

**Center for Neighborhood Technology
and
Alternative Transportation
Services for Chicagoland**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

For the Year Ended December 31, 2022

**Center for Neighborhood Technology
and
Alternative Transportation
Services for Chicagoland**

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Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

To the Board of Directors of
Center for Neighborhood Technology and
Alternative Transportation Services for Chicagoland
Chicago, IL

We have audited the accompanying consolidated financial statements of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland (non-profit organizations), which comprise the consolidated statements of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland as of December 31, 2022 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the 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.

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 Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland'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 Responsibility for the Audit of the 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, including omissions, 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 Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland'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 Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland'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 Summarized Comparative Information

We have previously audited the Organization's December 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 3, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

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, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Desmond & Akers, Ltd

May 8, 2023
Chicago, IL

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2022 and 2021**

	2022	2021
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 1,908,315	\$ 1,557,733
Receivables		
Contributions and grants	612,659	558,462
Services performed	333,291	264,724
Other	27,382	134
Prepaid expenses	105,718	83,903
Total current assets	2,987,365	2,464,956
Property and equipment, net of accumulated depreciation	24,731	24,663
Right-of-use asset	81,665	-
Total Assets	\$ 3,093,761	\$ 2,489,619
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 32,889	\$ 86,297
Accrued payroll and related costs	67,478	74,515
Operating lease	91,820	-
Refundable advance	430,117	-
Total liabilities	622,304	160,812
Net Assets		
Without donor restrictions	793,262	739,654
With donor restrictions	1,678,195	1,589,153
Total net assets	2,471,457	2,328,807
Total Liabilities and Net Assets	\$ 3,093,761	\$ 2,489,619

See independent auditor's report and notes to financial statements.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2022 (with summarized comparative totals for 2021)**

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<u>Public Support and Revenue</u>				
Contributions	\$ 290,130	\$ 2,008,500	\$ 2,298,630	\$ 1,914,957
Government grants	314,056	-	314,056	100,417
Program income	637,812	-	637,812	662,814
Rental income	75,300	-	75,300	55,200
Interest and dividends	228	-	228	320
Donated services	38,269	-	38,269	11,930
PPP Loan Forgiveness	-	-	-	247,587
Miscellaneous	4,282	-	4,282	7,641
Net assets released from restrictions - satisfaction of program restrictions	1,919,458	(1,919,458)	-	-
Total Public Support and Revenue	<u>3,279,535</u>	<u>89,042</u>	<u>3,368,577</u>	<u>3,000,866</u>
<u>Expenses</u>				
Program Services				
Transportation and community development	955,558	-	955,558	708,541
Water	1,223,030	-	1,223,030	763,911
Sustainability Strategies and Urban Analytics	403,717	-	403,717	499,455
Total program services	<u>2,582,305</u>	<u>-</u>	<u>2,582,305</u>	<u>1,971,907</u>
Management and general	507,698	-	507,698	439,281
Fundraising	135,924	-	135,924	37,938
Total Expenses	<u>3,225,927</u>	<u>-</u>	<u>3,225,927</u>	<u>2,449,126</u>
Change in Net Assets	53,608	89,042	142,650	551,740
Net assets, beginning of year	<u>739,654</u>	<u>1,589,153</u>	<u>2,328,807</u>	<u>1,777,067</u>
Net assets, end of year	<u>\$ 793,262</u>	<u>\$ 1,678,195</u>	<u>\$ 2,471,457</u>	<u>\$ 2,328,807</u>

See independent auditor's report and notes to financial statements.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022 (with summarized comparative totals for 2021)**

