

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

**Consolidated Financial Statements
and Supplementary Information
(Including Reports Required by
OMB's Uniform Guidance)**

For the Year Ended December 31, 2023

**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, 2023, 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, 2023 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 and *Government 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 and *Government 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2024 on our consideration of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's internal control over financial reporting with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the effectiveness of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 8, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Desmond & Ahern, Ltd

April 30, 2024
Chicago, IL

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023**

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

Organizations

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

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, 2023.

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023**

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 consolidated 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
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023**

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 three months or less to be cash equivalents. No cash was paid for taxes or interest for the year ended December 31, 2023.

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, 2023.

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
Website 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. Restrictions that have been met in the same period are reported as net assets without donor restriction.

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, 2023, 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, 2023**

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 2023 that remain unpaid were \$102,648 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 \$463,809 in cost-reimbursable grants that have not been recognized at December 31, 2023 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, 2023, the Organization received donated legal services meeting the above criteria valued at \$164,569.

Certain Vulnerabilities and Concentrations

During 2023, the Organization received approximately 54% of their revenue primarily from six entities. These six entities also make up 60% 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
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023**

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 April 30, 2024, 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 Standards

On January 1, 2023, the Organization adopted FASB Accounting Standards Update 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including accounts receivable. There was no material impact on the Organization’s results of operations or financial condition upon adoption of the new standard.

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, 2023, 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.

Financial assets at December 31, 2023	
Cash and cash equivalents	\$ 2,713,333
Accounts and contributions receivable	1,152,667
Total financial assets, at year-end	<u>3,866,000</u>
Less donor-imposed restrictions:	
Restricted by donor for purpose	<u>(2,248,716)</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 1,617,284</u>

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023**

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

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, 2023, property and equipment consist of the following:

	<u>CNT</u>	<u>ATC</u>	<u>Total</u>
Equipment	\$ 503,094	\$ 927,885	\$ 1,430,979
Furniture and fixtures	46,109	-	46,109
Software	1,790	-	1,790
	<u>550,993</u>	<u>927,885</u>	<u>1,478,878</u>
Less accumulated depreciation and amortization	<u>(525,626)</u>	<u>(927,885)</u>	<u>(1,453,511)</u>
Property and equipment, net	<u>\$ 25,367</u>	<u>\$ -</u>	<u>\$ 25,367</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, 2023.

Note 5 – Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2023 are available for the following projects:

Transportation	\$ 205,714
Water program	882,258
Sustainable communities and urban analytics	1,160,744
Time	<u>150,000</u>
Total	<u>\$ 2,398,716</u>

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023**

Note 6 – 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 April 30, 2024, there were no investments made in the LLC by any of the partners, and the contingent payment is the only liability.

Note 7 – Operating Lease Commitments

The Organization entered in a lease agreement for the rental of office space beginning December 1, 2017 and originally expiring August 31, 2023. In 2023, the lease was renewed, however, as of August 1, 2023, the Organization remeasured its operating right-of-use asset and lease liability at that time with an increase to both the asset and liability of \$343,046. The updated lease calls for monthly rent payments in the amount of \$9,933 plus annual escalations as defined in the lease agreement.

The Organization has made the election afforded in the guidance under ASC Topic 842 which allows the use of the risk-free discount rate for their lease, which is based on the borrowing rate for the United States Federal Government for a period comparable to the lease terms. At the remeasurement date, this rate was 4.51%.

Summary of lease-related assets and liabilities as of December 31, 2023:

Operating leases	
Operating lease right-of-use asset	\$ 545,458
Accumulated amortization	(246,472)
Net operating ROU asset	<u>\$ 298,986</u>
Current operating liabilities	\$ (109,616)
Noncurrent operating lease liabilities	(189,915)
Total operating lease liabilities	<u><u>\$ (299,531)</u></u>

Components of lease cost as of December 31, 2023:

Operating lease cost	\$ 119,027
Variable lease cost	8,608
Total lease cost	<u><u>\$ 127,635</u></u>

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023**

Note 7 – Lease Commitments and Rental Income (cont.)

