

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**

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

SEPTEMBER 30, 2022 AND 2021

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES
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September 30, 2022 and 2021**

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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

Opinion

We have audited the consolidated financial statements of ACTIVE TRANSPORTATION ALLIANCE AND SUBSIDIARIES (nonprofit organizations), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of ACTIVE TRANSPORTATION ALLIANCE AND SUBSIDIARIES as of September 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United State of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organizations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 directly 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 as a whole.

Chicago, Illinois
August 10, 2023

WSDD CPAs, Ltd.

WSDD CPAs, Ltd.

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
September 30, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 921,130	\$ 1,265,763
Investments	3,195	2,492
Grants and contracts receivable	445,672	269,819
Inventory		900
Prepaid expenses	46,875	96,081
Security deposit	<u>7,990</u>	<u>7,990</u>
Total Current Assets	<u>1,424,862</u>	<u>1,643,045</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	73,506	63,957
Less: Accumulated depreciation	<u>(63,816)</u>	<u>(57,853)</u>
Net Property and Equipment	<u>9,690</u>	<u>6,104</u>
TOTAL ASSETS	<u>\$ 1,434,552</u>	<u>\$ 1,649,149</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 50,135	\$ 56,375
Accrued payroll, payroll taxes, benefits and vacations	118,468	105,977
Funds held as fiscal agent	3,230	3,230
Line of credit		<u>200,000</u>
Total Current Liabilities	<u>171,833</u>	<u>365,582</u>
NET ASSETS		
Without donor restrictions	961,607	1,085,357
With donor restrictions	<u>301,112</u>	<u>198,210</u>
Total Net Assets	<u>1,262,719</u>	<u>1,283,567</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,434,552</u>	<u>\$ 1,649,149</u>

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

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Activities
For the Years Ended September 30, 2022 and 2021

	2022			2021		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Support:						
Contract revenue	\$ 488,438	\$	\$ 488,438	\$ 410,761	\$	\$ 410,761
Contributions	357,304		357,304	462,143		462,143
Grants	268,988	301,112	570,100	232,790	198,210	431,000
Grant - paycheck protection program				311,533		311,533
Donated goods and services	235,873		235,873	274,373		274,373
Total Support	<u>1,350,603</u>	<u>301,112</u>	<u>1,651,715</u>	<u>1,691,600</u>	<u>198,210</u>	<u>1,889,810</u>
Revenue:						
Membership dues	84,463		84,463	104,439		104,439
Program events	1,124,330		1,124,330	1,084,644		1,084,644
Sales of merchandise	43,678		43,678	44,313		44,313
Net investment return/(loss)	(837)		(837)	72		72
Net assets released from restriction	198,210	(198,210)		48,010	(48,010)	
Total Revenue	<u>1,449,844</u>	<u>(198,210)</u>	<u>1,251,634</u>	<u>1,281,478</u>	<u>(48,010)</u>	<u>1,233,468</u>
TOTAL SUPPORT AND REVENUE	<u>2,800,447</u>	<u>102,902</u>	<u>2,903,349</u>	<u>2,973,078</u>	<u>150,200</u>	<u>3,123,278</u>
EXPENSES						
Program	2,137,754		2,137,754	2,034,634		2,034,634
Management and general	631,159		631,159	605,438		605,438
Fundraising	155,284		155,284	120,657		120,657
Total Expenses	<u>2,924,197</u>		<u>2,924,197</u>	<u>2,760,729</u>		<u>2,760,729</u>
CHANGE IN NET ASSETS	(123,750)	102,902	(20,848)	212,349	150,200	362,549
NET ASSETS - BEGINNING 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>
NET ASSETS - END OF YEAR	<u>\$ 961,607</u>	<u>\$ 301,112</u>	<u>\$ 1,262,719</u>	<u>\$ 1,085,357</u>	<u>\$ 198,210</u>	<u>\$ 1,283,567</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, 2022 (With Comparative Totals for 2021)