	2022				2021 Total
	Program Services	Management and General	Fundraising	Total	
Salaries	\$ 1,254,672	\$ 226,233	\$ 21,024	\$ 1,501,929	\$ 1,339,237
Payroll taxes and employee benefits	286,332	51,653	2,524	340,509	232,264
Professional and contractual fees	847,001	145,140	105,408	1,097,549	623,264
Workshops and meetings	17,415	4,213	83	21,711	3,470
Travel	7,313	1,736	37	9,086	1,592
Occupancy	21,492	3,987	344	25,823	139,203
Operating lease costs	102,399	18,889	1,681	122,969	-
Utilities	3,529	646	54	4,229	4,231
Telephone	6,233	1,173	110	7,516	10,877
Insurance	6,077	26,225	100	32,402	37,081
Equipment rental and maintenance	-	5,266	-	5,266	5,038
Supplies	944	4,773	431	6,148	5,871
Postage and printing	763	176	2,527	3,466	7,866
Advertising and promotion	4,199	3,393	-	7,592	3,396
Dues and subscriptions	17,256	11,298	899	29,453	14,868
Depreciation and amortization	5,996	1,098	104	7,198	6,622
Bank and merchant fees	-	196	-	196	381
Bad debt expense	-	655	-	655	11,844
Miscellaneous	684	948	598	2,230	2,021
Total Expenses	\$ 2,582,305	\$ 507,698	\$ 135,924	\$ 3,225,927	\$ 2,449,126

See independent auditor's report and notes to financial statements.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2022 and 2021**

	2022	2021
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ 142,650	\$ 551,740
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	7,198	6,622
Noncash lease expense	10,155	-
Bad debt expense	655	11,844
(Increase) decrease in operating assets		
Receivables	(150,667)	(162,170)
Prepaid expenses	(21,815)	12,587
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(60,445)	(93,306)
Refundable advances and deferred revenue	430,117	-
Cash provided by operating activities	357,848	327,317
<u>Cash Flows from Investing Activities</u>		
Acquisition of property and equipment	(7,266)	(7,074)
Cash (used in) investing activities	(7,266)	(7,074)
Increase in cash and cash equivalents	350,582	320,243
Cash and cash equivalents, beginning of year	1,557,733	1,237,490
Cash and cash equivalents, end of year	\$ 1,908,315	\$ 1,557,733
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash paid during the year for interest	\$ -	\$ -
<u>Supplemental Disclosure of Noncash Information</u>		
PPP loan forgiveness	\$ -	\$ 247,587

See independent auditor's report and notes to financial statements.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Organizations

The Center for Neighborhood Technology (CNT) is a creative think-and-do tank whose mission is to promote more livable and sustainable urban communities. Founded in 1978 as an Illinois not-for-profit organization, CNT combines rigorous research and analysis with effective actions that offer paths to scale. CNT has tackled a wide range of issues, always with an eye toward simultaneously improving the environment, strengthening the economy, and advancing equity.

CNT works across disciplines and issues, including transportation and community development, energy, water, and climate change:

The *Transportation and Community Development* program promotes the creation of affordable and livable communities that minimize the need for cars; efficient, affordable, and accessible public transportation systems; and economic development that takes full advantage of passenger and freight rail assets.

The *Water* program promotes policies and implements programs that alleviate damage from urban flooding; encourages the adoption of green infrastructure to manage stormwater and improve communities; reduces waste in water use; and protects regional water resources.

CNT's *Sustainability Strategies and Urban Analytics* program helps consumers and communities obtain needed information and services to control energy costs.

CNT's affiliate, Alternative Transportation Services of Chicagoland (ATC), was founded in 2002 as an Illinois not-for-profit organization. ATC's mission is to create an integrated, multimodal transportation system, reducing reliance on vehicle ownership.

Income Tax Status

The Center for Neighborhood Technology was granted an exemption from federal income taxes by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). ATC is also exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; thus, no provision for the income tax has been provided for in the financial statements.

The Organizations' Form 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they have been filed. The Organization has adopted the requirements for accounting for uncertain tax positions and management has determined that the Organization was not required to record a liability related to uncertain tax positions as of December 31, 2022.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Consolidated Financial Statements

The accompanying financial statements reflect the consolidation of the financial statements of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland (collectively referred to as the Organization). All material inter-organization accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The accounts and consolidated financial statements are maintained on the accrual basis of accounting and accordingly, reflect all significant accounts receivable, payable, and other liabilities in conformity with accounting principles generally accepted in the U.S. and applicable to non-profit organizations.

