard during the year ended September 30, 2021, using the modified retrospective method. There was no effect on any financial statement line items as a result of applying Topic 606 for the year ended September 30, 2021.

NOTE 3 - FAIR VALUE DISCLOSURES

The Organization reports investments at fair value in accordance with the provisions of ASC 820-10. In determining fair value, management uses various valuation approaches, including market and cost approaches. There were no changes to valuation methodologies during the years ended September 30, 2021 and 2020. ASC 820-10 establishes a three-tier hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of management. Unobservable inputs are inputs that reflect management's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 Valuations based on quoted market prices in active markets for identical investments as of the reporting date.
- Level 2 Valuations based on other than quoted market prices in active markets, dealer or broker markets. Fair values are primarily obtained from third-party pricing services for similar investments as of the reporting date.
- Level 3 Valuations derived from other methodologies, including pricing models, discounted cash flow models, and similar techniques, and not based on market, dealer, or broker-traded transactions. The determination of fair value requires management judgment or estimation.

The Organization's investments consist of the following at September 30,:

	<u>2021</u>	<u>2020</u>
	Fair Value	Fair Value
	<u>(Level 1)</u>	<u>(Level 1)</u>
Marketable equity securities	\$ 2,492	\$ 10,825

NOTE 4 - 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 the bank's prime rate plus 1% and are secured by all of ATA's assets. The line of credit balance amounted to \$200,000 as of September 30, 2021 or 2020, respectively.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2021 and 2020, net assets with donor restrictions amounted to \$198,210 and \$48,010, respectively, which consisted of the following purpose or timing restrictions:

	<u>2021</u>	<u>2020</u>
Mobility and Transportation Equity	\$ 116,062	\$
Lake Calumet Connectivity Study	37,500	8,364
National Campaign for Transit Justice	8,106	
Chicago River Initiatives		6,011
Timing	<u>36,542</u>	<u>33,635</u>
	<u>\$ 198,210</u>	<u>\$ 48,010</u>

NOTE 6 - 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:

2022	\$ 105,303
2023	107,220
2024	109,138
2025	111,055
2026	<u>9,268</u>
	<u>\$ 441,984</u>

Rent expense amounted to \$78,120 and \$95,279 for the years ended September 30, 2021 and 2020, respectively.

NOTE 7 - 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 2018. As of and for the year ended September 30, 2021, management has determined that there are no uncertain tax positions.

NOTE 8 - RETIREMENT PLAN

The Organization offers a retirement plan to eligible employees and, 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 \$19,807 and \$23,956 during the years ended September 30, 2021 and 2020, respectively.

NOTE 9 - 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 10 - 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>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 1,265,763	\$ 976,050
Investments	2,492	10,825
Grants and contracts receivable	<u>269,819</u>	<u>244,661</u>
Total financial assets	1,538,074	1,231,536
Less:		
Amounts unavailable for general expenditures within one year due to:		
Time or purpose restricted	<u>198,210</u>	<u>48,010</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,339,864</u>	<u>\$ 1,183,526</u>

NOTE 11 - REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue disaggregation

Revenue from contracts with customers disaggregated by category was as follows for the years ended September 30,:

	<u>2021</u>	<u>2020</u>
Revenue recognized over time:		
Membership dues	\$ 104,439	\$ 85,131
Revenue recognized at a point in time:		
Contract revenue	410,761	470,244
Program events	1,084,644	405,014
Sales of merchandise	44,313	23,815

Contract balances

Accounts receivable related to revenue from contracts with customers were \$260,371, \$236,802, and \$88,932 at September 30, 2021, 2020, and 2019, respectively. There were no contract assets or contract liabilities related to revenue from contracts with customers at December 31, 2021, 2020, and 2019.

NOTE 12 – 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.

In January 2021, the Organization received a second PPP loan ("PPP 2 loan") of \$311,533. The Organization applied for PPP 2 loan forgiveness with respect to these qualified expenses and in November 2021, received a Notice of Paycheck Protection Program Forgiveness Payment from the SBA for 100% of the PPP 2 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, 2021, amounting to \$311,533, which is included in grant revenue in the accompanying consolidated statement of activities and changes in net assets.

NOTE 13 - NEW ACCOUNTING STANDARDS UPDATE

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 effect of this pronouncement on its financial statements.

NOTE 14 - SUBSEQUENT EVENTS

The date through which events occurring after September 30, 2021 have been evaluated for possible adjustment to the consolidated financial statements or disclosure is June 30, 2022, 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, 2021 (With Comparative Totals for 2020)