	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	
				2022	2021
Salaries and wages	\$ 904,960	\$ 407,644	\$ 95,032	\$ 1,407,636	\$ 1,403,527
Payroll taxes	77,815	27,369	6,983	112,167	122,649
Employee benefits	124,444	48,383	12,346	185,173	162,969
Programs and events	636,951	89	4,295	641,335	590,001
Professional services	111,147	43,214	11,026	165,387	146,628
Supplies and office expense	28,924	11,129	2,840	42,893	33,477
Database fees	37,978	14,766	3,768	56,512	59,171
Computer supplies and software	21,013	8,170	2,085	31,268	26,228
Occupancy	84,011	32,663	8,334	125,008	91,101
Telephone and internet	8,929	3,472	886	13,287	10,329
Insurance	29,247	10,495	2,678	42,420	24,963
Printing	30,204		4,613	34,817	36,658
Postage	7,800	6,284		14,084	7,852
Travel and meetings	8,205	6,993		15,198	9,751
Grants to other organizations	21,506	1,156		22,662	29,778
Bad debts					(3,400)
Miscellaneous	613	7,774		8,387	4,978
Depreciation	4,007	1,558	398	5,963	4,069
Total Expenses - 2022	<u>\$ 2,137,754</u>	<u>\$ 631,159</u>	<u>\$ 155,284</u>	<u>\$ 2,924,197</u>	
Total Expenses - 2021	<u>\$ 2,034,634</u>	<u>\$ 605,438</u>	<u>\$ 120,657</u>		<u>\$ 2,760,729</u>

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS OPERATING ACTIVITES		
Change in net assets	\$ (20,848)	\$ 362,549
Adjustments to reconcile change in net assets to net cash (used in)/provided by operating activities:		
Depreciation	5,963	4,069
Bad debts		(3,400)
Changes in assets and liabilities:		
Accounts, grants and pledges receivable	(175,853)	(21,758)
Inventory	900	7,922
Prepaid expenses	49,206	(65,361)
Accounts payable and accrued expenses	(6,240)	4,548
Accrued payroll, payroll taxes, benefits and vacations	12,491	(7,189)
Proceeds from paycheck protection program loan		311,533
(Use) of paycheck protection program loan		(311,533)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	<u>(134,381)</u>	<u>281,380</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)/proceeds from sale of investments - net	(703)	8,333
Purchase of equipment	(9,549)	
Payment on line of credit	(200,000)	
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	<u>(210,252)</u>	<u>8,333</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(344,633)	289,713
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,265,763</u>	<u>976,050</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 921,130</u>	<u>\$ 1,265,763</u>

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

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.

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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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). Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

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 as of September 30, 2022 and 2021.

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, 2022 and 2021 amounted to \$5,963 and \$4,069, 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, 2022 and 2021.

Compensated Absences

Compensated absences consist of accumulated unused vacation days. The total compensated absences at September 30, 2022 and 2021, amounted to \$52,090 and \$40,922, 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. 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 \$235,873 and \$274,373 for the years ended September 30, 2022 and 2021, 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.

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.

Reclassifications

Certain amounts in the 2021 consolidated financial statements have been reclassified for comparative purposes to conform to the 2022 presentation with no effect on previously reported change in net assets.

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, 2022 and 2021. 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>2022</u> Fair Value (Level 1)	<u>2021</u> Fair Value (Level 1)
Marketable equity securities	\$ 3,195	\$ 2,492

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 \$0 and \$200,000 as of September 30, 2022 or 2021, respectively.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following purpose or timing restrictions at September 30,:

	<u>2022</u>	<u>2021</u>
Mobility and Transportation Equity	\$ 239,683	\$ 116,062
Lake Calumet Connectivity Study		37,500
National Campaign for Transit Justice		8,106
Des Plaines River Trail Study	40,000	
Timing	<u>21,429</u>	<u>36,542</u>
	<u>\$ 301,112</u>	<u>\$ 198,210</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:

2023	\$ 107,220
2024	109,138
2025	111,055
2026	<u>9,268</u>
	<u>\$ 336,681</u>

Rent expense amounted to \$105,959 and \$78,120 for the years ended September 30, 2022 and 2021, 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 2019.