Basis of Presentation

The Organization report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions as required by Generally Accepted Accounting Principles (GAAP).

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Items that affect this net asset category principally consist of gifts without restrictions, including those designated by the Board, fees for service and related expenses associated with the core activities of the Organization.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met, endowment gifts, pledges, and investment returns on endowment funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of bank deposits in federally insured accounts. The accounts may, at times, exceed the federally insured limit of \$250,000. The Organization has never experienced any such losses in these accounts.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Cash and Cash Equivalents (cont.)

For purposes of the Consolidated Statement of Cash Flows, the Organization considers all highly liquid debt instruments, if any, purchased with an original maturity of one year or less to be cash equivalents. No cash was paid for taxes for the year ended December 31, 2022.

Contributions and Grants Receivable

Contributions and grants receivable consist of unconditional promises to give by donors, some of which are due in installments. Unconditional promises to give are recorded in the year the promises are made, either without restriction, or with restriction for the subsequent period. Contributions receivable are carried net an allowance for doubtful accounts. The Organization records an allowance for doubtful accounts based on specifically identified amounts that are not certain to be collected. Management has deemed no allowance for doubtful accounts to be necessary at December 31, 2022.

Property and Equipment

Property and equipment are stated at cost. Acquisitions of property and equipment in excess of \$1,000 and those items which substantially increase the useful lives of existing assets are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which are:

Buildings and improvements	25 - 40 years
Equipment	3 - 7 years
Furniture and fixtures	7 - 8 years
Vehicles	8 years
Web-site development costs	3 years

Advertising Costs

Advertising costs are expensed as incurred.

Net Assets Released from Restrictions

Net assets were released from restriction by incurrence of expenses satisfying the restricted purpose or by occurrence of events specified under the terms of the agreements.

Support and Revenue

The Organization recognizes contributions when cash, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend on have been met. At December 31, 2022, the Organization had no conditional promises to give.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as without restriction.

Government Grants and Fee for Service

Support funded by government and corporate contracts, some of which qualify as exchange transactions, are recognized when the contracted services have been performed. Revenue is therefore recognized as earned as the eligible expenses are incurred. These expenditures are subject to audit and acceptance by the granting organization and, as a result of such audit, adjustments could be required. Services provided and earned by the Organization during 2022 that remain unpaid were \$333,291 and are recognized in the statement of financial position as services performed receivables.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received \$430,117 in cost-reimbursable grants that have not been recognized at December 31, 2022 and therefore are recognized in the statement of financial position as a refundable grant for these contracts and grants.

Contributed Services

Contributed services are required to be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the year ending December 31, 2022, the Organization received donated consulting services meeting the above criteria valued at \$11,930.

Certain Vulnerabilities and Concentrations

During 2022, the Organization received approximately 41% of their revenue primarily from six entities. These six entities also make up 29% of total receivables. Any negative change in the economy could have an impact on contributions and fundraising efforts, as well as government grants. In recent years, the Organization funding base has become more diversified.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and the consolidated statement of functional expenses. Directly identifiable expenses are charged to the specific program or supporting service.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Expenses related to more than one function are allocated to program expenses and supporting services on the basis of periodic time and expense reviews made by management.

Subsequent Events

Accounting principles generally accepted in the United States of America establish general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Organization has evaluated subsequent events through May 8, 2023, which is the date the statements were available to be issued. No subsequent events have been identified that are required to be disclosed as of that date.

Adoption of New Accounting Standard

Effective January 1, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments (as of December 31, 2021) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. As a result of the adoption of the new lease accounting guidance, the Organization recognized on January 1, 2022 (a) a lease liability of \$202,412, which represents the present value of the remaining lease payments of \$247,588, discounted using the risk-free discount rate of 1.37%, and (b) a right-of-use asset of \$202,412. The Organization did not record an adjustment to net assets as a result of the cumulative effect of the adoption.