	ASSETS				CONSOLIDATED TOTALS	
	<u>ATA</u>	<u>WBG</u>	<u>ATN</u>	<u>ELIMINATIONS</u>	<u>2021</u>	<u>2020</u>
	CURRENT ASSETS					
Cash and cash equivalents	\$ 789,233	\$ 443,393	\$ 33,137	\$	\$ 1,265,763	\$ 976,050
Investments	2,492				2,492	10,825
Grants and contracts receivable net of allowance for doubtful accounts of \$0 in 2021 and \$3,400 in 2020	70,491	199,328			269,819	244,661
Inventory	900				900	8,822
Prepaid expenses	96,081				96,081	30,720
Deposits	7,990				7,990	7,990
Due from WBG and ATN - related parties	<u>675,858</u>			<u>(675,858)</u>		
Total Current Assets	<u>1,643,045</u>	<u>642,721</u>	<u>33,137</u>	<u>(675,858)</u>	<u>1,643,045</u>	<u>1,279,068</u>
PROPERTY AND EQUIPMENT						
Furniture and equipment	63,957				63,957	63,957
Less: Accumulated depreciation	<u>(57,853)</u>				<u>(57,853)</u>	<u>(53,784)</u>
Net Property and Equipment	<u>6,104</u>				<u>6,104</u>	<u>10,173</u>
TOTAL ASSETS	<u>\$ 1,649,149</u>	<u>\$ 642,721</u>	<u>\$ 33,137</u>	<u>\$ (675,858)</u>	<u>\$ 1,649,149</u>	<u>\$ 1,289,241</u>
	LIABILITIES AND NET ASSETS					
LIABILITIES						
Accounts payable and accrued expenses	\$ 56,375	\$	\$	\$	\$ 56,375	\$ 51,827
Accrued payroll, payroll taxes, benefits and vacations	105,977				105,977	113,166
Funds held as fiscal agent	3,230				3,230	3,230
Line of credit	200,000				200,000	200,000
Due to ATA - related party		<u>642,721</u>	<u>33,137</u>	<u>(675,858)</u>		
Total Liabilities	<u>365,582</u>	<u>642,721</u>	<u>33,137</u>	<u>(675,858)</u>	<u>365,582</u>	<u>368,223</u>
NET ASSETS						
Without donor restrictions	1,085,357				1,085,357	873,008
With donor restrictions	<u>198,210</u>				<u>198,210</u>	<u>48,010</u>
Total Net Assets	<u>1,283,567</u>				<u>1,283,567</u>	<u>921,018</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,649,149</u>	<u>\$ 642,721</u>	<u>\$ 33,137</u>	<u>\$ (675,858)</u>	<u>\$ 1,649,149</u>	<u>\$ 1,289,241</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, 2021 (With Comparative Totals for 2020)

	ATA		WBG		ELIMINATIONS	CONSOLIDATED TOTALS	
	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	WITHOUT DONOR RESTRICTION	WITHOUT DONOR RESTRICTION		2021	2020
SUPPORT AND REVENUE							
Support:							
Contract revenue	\$ 96,355	\$	\$ 314,406	\$	\$ 410,761	\$ 470,244	
Contributions	462,143				462,143	501,218	
Grants	544,323	198,210			742,533	503,930	
Donated goods and services	<u>274,373</u>				<u>274,373</u>	<u>18,429</u>	
Total Support	<u>1,377,194</u>	<u>198,210</u>	<u>314,406</u>		<u>1,889,810</u>	<u>1,493,821</u>	
Revenue:							
Membership dues	104,439				104,439	85,131	
Program events	1,084,644				1,084,644	405,014	
Management fees	143,675			(143,675)			
Sales of merchandise	44,313				44,313	23,815	
Interest and dividend income	72				72	124	
Other						1,706	
Net assets released from restriction	<u>48,010</u>	<u>(48,010)</u>					
Total Revenue	<u>1,425,153</u>	<u>(48,010)</u>		<u>(143,675)</u>	<u>1,233,468</u>	<u>515,790</u>	
TOTAL SUPPORT AND REVENUE	<u>2,802,347</u>	<u>150,200</u>	<u>314,406</u>	<u>(143,675)</u>	<u>3,123,278</u>	<u>2,009,611</u>	
EXPENSES							
Program	1,863,903		314,406	(143,675)	2,034,634	1,619,571	
Management and general	605,438				605,438	511,441	
Fundraising	<u>120,657</u>				<u>120,657</u>	<u>130,462</u>	
Total Expenses	<u>2,589,998</u>		<u>314,406</u>	<u>(143,675)</u>	<u>2,760,729</u>	<u>2,261,474</u>	
CHANGE IN NET ASSETS	212,349	150,200			362,549	(251,863)	
NET ASSETS - BEGINNING OF YEAR	<u>873,008</u>	<u>48,010</u>			<u>921,018</u>	<u>1,172,881</u>	
NET ASSETS - END OF YEAR	<u>\$ 1,085,357</u>	<u>\$ 198,210</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,283,567</u>	<u>\$ 921,018</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, 2021 (With Comparative Totals for 2020)

	ATA			WBG		CONSOLIDATED TOTALS		
	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM	ELIMINATIONS	2021	2020
Salaries and wages	\$ 837,065	\$ 328,460	\$ 83,042	\$ 1,248,567	\$ 154,960	\$	\$ 1,403,527	\$ 1,347,701
Payroll taxes	73,148	28,703	7,257	109,108	13,541		122,649	117,383
Employee benefits	109,258	42,872	10,839	162,969			162,969	152,975
Programs and events	588,009		1,992	590,001			590,001	107,980
Professional services	104,908	41,720		146,628			146,628	175,779
Contract expense					143,675	(143,675)		
Supplies and office expense	5,195	28,214	68	33,477			33,477	30,383
Database fees	3,327	50,581	5,263	59,171			59,171	53,187
Computer supplies and software		26,228		26,228			26,228	15,828
Occupancy	61,076	23,966	6,059	91,101			91,101	110,406
Telephone and internet	6,925	2,717	687	10,329			10,329	9,393
Insurance	2,868	19,881		22,749	2,214		24,963	31,450
Printing	31,501		5,157	36,658			36,658	41,428
Postage	1,360	6,470	22	7,852			7,852	25,166
Travel and meetings	6,757	2,994		9,751			9,751	17,261
Grants to other organizations	29,778			29,778			29,778	
Bad debts		(3,400)		(3,400)			(3,400)	3,500
Miscellaneous		4,962		4,962	16		4,978	17,388
Depreciation	2,728	1,070	271	4,069			4,069	4,266
Total Expenses	\$ 1,863,903	\$ 605,438	\$ 120,657	\$ 2,589,998	\$ 314,406	\$ (143,675)	\$ 2,760,729	\$ 2,261,474

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