



WASHINGTON, D.C.

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016



## Independent Auditors' Report

Board of Directors  
League of American Wheelmen, Inc.  
Washington, D.C.

### Report on the Financial Statements

We have audited the accompanying financial statements of League of American Wheelmen, Inc., which comprise the statement of financial position as of December 31, 2016 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Report on the Financial Statements (Continued)

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of League of American Wheelmen, Inc., as of December 31, 2016, 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.

### Report on Summarized Comparative Information

We have previously audited The League of American Wheelmen, Inc.'s 2015 consolidated financial statements and we expressed unmodified audit opinion on those audited financial statements in our report dated November 10, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Correction of Error

As described in Note 11 to the financial statements, the unrestricted net assets were reduced by material amounts as of December 31, 2015. Our opinion is not modified with respect to that matter.

### Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules of financial position and activities and consolidated schedule of functional expenses on pages 15 – 17 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



Bethesda, Maryland  
June XX, 2017

Certified Public Accountants

League of American Wheelman, Inc.

Consolidated Statement of Financial Position  
 For the Year Ended December 31, 2016  
 (With Comparative Totals As Of December 31, 2015)

|   | <u>2016</u>       | <u>2015</u>       |
|---|-------------------|-------------------|
| <b>Assets</b>                                 |                   |                   |
| <b>Current Assets</b>                         |                   |                   |
| Cash and Cash Equivalents                     | \$ 53,471         | \$ 102,487        |
| Accounts Receivable                           | 46,360            | 211,658           |
| Investments                                   | 426,010           | 400,394           |
| Prepaid Expenses                              | <u>15,393</u>     | <u>15,634</u>     |
| Total Current Assets                          | 541,234           | 730,173           |
| Property and Equipment - Net                  | <u>2,639</u>      | <u>27,243</u>     |
| Deposits                                      | <u>32,061</u>     | <u>32,061</u>     |
| Total Assets                                  | <u>\$ 575,934</u> | <u>\$ 789,477</u> |
| <b>Liabilities and Net Assets</b>             |                   |                   |
| <b>Current Liabilities</b>                    |                   |                   |
| Accounts Payable and Accrued Expenses         | \$ 91,749         | \$ 103,271        |
| Line of Credit                                | 153,627           | 175,000           |
| Deferred Revenue                              | 51,848            | 46,120            |
| Capital Lease Obligation                      | <u>267</u>        | <u>3,223</u>      |
| Total Current Liabilities - Total Liabilities | <u>297,491</u>    | <u>327,614</u>    |
| <b>Net Assets</b>                             |                   |                   |
| Unrestricted - Adjusted                       | 204,043           | 353,914           |
| Temporarily Restricted                        | <u>74,400</u>     | <u>107,949</u>    |
| Total Net Assets                              | <u>278,443</u>    | <u>461,863</u>    |
| Total Liabilities and Net Assets              | <u>\$ 575,934</u> | <u>\$ 789,477</u> |

See accompanying Notes to Financial Statements.

League of American Wheelman, Inc.

Consolidated Statement of Activities  
For the Year Ended December 31, 2016  
(With Comparative Totals For the Year Ended December 31, 2015)

