

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**

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

SEPTEMBER 30, 2023 AND 2022

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES
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September 30, 2023 and 2022**

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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 (a nonprofit organization) AND SUBSIDIARIES (the Organization), which comprise the statements of consolidated financial position as of September 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows 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, 2023 and 2022, 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 Organization 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.

WSDD CPAs, Ltd.

WSDD CPAs, Ltd.

Chicago, Illinois
August 8, 2024

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
September 30, 2023 and 2022

	ASSETS		
		<u>2023</u>	<u>2022</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	430,439	\$ 921,130
Investments		5,778	3,195
Grants and contracts receivable		498,400	445,672
Prepaid expenses		30,225	46,875
Security deposit		13,414	7,990
Total Current Assets		978,256	1,424,862
PROPERTY AND EQUIPMENT			
Furniture and equipment		73,506	73,506
Less: Accumulated depreciation		(68,664)	(63,816)
Net Property and Equipment		4,842	9,690
OTHER ASSETS			
Operating lease right of use asset		202,776	
TOTAL ASSETS	\$	1,185,874	\$ 1,434,552
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$	162,403	\$ 50,135
Accrued payroll, payroll taxes, benefits and vacations		104,480	118,468
Funds held as fiscal agent		3,230	3,230
Operating lease liability		101,885	
Total Current Liabilities		371,998	171,833
LONG-TERM LIABILITIES			
Operating lease liability, net of current portion		117,429	
Total Liabilities		489,427	171,833
NET ASSETS			
Without donor restrictions		576,864	961,607
With donor restrictions		119,583	301,112
Total Net Assets		696,447	1,262,719
TOTAL LIABILITIES AND NET ASSETS	\$	1,185,874	\$ 1,434,552

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, 2023 and 2022

	2023			2022		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Support:						
Contract revenue	\$ 500,019	\$	\$ 500,019	\$ 488,438	\$	\$ 488,438
Contributions	402,876		402,876	357,304		357,304
Grants	84,500	80,000	164,500	268,988	301,112	570,100
In-kind contributions	280,071		280,071	235,873		235,873
Total Support	<u>1,267,466</u>	<u>80,000</u>	<u>1,347,466</u>	<u>1,350,603</u>	<u>301,112</u>	<u>1,651,715</u>
Revenue:						
Membership dues	57,490		57,490	84,463		84,463
Program events	1,199,958		1,199,958	1,124,330		1,124,330
Sales of merchandise	28,086		28,086	43,678		43,678
Net investment return/(loss)	1,186		1,186	(837)		(837)
Net assets released from restriction	261,529	(261,529)		198,210	(198,210)	
Total Revenue	<u>1,548,249</u>	<u>(261,529)</u>	<u>1,286,720</u>	<u>1,449,844</u>	<u>(198,210)</u>	<u>1,251,634</u>
TOTAL SUPPORT AND REVENUE	<u>2,815,715</u>	<u>(181,529)</u>	<u>2,634,186</u>	<u>2,800,447</u>	<u>102,902</u>	<u>2,903,349</u>
EXPENSES						
Program services	2,381,522		2,381,522	2,137,754		2,137,754
Management and general	592,970		592,970	631,159		631,159
Fundraising	225,966		225,966	155,284		155,284
Total Expenses	<u>3,200,458</u>		<u>3,200,458</u>	<u>2,924,197</u>		<u>2,924,197</u>
CHANGE IN NET ASSETS	(384,743)	(181,529)	(566,272)	(123,750)	102,902	(20,848)
NET ASSETS - BEGINNING 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>
NET ASSETS - END OF YEAR	<u>\$ 576,864</u>	<u>\$ 119,583</u>	<u>\$ 696,447</u>	<u>\$ 961,607</u>	<u>\$ 301,112</u>	<u>\$ 1,262,719</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, 2023 (With Comparative Totals for 2022)