Lease term and discount rate:

Weighted-average remaining lease term (years)	
Operating leases	2.6
Weighted-average discount rate	
Operating leases	4.51%

Maturity of operating lease liabilities are as follows:

2024	\$	120,441
2025		123,424
2026		73,010
Total future undiscounted lease payments		<u>316,875</u>
Less: interest		<u>(17,344)</u>
Present value of lease liabilities	\$	<u><u>299,531</u></u>

Note 8 – Rental Income

The Organization also subleases a portion of their space to another Organization under an operating lease. The lease which commenced January 2020 and originally expired August 31, 2023, was amended with the amendment of their current lease and now expires July 31, 2026 with the new start date as August 1, 2023. The amendment calls for lease payments of \$6,800 in year one and ending with payments of \$7,000 in year three. Rental income for the year ended December 31, 2023 is \$81,600. Future minimum rental income is to be received as follows:

2024	\$	82,100
2025		83,300
2026		49,000
		<u><u>214,400</u></u>

Note 9 – Employee Retention Credit

During the year ended December 31, 2023, the Organization recognized income relating to the Employee Retention Credit (ERC) of \$181,961 which is when it was confirmed and received. The ERC is a refundable tax credit provided by Coronavirus Aid, Relief, and Economic Security (CARES) Act or any applicable subsequent legislation, intended to encourage employers to retain employees during the COVID-19 pandemic.

SUPPLEMENTARY INFORMATION

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
As of December 31, 2023**

	<u>CNT</u>	<u>ATC</u>	<u>Elimination</u>	<u>Consolidated</u>
<u>Assets</u>				
Current Assets				
Cash and cash equivalents	\$ 2,709,580	\$ 3,753	\$ -	\$ 2,713,333
Receivables				
Contributions and grants	1,048,746	-	-	1,048,746
Services performed	102,648	-	-	102,648
Other	1,273	-	-	1,273
Due from related party, ATC	3,753	-	(3,753)	-
Prepaid expenses	45,474	-	-	45,474
Total current assets	<u>3,911,474</u>	<u>3,753</u>	<u>(3,753)</u>	<u>3,911,474</u>
Property and equipment, net	25,367	-	-	25,367
Operating lease right-of-use asset	298,986	-	-	298,986
Total Assets	<u>\$ 4,235,827</u>	<u>\$ 3,753</u>	<u>\$ (3,753)</u>	<u>\$ 4,235,827</u>
<u>Liabilities and Net Assets</u>				
Current Liabilities				
Accounts payable	\$ 125,141	\$ -	\$ -	\$ 125,141
Accrued payroll and related costs	78,584	-	-	78,584
Due to related party, CNT	-	3,753	(3,753)	-
Operating lease liability, current	109,616	-	-	109,616
Refundable advance	463,809	-	-	463,809
Total current liabilities	<u>777,150</u>	<u>3,753</u>	<u>(3,753)</u>	<u>777,150</u>
Operating lease liability, net of current portion	189,915	-	-	189,915
Total liabilities	<u>967,065</u>	<u>3,753</u>	<u>(3,753)</u>	<u>967,065</u>
Net Assets				
Without donor restrictions	869,046	-	-	869,046
With donor restrictions	2,399,716	-	-	2,399,716
Total net assets	<u>3,268,762</u>	<u>-</u>	<u>-</u>	<u>3,268,762</u>
Total Liabilities and Net Assets	<u>\$ 4,235,827</u>	<u>\$ 3,753</u>	<u>\$ (3,753)</u>	<u>\$ 4,235,827</u>