|   | Unrestricted      | Temporarily<br>Restricted | 2016<br>Total     | 2015              |
|---|-------------------|---------------------------|-------------------|-------------------|
| <b>Revenues and Support</b>                             |                   |                           |                   |                   |
| Grants and Contributions                                | \$ 158,644        | \$ 74,400                 | \$ 233,044        | \$ 1,165,801      |
| Membership Dues   | 535,939           | -                         | 535,939           | 600,653           |
| Programs and Rallies                                    | 892,845           | -                         | 892,845           | 529,283           |
| Publications  | 141,759           | -                         | 141,759           | 750               |
| Investment Income (Loss)                                | 24,850            | -                         | 24,850            | 2,314             |
| Other   | 23,524            | -                         | 23,524            | -                 |
| Net Assets Released<br>from Restrictions                | 107,949           | (107,949)                 | -                 | -                 |
| <b>Total Revenues</b>                                   | <u>1,885,510</u>  | <u>(33,549)</u>           | <u>1,851,961</u>  | <u>2,298,801</u>  |
| <b>Expenses</b>   |                   |                           |                   |                   |
| Program Services  |                   |                           |                   |                   |
| Advocacy  | \$ 1,183,841      | \$ -                      | \$ 1,183,841      | \$ 1,445,500      |
| Education   | 160,089           | -                         | 160,089           | 267,244           |
| Membership Services                                     | 254,768           | -                         | 254,768           | 247,100           |
| Promotion   | 161,448           | -                         | 161,448           | 207,885           |
| <b>Total Program Service<br/>Expense</b>                | <u>1,760,146</u>  | <u>-</u>                  | <u>1,760,146</u>  | <u>2,167,729</u>  |
| <b>Supporting Services</b>                              |                   |                           |                   |                   |
| General and Administration                              | 154,602           | -                         | 154,602           | 50,383            |
| Fundraising   | 120,633           | -                         | 120,633           | 73,008            |
| <b>Total Supporting<br/>Service Expense</b>             | <u>275,235</u>    | <u>-</u>                  | <u>275,235</u>    | <u>123,391</u>    |
| <b>Total Expenses</b>                                   | <u>2,035,381</u>  | <u>-</u>                  | <u>2,035,381</u>  | <u>2,291,120</u>  |
| <b>Change in Net Assets</b>                             | <u>(149,871)</u>  | <u>(33,549)</u>           | <u>(183,420)</u>  | <u>7,681</u>      |
| Net Assets, Beginning of Year<br>(As Originally Stated) | 418,914           | 107,949                   | 526,863           | 519,182           |
| Prior Period Adjustment                                 | (65,000)          | -                         | (65,000)          | -                 |
| Net Assets, Beginning of Year<br>(As Adjusted)          | 353,914           | 107,949                   | 461,863           | 519,182           |
| <b>Net Assets, End of Year</b>                          | <u>\$ 204,043</u> | <u>\$ 74,400</u>          | <u>\$ 278,443</u> | <u>\$ 526,863</u> |

See accompanying Notes to Financial Statements.

League of American Wheelman, Inc.

Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2016  
(With Comparative Totals For the Year Ended December 31, 2015)

|  | <u>2016</u>      | <u>2015</u>       |
|--|------------------|-------------------|
| <b>Cash Flows from Operating Activities</b>  |                  |                   |
| Increase (Decrease) in Net Assets  | \$ (183,420)     | \$ 7,681          |
| Adjustments to Reconcile Increase (Decrease) in Net Assets<br>to Net Cash Provided by (Used in) Operating Activities |                  |                   |
| (Gains) Losses on Investments  | (15,620)         | 11,837            |
| Loss of Disposal of Property and Equipment   | 1,161            | -                 |
| Depreciation   | 23,443           | 29,283            |
| <u>(Increase) Decrease in Assets</u>   |                  |                   |
| Accounts Receivable  | 165,298          | 17,000            |
| Prepaid Expenses   | 241              | (179)             |
| <u>Increase (Decrease) in Liabilities</u>  |                  |                   |
| Accounts Payable and Accrued Expenses  | (11,522)         | (237,386)         |
| Deferred Revenue   | 5,728            | 3,722             |
|  | <u>(14,691)</u>  | <u>(168,042)</u>  |
| Net Cash Provided by (Used in) Operating Activities  |                  |                   |
| <b>Cash Flows from Investing Activities</b>  |                  |                   |
| Purchases of Investments   | (64,058)         | (28,188)          |
| Proceeds from Sale of Investments  | 54,062           | 210,000           |
| Purchases of Property and Equipment  | -                | (2,744)           |
|  | <u>(9,996)</u>   | <u>179,068</u>    |
| Net Cash Provided by (Used in) Investing Activities  |                  |                   |
| <b>Cash Flows from Financing Activities</b>  |                  |                   |
| Principal Payments on Line of Credit   | (21,373)         | (2,239)           |
| Principal Payments on Capital Lease  | (2,956)          | (2,835)           |
|  | <u>(24,329)</u>  | <u>(5,074)</u>    |
| Net Cash Provided by (Used in) Financing Activities  |                  |                   |
| Increase (Decrease) in Cash and Cash Equivalents   | (49,016)         | 5,952             |
| Cash and Cash Equivalents, Beginning of Year   | <u>102,487</u>   | <u>96,535</u>     |
| <b>Cash and Cash Equivalents, End of Year</b>  | <u>\$ 53,471</u> | <u>\$ 102,487</u> |

See accompanying Notes to Financial Statements.