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	
				2023	2022
Salaries and wages	\$ 989,501	\$ 269,478	\$ 91,149	\$ 1,350,128	\$ 1,407,636
Payroll taxes	75,129	20,460	6,921	102,510	112,167
Employee benefits	130,330	35,494	12,005	177,829	185,173
Programs and events	758,216	97	80,582	838,895	641,335
Professional services	110,726	113,912		224,638	165,387
Supplies and office expense	29,437	17,096	3,847	50,380	42,893
Database fees	66,941	18,231	6,166	91,338	56,512
Computer supplies and software	1,495	19,070		20,565	31,268
Occupancy	106,430	28,985	9,803	145,218	125,008
Telephone and internet	10,757	2,930	991	14,678	13,287
Insurance	43,540	36,756		80,296	42,420
Printing	11,627	102	13,906	25,635	34,817
Postage	25,919	1,673		27,592	14,084
Travel and meetings	8,261	691	269	9,221	15,198
Grants to other organizations	9,660			9,660	22,662
Bad debts		818		818	
Miscellaneous		26,209		26,209	8,387
Depreciation	3,553	968	327	4,848	5,963
Total Expenses - 2023	<u>\$ 2,381,522</u>	<u>\$ 592,970</u>	<u>\$ 225,966</u>	<u>\$ 3,200,458</u>	
Total Expenses - 2022	<u>\$ 2,137,754</u>	<u>\$ 631,159</u>	<u>\$ 155,284</u>		<u>\$ 2,924,197</u>

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS OPERATING ACTIVITES		
Change in net assets	\$ (566,272)	\$ (20,848)
Adjustments to reconcile change in net assets to net cash (used) by operating activities:		
Depreciation	4,848	5,963
Changes in assets and liabilities:		
Accounts, grants and pledges receivable	(52,728)	(175,853)
Inventory		900
Prepaid expenses	16,650	49,206
Security deposit	(5,424)	
Operating lease right of use asset and lease liabilities	16,538	
Accounts payable and accrued expenses	112,268	(6,240)
Accrued payroll, payroll taxes, benefits and vacations	(13,988)	12,491
NET CASH (USED) BY OPERATING ACTIVITIES	<u>(488,108)</u>	<u>(134,381)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,583)	(703)
Purchase of equipment		(9,549)
Payment on line of credit		(200,000)
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(2,583)</u>	<u>(210,252)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(490,691)	(344,633)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>921,130</u>	<u>1,265,763</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 430,439</u>	<u>\$ 921,130</u>

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Notes to Consolidated Financial Statements
September 30, 2023 and 2022

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. An allowance for doubtful accounts has not been recorded as management is of the opinion that all receivables will be collected.

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, 2023 and 2022 amounted to \$4,848 and \$5,963, 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, 2023 and 2022.

Compensated Absences

Compensated absences consist of accumulated unused vacation days. The total compensated absences at September 30, 2023 and 2022, amounted to \$34,957 and \$52,090, 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)

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in operating lease right of use ("ROU") assets and operating lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets may also include prepaid or accrued rent. For operating leases, the Organization uses an annualized borrowing rate of 4.27% over the weighted average lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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.

In-kind Contributions

Contributed nonfinancial assets include donated professional services, advertising, meeting room space, food and beverage, and raffle prizes, which are recorded at the respective fair values of the goods or services received. The estimated value of these donations amounted to \$280,071 and \$235,873 for the years ended September 30, 2023 and 2022, respectively, and are recognized as revenue and expense in the consolidated statements of activities. Additionally, individuals volunteer their time and perform a variety of services that do not meet the criteria for recognition as contributed services.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 program services 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.

Recently Adopted Authoritative Guidance

Effective October 1, 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, Lease (Topic 842), which requires lessees to recognize leases in the consolidated statement of financial position and disclose key information about leasing arrangements. The Organization adopted the standard using the modified retrospective method. Accordingly, the results for the prior comparable period was not adjusted to conform to the current period measurement or recognition of results. The Organization adopted the following practical expedients and elected the following accounting policies related to this standard: (i) elected not to reassess prior conclusions related to the identification, classification, and accounting for indirect costs for leases that commenced prior to October 1, 2022; (ii) Elected to utilize a risk-free rate (e.g, U.S. Treasury bill rate) to discount the lease payments; (iii) elected the short-term lease accounting policy allowing lessees not to recognize right of use assets and lease liabilities with a term of twelve months or less; and (iv) elected not to separate lease and non-lease components for certain equipment lease asset categories. As a result of implementing ASU No. 2016-02, there was an increase in assets of \$202,776 due to recording an operating lease right of use asset and an increase in liabilities of \$219,314 due to recording a corresponding operating lease liability in the consolidated statement of financial position at September 30, 2023.