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023**

	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	\$ 281,998	\$ 3,076,000	\$ 18,302	\$ (17,807)	\$ 282,493	\$ 3,076,000	\$ 3,358,493
Government grants	1,474,896	-	-	-	1,474,896	-	1,474,896
Program income	304,435	-	-	-	304,435	-	304,435
Rental income	81,600	-	-	-	81,600	-	81,600
Interest and dividends	39	-	-	-	39	-	39
Donated services	164,569	-	-	-	164,569	-	164,569
Employee retention credit	181,961	-	-	-	181,961	-	181,961
Miscellaneous	6,255	-	29,243	-	35,498	-	35,498
Net assets released from restrictions satisfaction of program restrictions	2,354,479	(2,354,479)	-	-	2,354,479	(2,354,479)	-
Total Public Support and Revenue	4,850,232	721,521	47,545	(17,807)	4,879,970	721,521	5,601,491
<u>Expenses</u>							
Program Services							
Transportation and community development	1,241,154	-	-	-	1,241,154	-	1,241,154
Water	1,703,738	-	-	-	1,703,738	-	1,703,738
Sustainability strategies and urban analytics	701,687	-	-	-	701,687	-	701,687
Total program services	3,646,579	-	-	-	3,646,579	-	3,646,579
Management and general	1,036,446	-	39,039	(17,807)	1,057,678	-	1,057,678
Fundraising	99,929	-	-	-	99,929	-	99,929
Total Expenses	4,782,954	-	39,039	(17,807)	4,804,186	-	4,804,186
Change in Net Assets	67,278	721,521	8,506	-	75,784	721,521	797,305
Net assets, beginning of year	801,768	1,678,195	(8,506)	-	793,262	1,678,195	2,471,457
Net assets, end of year	\$ 869,046	\$ 2,399,716	\$ -	\$ -	\$ 869,046	\$ 2,399,716	\$ 3,268,762

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - AFTER ELIMINATIONS
For the Year Ended December 31, 2023**

	Program Services				Supporting Services		
	Transportation and Community Development	Water	Sustainability Strategies and Urban Analytics	Total	Management and General	Fundraising	Total
Salaries and wages	\$ 424,904	\$ 588,551	\$ 384,067	\$ 1,397,522	\$ 306,403	\$ 8,542	\$ 1,712,467
Payroll taxes and employee benefits	87,372	140,186	94,197	321,755	88,129	1,078	410,962
Professional and contractual fees	677,635	864,529	169,281	1,711,445	517,394	86,421	2,315,260
Workshops and meetings	794	5,422	1,659	7,875	26,498	272	34,645
Travel	2,121	7,312	6,160	15,593	819	-	16,412
Occupancy	2,236	3,149	2,164	7,549	1,543	55	9,147
Operating lease costs	31,030	44,454	29,528	105,012	21,911	633	127,556
Utilities	796	1,141	750	2,687	551	17	3,255
Telephone	1,700	2,566	1,677	5,943	1,149	37	7,129
Insurance	1,803	2,516	1,650	5,969	32,768	38	38,775
Equipment rental and maintenance	-	-	-	-	4,728	-	4,728
Supplies	1,603	30,783	1,037	33,423	12,389	1,897	47,709
Postage and printing	53	601	596	1,250	922	-	2,172
Advertising and promotion	-	208	55	263	1,273	-	1,536
Dues and subscriptions	6,308	8,524	6,354	21,186	11,121	72	32,379
Depreciation and amortization	2,793	3,792	2,512	9,097	2,497	54	11,648
Bank and merchant fees	-	-	-	-	121	-	121
Bad debt expense	-	-	-	-	15,307	-	15,307
Miscellaneous	6	4	-	10	12,155	813	12,978
Total Expenses	\$ 1,241,154	\$ 1,703,738	\$ 701,687	\$ 3,646,579	\$ 1,057,678	\$ 99,929	\$ 4,804,186

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
CONSOLIDATING STATEMENT OF MANAGEMENT AND GENERAL EXPENSES -
BEFORE ELIMINATIONS
For the Year Ended December 31, 2023**

	Management and General			Total
	CNT	ATC	Elimination	
Salaries	\$ 306,403	\$ -	\$ -	\$ 306,403
Payroll taxes and employee benefits	88,129	-	-	88,129
Professional and contractual fees	486,057	31,337	-	517,394
Workshops and meetings	26,498	-	-	26,498
Travel	819	-	-	819
Occupancy	1,543	-	-	1,543
Operating lease costs	21,911	-	-	21,911
Utilities	551	-	-	551
Telephone	1,149	-	-	1,149
Insurance	25,205	7,563	-	32,768
Equipment rental and maintenance	4,728	-	-	4,728
Supplies	12,389	-	-	12,389
Postage and printing	922	-	-	922
Advertising and promotion	1,273	-	-	1,273
Dues and subscriptions	11,103	18	-	11,121
Depreciation and amortization	2,497	-	-	2,497
Bank and merchant fees	-	121	-	121
Bad debts expense	33,114	-	(17,807)	15,307
Miscellaneous	12,155	-	-	12,155
Total Expenses	\$ 1,036,446	\$ 39,039	\$ (17,807)	\$ 1,057,678