# League of American Wheelman, Inc.

## Notes to Financial Statements December 31, 2016

### 1. ORGANIZATION

The League of American Wheelmen, Inc., doing business as the League of American Bicyclists ("LAB") is a not-for-profit organization incorporated in the state of Illinois and is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code, but is subject to unrelated business income tax. The organization is a publicly supported organization under Section 509(a)(1) of the Internal Revenue Code and Subsection 170(b)(A)(vi). LAB is organized to: promote and protect the rights of bicyclists, advocate for the interests of bicyclists, support bicycling skills education, and promote bicycling for fun, fitness and transportation. LAB's activities are funded primarily through membership dues and contributions.

The League of American Wheelmen, Inc. Life Member and Memorial Funds Trust (the Trust) was created on April 5, 1978, to provide income for use in the furtherance of the purposes and objectives of the League. LAB funds the Trust for every life membership contribution it receives.

The Trust terminates upon the dissolution of LAB without the transfer of assets of LAB to a successor bicycling organization, or upon the determination of the Board of Directors of the League. Upon termination of the Trust, the Trustees will distribute to each living Life Member as of December 31, 1987, unless such Life Member waived his/her rights in writing, the lifetime membership dues contributed by that member. Any remaining balance of trust assets will be distributed to a bicyclist, charitable, scientific, or educational organization selected by the Trustees.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America for not-for-profit organizations.

#### **Basis of Presentation**

The financial statement presentation follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### **Principles of Consolidation**

The consolidated financial statements include the account balances and transactions of LAB and the Trust (collectively referred to as the League). LAB and the Trust have been consolidated due to the presence of common control and economic interest, as required under accounting principles generally accepted in the United States of America. All significant inter-company balances and transactions have been eliminated in consolidation.

League of American Wheelman, Inc.

Notes to Financial Statements  
December 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Use of Estimates**

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

**Cash Equivalents**

The organization considers cash and cash equivalents to include all monies in banks and highly liquid investments.

**Accounts Receivable**

Accounts receivable are reported at their outstanding balances. Accounts receivable are considered past due based on management's determination. Accounts receivable are charged off based on management's case-by-case determination that they are uncollectible.

**Investments**

Investments are carried in the aggregate at fair value. All unrealized and realized gains and losses, interest, and dividends, including amounts earned on permanently restricted net assets, are recorded as unrestricted or temporarily restricted revenues.

The organization reports under ASC 320 Investments - Debt & Equity Securities. Under ASC 320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Property and Equipment**

Property and equipment are capitalized at cost if unit costs exceed \$1,000. Otherwise the items are expensed when paid, including repairs and maintenance. Depreciation is computed on the straight-line method over the estimated useful lives ranging from three to seven years.

Intangible assets consist of costs related to the design and development of the organizations website, net of accumulated amortization. Amortization is being computed over an estimated useful life of three years. Costs associated with maintaining the website will be expensed as incurred.



League of American Wheelman, Inc.

Notes to Financial Statements  
December 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue Recognition**

Grants and contributions are recognized when an unconditional grant or contribution has been awarded, or when the organization has satisfied the requirement of the condition. Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence of any donor restrictions.

Unrestricted grants & contributions are recognized in the unrestricted fund when awarded. Grants and contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets. When the provisions of the restriction have been met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The organization had no permanently restricted grants.

Memberships are effectively contributions, and there is no liability for future services associated with received membership dues, thus all dues are recognized as revenue as received.

**In-Kind Contributions**

In-kind contributions are reported as unrestricted support unless explicit donor stipulations specify how donated assets or services must be used. In-kind contributions are recorded at fair value when received.

**Functional Expense Allocation**

The organization accounts for its expenses on a functional basis. Functional expenses include certain allocated overhead costs such as rent, telephone, and insurance.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for at December 31, 2016.

The Organization's policy would be to recognize interest and penalties, if any, on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. No interest and penalties were assessed or recorded during 2016.

League of American Wheelman, Inc.

Notes to Financial Statements  
December 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Income Taxes (Continued)**

Generally, the Organization is no longer subject to U.S. federal or state examinations for returns filed before 2012.

**Subsequent Events**

The Organization has evaluated subsequent events through June XX, 2017, the date on which the financial statements were available to be issued.

3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in banks insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2016, the Organization's balances did not exceed the FDIC insured.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2016, are as follows:

|                             | Fair Value        | Level 1<br>Inputs |
|-----------------------------|-------------------|-------------------|
| Money Market                | \$ 1,278          | \$ 1,278          |
| Mutual Funds - Equity       | 254,754           | 254,754           |
| Mutual Funds - Fixed Income | 169,978           | 169,978           |
|                             | <u>\$ 426,010</u> | <u>\$ 426,010</u> |

Financial assets measured using Level 1 inputs are based on unadjusted quoted market prices in active markets for identical assets. Financial assets measured using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive assets. Financial assets valued using Level 3 inputs are valued using unobservable inputs to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs are developed based on the best information available in the circumstances, which might include the Organization's own data and assumptions.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to methodologies used at December 31, 2016.