NOTE 3 - FAIR VALUE MEASUREMENTS

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, 2023 and 2022. 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>2023</u> Fair Value (Level 1)	<u>2022</u> Fair Value (Level 1)
Marketable equity securities	\$ 5,778	\$ 3,195

NOTE 4 - LINE OF CREDIT

ATA has a line of credit with a bank which provides borrowings up to \$200,000. 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 as of September 30, 2023 and 2022.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Mobility and Transportation Equity	\$ 119,683	\$ 239,683
Des Plaines River Trail Study		40,000
Timing		21,429
	<u>\$ 119,683</u>	<u>\$ 301,112</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.

At September 30, 2023, the weighted average remaining lease term was 2.08 years and the weighted average discount rate was 4.27%.

Future maturities of operating lease payments for the years subsequent to September 30, 2023 are as follows:

2024	\$ 109,138
2025	111,055
2026	<u>9,268</u>
	229,461
Less imputed interest	<u>(10,147)</u>
	<u>\$ 219,314</u>

Occupancy expense, which includes lease expense and common area maintenance charges, amounted to \$145,218 and \$125,008 for the years ended September 30, 2023 and 2022, respectively. During the years ended September 30, 2023 and 2022, the Organization paid cash of \$107,220 and \$105,303, respectively, which is included in operating cash flows from operating leases.

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 2020.

As of and for the year ended September 30, 2023, 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 \$0 and \$28,399 during the years ended September 30, 2023 and 2022, 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>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 430,439	\$ 921,130
Investments	5,778	3,195
Grants and contracts receivable	<u>498,400</u>	<u>445,672</u>
Total financial assets	934,617	1,369,997
Less:		
Amounts unavailable for general expenditures within one year due to:		
Time or purpose restricted	<u>119,583</u>	<u>301,112</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 815,034</u>	<u>\$ 1,068,885</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>2023</u>	<u>2022</u>
Revenue recognized over time:		
Membership dues	\$ 57,490	\$ 84,463
Revenue recognized at a point in time:		
Contract revenue	500,019	488,438
Program events	1,199,958	1,124,330
Sales of merchandise	28,086	43,678

Contract Balances

Accounts receivable related to revenue from contracts with customers were \$498,400, \$445,672, and \$260,371 at September 30, 2023, 2022, and 2021. There were no contract assets or contract liabilities related to revenue from contracts with customers at December 31, 2023, 2022, and 2021.

Significant Judgment

Significant judgment is required to be made by management to determine the appropriate approach to applying the revenue recognition criteria. Significant judgment was also required when determining whether revenue from contracts with customers was earned over time or at a point in time.

NOTE 12 - IN-KIND CONTRIBUTIONS

For the years ended September 30, 2023 and 2022, contributed nonfinancial assets recognized within the consolidated statements of activities included the following:

	<u>2023</u>	<u>2022</u>
Advertising	\$ 177,373	\$ 197,373
Services	43,618	10,000
Supplies	<u>59,080</u>	<u>28,500</u>
	<u>\$ 280,071</u>	<u>\$ 235,873</u>

Contributed advertising and supplies are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed services are recognized at fair value based on current rates for similar services. Contributed advertising, services and supplies are used in program services and for fundraising.

NOTE 13 - EMPLOYEE RETENTION CREDIT

The Employee Retention Credit (“ERC”) is a refundable tax credit for businesses and tax-exempt organizations that had employees and were affected during the COVID-19 pandemic. The credit is available to eligible employers that paid qualified wages to some or all employees after March 12, 2020, and before January 1, 2022. Generally, businesses and tax-exempt organizations that qualify are those that were shut down by a government order due to the COVID-19 pandemic during 2020 or the first three calendar quarters of 2021, experienced the required decline in gross receipts during the eligibility periods during 2020 or the first three calendar quarters of 2021, or qualified as a recovery startup business for the third or fourth quarters of 2021.