As of and for the year ended September 30, 2022, 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 \$28,399 and \$19,807 during the years ended September 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 921,130	\$ 1,265,763
Investments	3,195	2,492
Grants and contracts receivable	<u>445,672</u>	<u>269,819</u>
Total financial assets	1,369,997	1,538,074
Less:		
Amounts unavailable for general expenditures within one year due to:		
Time or purpose restricted	<u>301,112</u>	<u>198,210</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,068,885</u>	<u>\$ 1,339,864</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>2022</u>	<u>2021</u>
Revenue recognized over time:		
Membership dues	\$ 84,463	\$ 104,439
Revenue recognized at a point in time:		
Contract revenue	488,438	410,761
Program events	1,124,330	1,084,644
Sales of merchandise	43,678	44,313

Contract balances

Accounts receivable related to revenue from contracts with customers were \$445,672, \$260,371, and \$236,802 at September 30, 2022, 2021, and 2020. There were no contract assets or contract liabilities related to revenue from contracts with customers at December 31, 2022, 2021, and 2020.

NOTE 12 - PAYCHECK PROTECTION PROGRAM LOAN

In January 2021, the Organization received a \$311,533 loan, under the Paycheck Protection Program (“PPP loan”), implemented by the Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act. The Organization applied for PPP loan forgiveness and in November 2021, received a Notice of Paycheck Protection Program Forgiveness Payment from the SBA for 100% of the PPP 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.

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. Management is evaluating the effect of this pronouncement on its consolidated financial statements.

NOTE 14 - SUBSEQUENT EVENTS

The date through which events occurring after September 30, 2022 have been evaluated for possible adjustment to the consolidated financial statements or disclosure is August 10, 2023, which is the date on which the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidating Statement of Financial Position
September 30, 2022 (With Comparative Totals for 2021)

	ASSETS				CONSOLIDATED TOTALS	
	<u>ATA</u>	<u>WBG</u>	<u>ATN</u>	<u>ELIMINATIONS</u>	<u>2022</u>	<u>2021</u>
CURRENT ASSETS						
Cash and cash equivalents	\$ 548,863	\$ 369,138	\$ 3,129	\$	\$ 921,130	\$ 1,265,763
Investments	3,195				3,195	2,492
Grants and contracts receivable	246,852	198,820			445,672	269,819
Inventory						900
Prepaid expenses	46,875				46,875	96,081
Security deposit	7,990				7,990	7,990
Due from WBG and ATN - related parties	<u>571,087</u>			<u>(571,087)</u>		
Total Current Assets	<u>1,424,862</u>	<u>567,958</u>	<u>3,129</u>	<u>(571,087)</u>	<u>1,424,862</u>	<u>1,643,045</u>
PROPERTY AND EQUIPMENT						
Furniture and equipment	73,506				73,506	63,957
Less: Accumulated depreciation	<u>(63,816)</u>				<u>(63,816)</u>	<u>(57,853)</u>
Net Property and Equipment	<u>9,690</u>				<u>9,690</u>	<u>6,104</u>
TOTAL ASSETS	<u>\$ 1,434,552</u>	<u>\$ 567,958</u>	<u>\$ 3,129</u>	<u>\$ (571,087)</u>	<u>\$ 1,434,552</u>	<u>\$ 1,649,149</u>
	LIABILITIES AND NET ASSETS					
LIABILITIES						
Accounts payable and accrued expenses	\$ 50,135	\$	\$	\$	\$ 50,135	\$ 56,375
Accrued payroll, payroll taxes, benefits and vacations	118,468				118,468	105,977
Funds held as fiscal agent	3,230				3,230	3,230
Line of credit						200,000
Due to ATA - related party		<u>567,958</u>	<u>3,129</u>	<u>(571,087)</u>		
Total Liabilities	<u>171,833</u>	<u>567,958</u>	<u>3,129</u>	<u>(571,087)</u>	<u>171,833</u>	<u>365,582</u>
NET ASSETS						
Without donor restrictions	961,607				961,607	1,085,357
With donor restrictions	<u>301,112</u>				<u>301,112</u>	<u>198,210</u>
Total Net Assets	<u>1,262,719</u>				<u>1,262,719</u>	<u>1,283,567</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,434,552</u>	<u>\$ 567,958</u>	<u>\$ 3,129</u>	<u>\$ (571,087)</u>	<u>\$ 1,434,552</u>	<u>\$ 1,649,149</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, 2022 (With Comparative Totals for 2021)