**REPORTS REQUIRED BY
OMB'S UNIFORM GUIDANCE**

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Contract Number	Pass-through to Subrecipients	Disbursements or Expenditures
U.S. Department of Interior				
Passed through National Fish and Wildlife Foundation				
Great Lakes Restoration	15.662	0501.19.065892	\$ -	\$ 40,166
Total U.S. Department of Interior			<u>-</u>	<u>40,166</u>
U.S. Department of Transportation				
Passed through National Academy of Sciences				
Highway Research and Development Program	20.200	HR 08-161	-	19,226
Passed through University of Illinois				
Highway Planning and Construction	20.205	HR 08-161	-	75,703
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	IL-2022-038-00	-	12,685
Passed through University of Minnesota				
Public Transportation Innovation	20.530	P010431502	-	20,607
Total U.S. Department of Transportation			<u>-</u>	<u>128,221</u>
U.S. Department of Treasury				
Passed through Cook County				
Coronavirus Reilef Fund	21.019	NT012	- (1)	787,812
Passed through City of Evanston				
Coronavirus State and Local Fiscal Recovery Funds	21.027	ERHND5HHDM8	-	67,398
Passed through City of Chicago				
Coronavirus State and Local Fiscal Recovery Funds	21.027	215783	-	185,494
Total Coronavirus State and Local Fiscal Recovery Funds			<u>-</u>	<u>252,892</u>
Total U.S. Department of Treasury			<u>-</u>	<u>1,040,704</u>
U.S. Environmental Protection Agency				
Passed through Delta Institute				
Environmental Finance Center Grants	66.203	EPA-I-OW-OWM-22-01	-	60,324
Passed through BIG, NFP				
Surveys, Studies, Investigations, Training and Special Purpose Activities relating to Environmental Justice	66.309	00E3451	-	2,715
Total U.S. Environmental Protection Agency			<u>-</u>	<u>63,039</u>
U.S. Department of Energy				
Passed through American Lung Association				
Conservation Research and Development	81.086	DE-EE0010614	-	3,501
Total U.S. Department of Energy			<u>-</u>	<u>3,501</u>
National Science Foundation				
Passed through Northwestern University				
Engineering	47.041	60053758	-	108,538
Total National Science Foundation			<u>-</u>	<u>108,538</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 1,384,169</u>

(1) Major Programs

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023**

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the Federal grant activity of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland (the “Organization”), under programs of the federal government for the year December 31, 2023. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because this schedule presents only a selected portion of the operations of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland it is not intended to and does not present the financial position, changes in net assets or cash flows of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *2 CFR Part 230 – Cost Principles for Non-Profit Organizations (OMB Circular A-122)*, wherein certain types or expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Organization has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 – Sub-Recipients

Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland did not provide any federal awards to sub-recipients during the year ended December 31, 2023.

Note 4 – Small Business Administration

Amount of non – cash assistance	None
Amount of insurance	None
Amount of loans	None
Amount of loan guarantees	None



Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

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

We have audited in accordance with auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland (the Organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related consolidated notes to the financial statements, and have issued our report thereon dated April 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Desmond & Ahern, Ltd

April 30, 2024
Chicago, IL



Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**Independent Auditor's Report on Compliance for
Each Major Federal Program and Report on Internal
Control over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's major federal programs for the year ended December 31, 2023. Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's federal programs.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Center for Neighborhood Technology and Alternative Transportation Services for Chicagoland's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Desmond & Ahern, Ltd

April 30, 2024
Chicago, IL

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X no
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be weakness(es)? _____ yes X no

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance under 2 CFR section 200.516 (a)? _____ yes X no

Certification of Major Programs

<u>CFDA Number (s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Funds

Dollar threshold used to distinguish between type A and type B Programs: \$750,000

Auditee qualified as low-risk auditee? _____ yes X no

**CENTER FOR NEIGHBORHOOD TECHNOLOGY AND
AND ALTERNATIVE TRANSPORTATION SERVICES FOR CHICAGOLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023**

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Federal Award Findings and Questioned Costs – Prior Year

None