Note 2 – Financial Assets and Liquidity Resources

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. The following table reflects the Organization's financial assets as of December 31, 2022, reduced by amounts that are not available to meet general expenditures within one year of the consolidated statement of financial position date because of contractual restrictions or internal board designations. Amounts not available to meet general expenditures within one year include net assets with donor restrictions. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities described in Note 1 as well as the conduct of services undertaken to support those activities to be general expenditures.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022**

Note 2 – Financial Assets and Liquidity Resources (cont.)

Financial assets at December 31, 2022	
Cash and cash equivalents	\$ 1,908,315
Accounts and contributions receivable	973,332
Total financial assets, at year-end	<u>2,881,647</u>
Less donor-imposed restrictions:	
Restricted by donor for purpose	<u>(1,678,195)</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 1,203,452</u>

In addition to financials assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Note 3 – Property and Equipment

As of December 31, 2022, property and equipment consist of the following:

	<u>CNT</u>	<u>ATC</u>	<u>Total</u>
Equipment	\$ 490,809	\$ 927,885	\$ 1,418,694
Furniture and fixtures	46,109	-	46,109
Software	1,790	-	1,790
	<u>538,708</u>	<u>927,885</u>	<u>1,466,593</u>
Less accumulated depreciation and amortization	<u>(513,977)</u>	<u>(927,885)</u>	<u>(1,441,862)</u>
Property and equipment, net	<u>\$ 24,731</u>	<u>\$ -</u>	<u>\$ 24,731</u>

Note 4 – Retirement Plan

The Organization has a 401(k) defined contribution plan for the benefit of its employees, allowing both employee and employer contributions. Contributions to the plan are made for all employees over twenty-one years of age, with at least one (1) year of service. Employer contributions are at the annual discretion of the Board of Directors. The Organization did not contribute to the 401(k) plan for the year ended December 31, 2022.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022**

Note 5 – Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2022 are available for the following projects:

Transportation	\$ 887,917
Water program	541,351
Sustainable communities	229,772
Urban analytics	19,155
Total	<u><u>\$ 1,678,195</u></u>

Note 6 – CNT Consulting, Inc.

CNT Consulting, Inc., was incorporated by CNT in 2004. CNT Consulting, Inc. has not initiated operations as of the date of this report.

Note 7 – Riverside Power and Thermal, LLC

CNT is the sole owner of Riverside Power and Thermal, LLC, an unfunded development vehicle for a prospective cogeneration project, in exchange for future payments contingent upon successful completion of the project. As of May 8, 2023, there were no investments made in the LLC by any of the partners, and the contingent payment is the only liability.

Note 8 – Lease Commitments and Rental Income

The Organization entered in a lease agreement for the rental of office space beginning December 1, 2017 and expiring August 31, 2023. The lease calls for monthly rent payments in the amount of \$11,920 plus annual escalations as defined in the lease agreement. The Organization received an abatement for the first four months of the lease. During 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (Topic 842)*.

Impact of adoption on the balance sheet:

Noncurrent Operating ROU asset	\$ 202,412
Assets	<u>202,412</u>
Current lease liability	(140,318)
Noncurrent lease liability	(91,819)
Accrued/deferred rent (ASC 840)	29,726
Liabilities	<u>(202,411)</u>
Cumulative effect	<u><u>\$ -</u></u>

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022**

Note 8 – Lease Commitments and Rental Income (cont.)

Components of lease cost:

Operating lease cost	\$ 122,969
Variable lease cost	25,823
Total lease cost	<u>\$ 148,792</u>

Impairment recognized	<u>\$ -</u>
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Lease cash flow information:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 142,541
	<u>\$ 155,205</u>

Summary of lease-related assets and liabilities:

Operating leases	
Operating lease right-of-use assets	\$ 202,412
Accumulated amortization	(120,747)
Net operating ROU assets	<u>\$ 81,665</u>
Current operating liabilities	\$ (91,820)
Noncurrent operating lease liabilities	-
Total operating lease liabilities	<u>\$ (91,820)</u>

Lease term and discount rate

Weighted-average remaining lease term (years)	
Operating leases	0.7
Weighted-average discount rate	
Operating leases	1.37%

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022**

Note 8 – Lease Commitments and Rental Income (cont.)