Mutual Funds: Valued using quoted market prices which are available on the active market.

Certificates of Deposit: The asset has a specified term that is observable for substantially the full term of the asset.

Common Stocks, Corporate Bonds and U.S. Bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

**League of American Wheelman, Inc.**

**Notes to Financial Statements  
December 31, 2016**

**4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

These valuation methodologies may produce a fair value measurement that is not indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The components of total investment return for 2016 are reflected below:

|                        |           |
|------------------------|-----------|
| Interest and Dividends | \$ 9,230  |
| Net Gains (Losses)     | 15,620    |
| Investment Income      | \$ 24,850 |

**5. ACCOUNTS RECEIVABLE**

The receivables balance at December 31, 2015 is comprised of the following:

|                     |           |
|---------------------|-----------|
| Other               | \$ 38,860 |
| Grants              | 7,500     |
| Accounts Receivable | \$ 46,360 |

**6. PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2016 consisted of the following:

|                                |            |
|--------------------------------|------------|
| Furniture and Office Equipment | \$ 211,181 |
| Website                        | 29,147     |
|                                | 240,328    |
| Less Accumulated Depreciation  | (237,689)  |
| Property and Equipment - Net   | \$ 2,639   |

**7. RESTRICTED NET ASSETS**

Temporarily Restricted

Temporarily restricted net assets activity for the year ended December 31, 2016 was as follows:

|                          | Beginning of<br>Year | Contributions | Released     | End of Year |
|--------------------------|----------------------|---------------|--------------|-------------|
| Bicycle Friendly America | \$ 107,949           | \$ -          | \$ (107,949) | \$ -        |
| Institute Retreat        | -                    | 74,400        | -            | 74,400      |
|                          | \$ 107,949           | \$ 74,400     | \$ (107,949) | \$ 74,400   |

**8. LINE OF CREDIT**

LAB has a \$200,000 line of credit at PNC Bank with a variable interest rate. At December 31, 2016, the balance on the line of credit was \$153,627. The variable interest rate on the line of credit is 3.250%.

League of American Wheelman, Inc.

Notes to Financial Statements  
December 31, 2016

**9. LEASE OBLIGATIONS**

During 2016, LAB amended its lease for office space at 1612 K Street, NW Suite 1102, Washington, DC to extend the term thru October 2018. Initial monthly payments of \$6,322 are set to increase annually.

Future minimum payments are as follows for the years ending December 31:

|      |    |                |
|------|----|----------------|
| 2017 | \$ | 76,244         |
| 2018 |    | 65,120         |
|      | \$ | <u>141,364</u> |

Rent expense for the year ended December 31, 2016 was \$127,251.

Effective February 2010, LAB leased a copier under a capital lease through January 2015. This lease was extended for an additional year and is now a month-to-month lease. The copier is included in fixed assets in the consolidated statement of financial position at a cost of \$13,702, which is being amortized over five years. The copier was fully depreciated as of December 31, 2015.

LAB leases a postage meter rental under a 57 month, non-cancelable lease effective August 2012. Quarterly payments are \$825.

**10. RETIREMENT PLAN**

Effective January 1, 2002 LAB established a 403(b) retirement plan. All employees are eligible to enroll and can begin contributing at any time immediately following his or her commencement of employment. Participating employees may change their contribution amount once annually. Employees may cancel their participation in the Plan at any time during the year. Contributions are made to the Plan on behalf of participants after the completion of one year of employment and equal 25% of the employee's contribution up to 10% of the employee's salary. Employer contributions to the plan were \$10,653 for the year ended December 31, 2016.

**11. PRIOR PERIOD ADJUSTMENT**

During 2016, LAB determined sponsorship revenue recorded during 2015 should have been reported as revenue in 2016. Accordingly, LAB restated its beginning unrestricted net assets for the year ended December 31, 2016 to reduce unrestricted net assets by \$65,000 and accounts receivable by \$55,000 and increasing deferred revenue by \$10,000. The effect on the 2015 change in net assets is a reduction in the amount of \$65,000.