The Organization determined that it met the eligibility requirements of the ERC. In September 2023, the Organization applied for an ERC in the amount of \$644,601, which it has not yet received. Due to the Internal Revenue Service’s processing moratorium on new claims from September 14, 2023 to August 8, 2024, and continued processing delays and challenges to existing claims, management determined that receipt of the ERC was uncertain and therefore, elected not to record the ERC as government grant revenue until received.

NOTE 14 - SUBSEQUENT EVENTS

The date through which events occurring after September 30, 2023 have been evaluated for possible adjustment to the consolidated financial statements or disclosure is August 8, 2024, 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, 2023 (With Comparative Totals for 2022)

	ASSETS				CONSOLIDATED TOTALS	
	<u>ATA</u>	<u>WBG</u>	<u>ATN</u>	<u>ELIMINATIONS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS						
Cash and cash equivalents	\$ 348,070	\$ 67,240	\$ 15,129	\$	\$ 430,439	\$ 921,130
Investments	5,778				5,778	3,195
Grants and contracts receivable	96,800	401,600			498,400	445,672
Prepaid expenses	30,225				30,225	46,875
Security deposit	13,414				13,414	7,990
Due from WBG and ATN - related parties	<u>475,969</u>			<u>(475,969)</u>		
Total Current Assets	<u>970,256</u>	<u>468,840</u>	<u>15,129</u>	<u>(475,969)</u>	<u>978,256</u>	<u>1,424,862</u>
PROPERTY AND EQUIPMENT						
Furniture and equipment	73,506				73,506	73,506
Less: Accumulated depreciation	<u>(68,664)</u>				<u>(68,664)</u>	<u>(63,816)</u>
Net Property and Equipment	<u>4,842</u>				<u>4,842</u>	<u>9,690</u>
OTHER ASSETS						
Operating lease right of use asset	<u>202,776</u>				<u>202,776</u>	
TOTAL ASSETS	<u>\$ 1,177,874</u>	<u>\$ 468,840</u>	<u>\$ 15,129</u>	<u>\$ (475,969)</u>	<u>\$ 1,185,874</u>	<u>\$ 1,434,552</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable and accrued expenses	\$ 162,403	\$	\$	\$	\$ 162,403	\$ 50,135
Accrued payroll, payroll taxes, benefits and vacations	104,480				104,480	118,468
Funds held as fiscal agent	3,230				3,230	3,230
Operating lease liability	101,885				101,885	
Due to ATA - related party	<u>468,840</u>		<u>7,129</u>	<u>(475,969)</u>		
Total Current Liabilities	<u>371,998</u>	<u>468,840</u>	<u>7,129</u>	<u>(475,969)</u>	<u>371,998</u>	<u>171,833</u>
LONG-TERM LIABILITIES						
Operating lease liability, net of current portion	<u>117,429</u>				117,429	
Total Liabilities	<u>489,427</u>	<u>468,840</u>	<u>7,129</u>	<u>(475,969)</u>	<u>489,427</u>	<u>171,833</u>
NET ASSETS						
Without donor restrictions	576,864				576,864	961,607
With donor restrictions	<u>111,583</u>		<u>8,000</u>		<u>119,583</u>	<u>301,112</u>
Total Net Assets	<u>688,447</u>		<u>8,000</u>		<u>696,447</u>	<u>1,262,719</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,177,874</u>	<u>\$ 468,840</u>	<u>\$ 15,129</u>	<u>\$ (475,969)</u>	<u>\$ 1,185,874</u>	<u>\$ 1,434,552</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, 2023 (With Comparative Totals for 2022)