Maturity of lease liabilities

	<u>Operating Leases</u>
2023	<u>\$ 92,134</u>
Total future undiscounted lease payments	92,134
Less: interest	<u>(314)</u>
Present value of lease liabilities	<u><u>\$ 91,820</u></u>

The Organization also subleases a portion of their space to another Organization under an operating lease. The lease which commenced January 2020 and expires August 31, 2023 requires monthly payments of \$4,500 in year one. \$4,600 in year two and \$4,700 in year 3 which was amended to \$6,800 in April of 2022. Rental income for the year ended December 31, 2022 is \$75,300. Future minimum rental income consists of \$54,400 to be received in 2023.

SUPPLEMENTARY INFORMATION

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
As of December 31, 2022**

	<u>CNT</u>	<u>ATC</u>	<u>Elimination</u>	<u>Consolidated</u>
<u>Assets</u>				
Current Assets				
Cash and cash equivalents	\$ 1,905,485	\$ 2,830	\$ -	\$ 1,908,315
Receivables				
Contributions and grants	612,659	-	-	612,659
Services performed	333,291	-	-	333,291
Other	27,382	-	-	27,382
Due from related party, ATC	14,224	-	(14,224)	-
Prepaid expenses	102,830	2,888	-	105,718
Total current assets	<u>2,995,871</u>	<u>5,718</u>	<u>(14,224)</u>	<u>2,987,365</u>
Property and equipment, net	24,731	-	-	24,731
Right-of-use asset	81,665	-	-	81,665
Total Assets	<u>\$ 3,102,267</u>	<u>\$ 5,718</u>	<u>\$ (14,224)</u>	<u>\$ 3,093,761</u>
<u>Liabilities and Net Assets</u>				
Current Liabilities				
Accounts payable	\$ 32,889	\$ -	\$ -	\$ 32,889
Accrued payroll and related costs	67,478	-	-	67,478
Due to related party, CNT	-	14,224	(14,224)	-
Operating lease	91,820	-	-	91,820
Refundable advance	430,117	-	-	430,117
Total current liabilities	<u>622,304</u>	<u>14,224</u>	<u>(14,224)</u>	<u>622,304</u>
Net Assets				
Without donor restrictions	801,768	(8,506)	-	793,262
With donor restrictions	1,678,195	-	-	1,678,195
Total net assets	<u>2,479,963</u>	<u>(8,506)</u>	<u>-</u>	<u>2,471,457</u>
Total Liabilities and Net Assets	<u>\$ 3,102,267</u>	<u>\$ 5,718</u>	<u>\$ (14,224)</u>	<u>\$ 3,093,761</u>

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATING STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2022**

	CNT		ATC		Consolidated		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Eliminations</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Public Support and Revenue</u>							
Contributions	\$ 290,130	\$ 2,008,500	\$ -	\$ -	\$ 290,130	\$ 2,008,500	\$ 2,298,630
Government grants	314,056	-	-	-	314,056	-	314,056
Program income	637,812	-	-	-	637,812	-	637,812
Rental income	75,300	-	-	-	75,300	-	75,300
Interest and dividends	228	-	-	-	228	-	228
Donated services	38,269	-	-	-	38,269	-	38,269
Miscellaneous	4,282	-	-	-	4,282	-	4,282
Net assets released from restrictions satisfaction of program restrictions	1,919,458	(1,919,458)	-	-	1,919,458	(1,919,458)	-
Total Public Support and Revenue	3,279,535	89,042	-	-	3,279,535	89,042	3,368,577
<u>Expenses</u>							
Program Services							
Transportation and community development	955,558	-	-	-	955,558	-	955,558
Water	1,223,030	-	-	-	1,223,030	-	1,223,030
Sustainability Strategies and Urban Analytics	403,717	-	-	-	403,717	-	403,717
Total program services	2,582,305	-	-	-	2,582,305	-	2,582,305
Management and general	503,473	-	4,225	-	507,698	-	507,698
Fundraising	135,924	-	-	-	135,924	-	135,924
Total Expenses	3,221,702	-	4,225	-	3,225,927	-	3,225,927
Change in Net Assets	57,833	89,042	(4,225)	-	53,608	89,042	142,650
Net assets, beginning of year	743,935	1,589,153	(4,281)	-	739,654	1,589,153	2,328,807
Net assets, end of year	\$ 801,768	\$ 1,678,195	\$ (8,506)	\$ -	\$ 793,262	\$ 1,678,195	\$ 2,471,457