## Supplemental Information

League of American Wheelman, Inc.  
Consolidating Schedule of Financial Position  
December 31, 2016

|   | <u>LAB</u>        | <u>Trust</u>      | <u>Eliminations</u> | <u>Total</u>      |
|---|-------------------|-------------------|---------------------|-------------------|
| <b>Assets</b>                                 |                   |                   |                     |                   |
| <b>Current Assets</b>                         |                   |                   |                     |                   |
| Cash and Cash Equivalents                     | \$ 53,471         | \$ -              | \$ -                | \$ 53,471         |
| Receivables                                   | 46,360            | 156,612           | (156,612)           | 46,360            |
| Investments                                   | 917               | 425,093           | -                   | 426,010           |
| Prepaid Expenses                              | 15,393            | -                 | -                   | 15,393            |
| Total Current Assets                          | 116,141           | 581,705           | (156,612)           | 541,234           |
| <b>Property and Equipment - Net</b>           | <u>2,639</u>      | <u>-</u>          | <u>-</u>            | <u>2,639</u>      |
| <b>Deposits</b>                               | <u>32,061</u>     | <u>-</u>          | <u>-</u>            | <u>32,061</u>     |
| <b>Total Assets</b>                           | <u>\$ 150,841</u> | <u>\$ 581,705</u> | <u>\$ (156,612)</u> | <u>\$ 575,934</u> |
| <b>Liabilities and Net Assets</b>             |                   |                   |                     |                   |
| <b>Current Liabilities</b>                    |                   |                   |                     |                   |
| Accounts Payable and Accrued Expenses         | \$ 118,359        | \$ -              | \$ (26,610)         | \$ 91,749         |
| Line of Credit                                | 153,627           | -                 | -                   | 153,627           |
| Deferred Revenue                              | 181,850           | -                 | (130,002)           | 51,848            |
| Capital Lease Obligation                      | 267               | -                 | -                   | 267               |
| Total Current Liabilities - Total Liabilities | <u>454,103</u>    | <u>-</u>          | <u>(156,612)</u>    | <u>297,491</u>    |
| <b>Net Assets (Deficit)</b>                   |                   |                   |                     |                   |
| Unrestricted (Deficit) - Adjusted             | (377,662)         | 581,705           | -                   | 204,043           |
| Temporarily Restricted                        | 74,400            | -                 | -                   | 74,400            |
| Total Net Assets                              | <u>(303,262)</u>  | <u>581,705</u>    | <u>-</u>            | <u>278,443</u>    |
| <b>Total Liabilities and Net Assets</b>       | <u>\$ 150,841</u> | <u>\$ 581,705</u> | <u>\$ (156,612)</u> | <u>\$ 575,934</u> |

League of American Wheelman, Inc.

Consolidating Schedule of Activities  
For the Year Ended December 31, 2016

|   | LAB                 |                        |                     | Trust             | Eliminations    | Total             |
|---|---------------------|------------------------|---------------------|-------------------|-----------------|-------------------|
|   | Unrestricted        | Temporarily Restricted | Total               |                   |                 |                   |
| <b>Revenues and Support</b>                             |                     |                        |                     |                   |                 |                   |
| Grants and Contributions                                | \$ 198,644          | \$ 74,400              | \$ 273,044          | \$ -              | \$ (40,000)     | \$ 233,044        |
| Membership Dues   | 516,620             | -                      | 516,620             | 19,319            | -               | 535,939           |
| Programs and Rallies                                    | 892,845             | -                      | 892,845             | -                 | -               | 892,845           |
| Publications  | 141,759             | -                      | 141,759             | -                 | -               | 141,759           |
| Investment Income (Loss)                                | 152                 | -                      | 152                 | 24,698            | -               | 24,850            |
| Other   | 23,524              | -                      | 23,524              | -                 | -               | 23,524            |
| Net Assets Released<br>from Restrictions                | 107,949             | (107,949)              | -                   | -                 | -               | -                 |
| <b>Total Revenues</b>                                   | <b>1,881,493</b>    | <b>(33,549)</b>        | <b>1,847,944</b>    | <b>44,017</b>     | <b>(40,000)</b> | <b>1,851,961</b>  |
| <b>Expenses</b>   |                     |                        |                     |                   |                 |                   |
| Program Services  |                     |                        |                     |                   |                 |                   |
| Advocacy  | \$ 1,183,841        | \$ -                   | \$ 1,183,841        | \$ -              | \$ -            | \$ 1,183,841      |
| Education   | 160,089             | -                      | 160,089             | -                 | -               | 160,089           |
| Membership Services                                     | 254,768             | -                      | 254,768             | -                 | -               | 254,768           |
| Promotion   | 161,448             | -                      | 161,448             | 40,000            | (40,000)        | 161,448           |
| General and Administration                              | 154,602             | -                      | 154,602             | -                 | -               | 154,602           |
| Fundraising   | 120,633             | -                      | 120,633             | -                 | -               | 120,633           |
| <b>Total Expenses</b>                                   | <b>2,035,381</b>    | <b>-</b>               | <b>2,035,381</b>    | <b>40,000</b>     | <b>(40,000)</b> | <b>2,035,381</b>  |
| <b>Change in Net Assets</b>                             | <b>(153,888)</b>    | <b>(33,549)</b>        | <b>(187,437)</b>    | <b>4,017</b>      | <b>-</b>        | <b>(183,420)</b>  |
| Net Assets, Beginning of Year (As<br>Originally Stated) | (158,774)           | 107,949                | (50,825)            | 577,688           | -               | 526,863           |
| Prior Period Adjustment                                 | (65,000)            | -                      | (65,000)            | -                 | -               | (65,000)          |
| Net Assets, Beginning of Year (As<br>Restated)          | (223,774)           | 107,949                | (115,825)           | 577,688           | -               | 461,863           |
| <b>Net Assets, End of Year</b>                          | <b>\$ (377,662)</b> | <b>\$ 74,400</b>       | <b>\$ (303,262)</b> | <b>\$ 581,705</b> | <b>\$ -</b>     | <b>\$ 278,443</b> |