	ATA		WBG	ATN		ELIMINATIONS	CONSOLIDATED TOTALS	
	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	WITHOUT DONOR RESTRICTION	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION		2023	2022
SUPPORT AND REVENUE								
Support:								
Contract revenue	\$ 98,419	\$	\$ 401,600	\$	\$	\$	\$ 500,019	\$ 488,438
Contributions	402,876						402,876	357,304
Grants	80,500	72,000		4,000	8,000		164,500	570,100
In-kind contributions	280,071						280,071	235,873
Total Support	<u>861,866</u>	<u>72,000</u>	<u>401,600</u>	<u>4,000</u>	<u>8,000</u>		<u>1,347,466</u>	<u>1,651,715</u>
Revenue:								
Membership dues	57,490						57,490	84,463
Program events	1,199,958						1,199,958	1,124,330
Management fees	174,582					(174,582)		
Sales of merchandise	28,086						28,086	43,678
Net investment return/(loss)	1,186						1,186	(837)
Net assets released from restriction	261,529	(261,529)						
Total Revenue	<u>1,722,831</u>	<u>(261,529)</u>				<u>(174,582)</u>	<u>1,286,720</u>	<u>1,251,634</u>
TOTAL SUPPORT AND REVENUE	<u>2,584,697</u>	<u>(189,529)</u>	<u>401,600</u>	<u>4,000</u>	<u>8,000</u>	<u>(174,582)</u>	<u>2,634,186</u>	<u>2,903,349</u>
EXPENSES								
Program services	2,150,504		401,600	4,000		(174,582)	2,381,522	2,137,754
Management and general	592,970						592,970	631,159
Fundraising	225,966						225,966	155,284
Total Expenses	<u>2,969,440</u>		<u>401,600</u>	<u>4,000</u>		<u>(174,582)</u>	<u>3,200,458</u>	<u>2,924,197</u>
CHANGE IN NET ASSETS	(384,743)	(189,529)				8,000	(566,272)	(20,848)
NET ASSETS - BEGINNING OF YEAR	<u>961,607</u>	<u>301,112</u>					<u>1,262,719</u>	<u>1,283,567</u>
NET ASSETS - END OF YEAR	<u>\$ 576,864</u>	<u>\$ 111,583</u>	<u>\$</u>	<u>\$</u>	<u>\$ 8,000</u>	<u>\$</u>	<u>\$ 696,447</u>	<u>\$ 1,262,719</u>

**ACTIVE TRANSPORTATION ALLIANCE
AND SUBSIDIARIES**
Consolidating Statement of Functional Expenses
For the Year Ended September 30, 2023 (With Comparative Totals for 2022)

	ATA				WBG	ATN	ELIMINATIONS	CONSOLIDATED TOTALS	
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM SERVICES	PROGRAM SERVICES		2023	2022
Salaries and wages	\$ 772,211	\$ 269,478	\$ 91,149	\$ 1,132,838	\$ 217,290	\$	\$	\$ 1,350,128	\$ 1,407,636
Payroll taxes	61,401	20,460	6,921	88,782	13,728			102,510	112,167
Employee benefits	130,330	35,494	12,005	177,829				177,829	185,173
Programs and events	758,216	97	80,582	838,895				838,895	641,335
Professional services	110,726	113,912		224,638				224,638	165,387
Contract expense					170,582	4,000	(174,582)		
Supplies and office expense	29,437	17,096	3,847	50,380				50,380	42,893
Database fees	66,941	18,231	6,166	91,338				91,338	56,512
Computer supplies and software	1,495	19,070		20,565				20,565	31,268
Occupancy	106,430	28,985	9,803	145,218				145,218	125,008
Telephone and internet	10,757	2,930	991	14,678				14,678	13,287
Insurance	43,540	36,756		80,296				80,296	42,420
Printing	11,627	102	13,906	25,635				25,635	34,817
Postage	25,919	1,673		27,592				27,592	14,084
Travel and meetings	8,261	691	269	9,221				9,221	15,198
Grants to other organizations	9,660			9,660				9,660	22,662
Bad debts		818		818				818	
Miscellaneous		26,209		26,209				26,209	8,387
Depreciation	3,553	968	327	4,848				4,848	5,963
Total Expenses	<u>\$ 2,150,504</u>	<u>\$ 592,970</u>	<u>\$ 225,966</u>	<u>\$ 2,969,440</u>	<u>\$ 401,600</u>	<u>\$ 4,000</u>	<u>\$ (174,582)</u>	<u>\$ 3,200,458</u>	<u>\$ 2,924,197</u>