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES - BEFORE ELIMINATIONS
For the Year Ended December 31, 2022**

	Program Services				Supporting Services		
	Transportation and Community Development	Water	Sustainability Strategies and Urban Analytics	Total	Management and General	Fundraising	Total
Salaries	\$ 423,883	\$ 585,311	\$ 245,478	\$ 1,254,672	\$ 226,233	\$ 21,024	\$ 1,501,929
Payroll taxes and employee benefits	76,714	144,271	65,347	286,332	51,653	2,524	340,509
Professional and contractual fees	391,484	399,137	56,380	847,001	145,140	105,408	1,097,549
Workshops and meetings	3,323	14,092	-	17,415	4,213	83	21,711
Travel	2,921	4,392	-	7,313	1,736	37	9,086
Occupancy	7,354	9,973	4,165	21,492	3,987	344	25,823
Operating lease costs	35,034	47,591	19,774	102,399	18,889	1,681	122,969
Utilities	1,220	1,645	664	3,529	646	54	4,229
Telephone	2,121	2,900	1,212	6,233	1,173	110	7,516
Insurance	2,079	2,827	1,171	6,077	26,225	100	32,402
Equipment rental and maintenance	-	-	-	-	5,266	-	5,266
Supplies	10	688	246	944	4,773	431	6,148
Postage and printing	32	699	32	763	176	2,527	3,466
Advertising and promotion	3,937	262	-	4,199	3,393	-	7,592
Dues and subscriptions	3,215	5,950	8,091	17,256	11,298	899	29,453
Depreciation and amortization	2,048	2,791	1,157	5,996	1,098	104	7,198
Bank and merchant fees	-	-	-	-	196	-	196
Miscellaneous	183	501	-	684	948	598	2,230
Total Expenses	\$ 955,558	\$ 1,223,030	\$ 403,717	\$ 2,582,305	\$ 507,698	\$ 135,924	\$ 3,225,927

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATING STATEMENTS OF MANAGEMENT AND GENERAL EXPENSES -
BEFORE ELIMINATIONS
For the Year Ended December 31, 2022**

	Management and General		Total
	CNT	ATC	
Salaries	\$ 226,233	\$ -	\$ 226,233
Payroll taxes and employee benefits	51,653	-	51,653
Professional and contractual fees	144,725	415	145,140
Workshops and meetings	4,213	-	4,213
Travel	1,736	-	1,736
Occupancy	3,987	-	3,987
Operating lease costs	18,889	-	18,889
Utilities	646	-	646
Telephone	1,173	-	1,173
Insurance	22,611	3,614	26,225
Equipment rental and maintenance	5,266	-	5,266
Supplies	4,773	-	4,773
Postage and printing	176	-	176
Advertising and promotion	3,393	-	3,393
Dues and subscriptions	11,298	-	11,298
Depreciation and amortization	1,098	-	1,098
Bank and merchant fees	-	196	196
Bad debts expense	655	-	655
Miscellaneous	948	-	948
Total Expenses	\$ 503,473	\$ 4,225	\$ 507,698