League of American Wheelman, Inc.

Consolidated Schedule of Functional Expenses  
For the Year Ended December 31, 2016  
(With Comparative Totals For The Year Ended December 31, 2015)

|                                     | Advocacy           | Education         | Membership<br>Services | Promotion         | General and<br>Administrative | Fundraising       | 2016 Total         | 2015                |
|-------------------------------------|--------------------|-------------------|------------------------|-------------------|-------------------------------|-------------------|--------------------|---------------------|
| Personnel                           | \$ 485,688         | \$ -              | \$ 35,394              | \$ 20,414         | \$ 270,372                    | \$ 44,045         | \$ 855,913         | \$ 1,161,106        |
| Professional Services               | 41,934             | 48,468            | 74,106                 | 62,002            | 110,384                       | -                 | 336,894            | 266,309             |
| Facility and Catering Fees          | 180,269            | 4,499             | -                      | -                 | 1,340                         | -                 | 186,108            | 248,811             |
| Office Expense                      | 49,708             | 68,629            | 64,357                 | 35,271            | 20,670                        | 41,490            | 280,125            | 273,409             |
| Travel                              | 32,893             | 32,623            | 5,925                  | 7,632             | 39,094                        | 8,313             | 126,480            | 119,661             |
| Occupancy                           | -                  | -                 | 250                    | 200               | 126,756                       | 45                | 127,251            | 115,303             |
| Insurance                           | -                  | -                 | -                      | -                 | 12,434                        | -                 | 12,434             | 12,311              |
| Website / Database Expenses         | 3,865              | 777               | 21,243                 | 12,535            | 101                           | 590               | 39,111             | 13,209              |
| Grant Disbursements                 | -                  | -                 | -                      | -                 | -                             | -                 | -                  | 1,000               |
| Interest                            | -                  | -                 | -                      | -                 | 1,913                         | -                 | 1,913              | 18,188              |
| Bank and Credit Card Fees           | 1,497              | -                 | -                      | -                 | 35,308                        | -                 | 36,805             | 33,733              |
| Depreciation and Amortization       | -                  | -                 | -                      | -                 | 23,443                        | -                 | 23,443             | 29,283              |
| Other                               | 411                | -                 | -                      | 172               | 8,321                         | -                 | 8,904              | (1,203)             |
| Expenses Before Indirect Allocation | 796,265            | 154,996           | 201,275                | 138,226           | 650,136                       | 94,483            | 2,035,381          | 2,291,120           |
| Indirect Cost Allocation            | 387,576            | 5,093             | 53,493                 | 23,222            | (495,534)                     | 26,150            | -                  | -                   |
| <b>Total</b>                        | <b>\$1,183,841</b> | <b>\$ 160,089</b> | <b>\$ 254,768</b>      | <b>\$ 161,448</b> | <b>\$ 154,602</b>             | <b>\$ 120,633</b> | <b>\$2,035,381</b> | <b>\$ 2,291,120</b> |