	ATA		WBG		CONSOLIDATED TOTALS	
	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	WITHOUT DONOR RESTRICTION	ELIMINATIONS	2022	2021
SUPPORT AND REVENUE						
Support:						
Contract revenue	\$ 162,692	\$	\$ 325,746	\$	\$ 488,438	\$ 410,761
Contributions	357,304				357,304	462,143
Grants	268,988	301,112			570,100	431,000
Grant - paycheck protection program						311,533
Donated goods and services	<u>235,873</u>				<u>235,873</u>	<u>274,373</u>
Total Support	<u>1,024,857</u>	<u>301,112</u>	<u>325,746</u>		<u>1,651,715</u>	<u>1,889,810</u>
Revenue:						
Membership dues	84,463				84,463	104,439
Program events	1,124,330				1,124,330	1,084,644
Management fees	144,691			(144,691)		
Sales of merchandise	43,678				43,678	44,313
Net investment return/(loss)	(837)				(837)	72
Net assets released from restriction	<u>198,210</u>	<u>(198,210)</u>				
Total Revenue	<u>1,594,535</u>	<u>(198,210)</u>		<u>(144,691)</u>	<u>1,251,634</u>	<u>1,233,468</u>
TOTAL SUPPORT AND REVENUE	<u>2,619,392</u>	<u>102,902</u>	<u>325,746</u>	<u>(144,691)</u>	<u>2,903,349</u>	<u>3,123,278</u>
EXPENSES						
Program	1,956,699		325,746	(144,691)	2,137,754	2,034,634
Management and general	631,159				631,159	605,438
Fundraising	<u>155,284</u>				<u>155,284</u>	<u>120,657</u>
Total Expenses	<u>2,743,142</u>		<u>325,746</u>	<u>(144,691)</u>	<u>2,924,197</u>	<u>2,760,729</u>
CHANGE IN NET ASSETS	(123,750)	102,902			(20,848)	362,549
NET ASSETS - BEGINNING OF YEAR	<u>1,085,357</u>	<u>198,210</u>			<u>1,283,567</u>	<u>921,018</u>
NET ASSETS - END OF YEAR	<u>\$ 961,607</u>	<u>\$ 301,112</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,262,719</u>	<u>\$ 1,283,567</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, 2022 (With Comparative Totals for 2021)

	ATA				WBG		CONSOLIDATED TOTALS	
	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM	ELIMINATIONS	2022	2021
Salaries and wages	\$ 734,494	\$ 407,644	\$ 95,032	\$ 1,237,170	\$ 170,466	\$	\$ 1,407,636	\$ 1,403,527
Payroll taxes	70,393	27,369	6,983	104,745	7,422		112,167	122,649
Employee benefits	124,444	48,383	12,346	185,173			185,173	162,969
Programs and events	636,951	89	4,295	641,335			641,335	590,001
Professional services	111,147	43,214	11,026	165,387			165,387	146,628
Contract expense					144,691	(144,691)		
Supplies and office expense	28,623	11,129	2,840	42,592	301		42,893	33,477
Database fees	37,978	14,766	3,768	56,512			56,512	59,171
Computer supplies and software	21,013	8,170	2,085	31,268			31,268	26,228
Occupancy	84,011	32,663	8,334	125,008			125,008	91,101
Telephone and internet	8,929	3,472	886	13,287			13,287	10,329
Insurance	26,994	10,495	2,678	40,167	2,253		42,420	24,963
Printing	30,204		4,613	34,817			34,817	36,658
Postage	7,800	6,284		14,084			14,084	7,852
Travel and meetings	8,205	6,993		15,198			15,198	9,751
Grants to other organizations	21,506	1,156		22,662			22,662	29,778
Bad debts								(3,400)
Miscellaneous		7,774		7,774	613		8,387	4,978
Depreciation	4,007	1,558	398	5,963			5,963	4,069
Total Expenses	<u>\$ 1,956,699</u>	<u>\$ 631,159</u>	<u>\$ 155,284</u>	<u>\$ 2,743,142</u>	<u>\$ 325,746</u>	<u>\$ (144,691)</u>	<u>\$ 2,924,197</u>	<u>\$ 2,760,729</u>

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