



**WASHINGTON, D.C.**

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**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**



## **Independent Auditor's Report**

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

### **Opinion**

We have audited the accompanying consolidated financial statements of League of American Wheelmen, Inc. (the League), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the League 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 audit opinion.

### **Responsibilities of Management for the Consolidated Financial Statements**

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the League'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the League's ability to continue as a going concern for a reasonable period of time.

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

### **Report on Summarized Comparative Information**

We have previously audited The League of American Wheelmen, Inc.'s 2021 consolidated financial statements and we expressed unmodified audit opinion on those audited financial statements in our report dated November 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Board of Directors  
League of American Wheelmen, Inc.**

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities on pages 17 - 18 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Mullins PC*

Bethesda, Maryland  
December 8, 2023

Certified Public Accountants

**League of American Wheelmen, Inc.**  
**Consolidated Statement of Financial Position**  
**December 31, 2022**  
**With Comparative Totals As of December 31, 2021**

	<b>2022</b>	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	<b>\$ 142,763</b>	\$ 238,699
Accounts Receivable	<b>55,756</b>	13,214
Investments	<b>531,350</b>	674,639
Prepaid Expenses	<b>36,369</b>	30,114
Total Current Assets	<b>766,238</b>	956,666
<b>Property and Equipment - Net</b>	<b>5,120</b>	7,855
<b>Deposits</b>	<b>25,261</b>	11,190
<b>Total Assets</b>	<b>\$ 796,619</b>	\$ 975,711
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	<b>\$ 131,846</b>	107,986
Deferred Revenue	<b>36,525</b>	65,625
Total Current Liabilities - Total Liabilities	<b>168,371</b>	173,611
<b>Net Assets</b>		
Without Donor Restrictions	<b>628,248</b>	599,170
With Donor Restrictions	<b>-</b>	202,930
Total Net Assets	<b>628,248</b>	802,100
<b>Total Liabilities and Net Assets</b>	<b>\$ 796,619</b>	\$ 975,711

**See Accompanying Notes to Financial Statements.**

**League of American Wheelmen, Inc.**  
**Consolidated Statement of Activities**  
**For the Year Ended December 31, 2022**  
**With Comparative Totals For the Year Ended December 31, 2021**

	<b>2022</b>			<u>2021</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
<b>Revenues and Support</b>				
Grants and Contributions	\$ 333,233	\$ -	<b>\$ 333,233</b>	\$ 124,750
Fogiveable Loan - PPP	-	-	-	148,700
Membership Dues	503,887	-	<b>503,887</b>	536,561
Programs and Rallies	988,790	-	<b>988,790</b>	1,208,340
Publications and Merchandise	62,962	-	<b>62,962</b>	70,241
Investment Income (Loss) - Net	(93,093)	-	<b>(93,093)</b>	29,923
Other	19,770	-	<b>19,770</b>	20,449
Net Assets Released from Restrictions	202,930	(202,930)	-	-
<b>Total Revenues</b>	<u>2,018,479</u>	<u>(202,930)</u>	<u><b>1,815,549</b></u>	<u>2,138,964</u>
<b>Expenses</b>				
Program Services				
Advocacy	\$ 836,991	\$ -	<b>\$ 836,991</b>	\$ 591,766
Education	320,922	-	<b>320,922</b>	299,513
Membership Services	334,481	-	<b>334,481</b>	302,034
Promotion	279,440	-	<b>279,440</b>	289,777
<b>Total Program Service Expense</b>	<u>1,771,834</u>	<u>-</u>	<u><b>1,771,834</b></u>	<u>1,483,090</u>
<b>Supporting Services</b>				
General and Administration	168,214	-	<b>168,214</b>	151,314
Fundraising	49,353	-	<b>49,353</b>	48,229
<b>Total Supporting Service Expense</b>	<u>217,567</u>	<u>-</u>	<u><b>217,567</b></u>	<u>199,543</u>
<b>Total Expenses</b>	<u>1,989,401</u>	<u>-</u>	<u><b>1,989,401</b></u>	<u>1,682,633</u>
<b>Change in Net Assets</b>	29,078	(202,930)	<b>(173,852)</b>	456,331
Net Assets, Beginning of Year	599,170	202,930	<b>802,100</b>	345,769
<b>Net Assets, End of Year</b>	<u>\$ 628,248</u>	<u>\$ -</u>	<u><b>\$ 628,248</b></u>	<u>\$ 802,100</u>

**See Accompanying Notes to Financial Statements.**

**League of American Wheelmen, Inc.**  
**Consolidated Statement of Functional Expense**  
**For the Year Ended December 31, 2022**  
**With Comparative Totals For the Year Ended December 31, 2021**

	<b>2022</b>						<b>2021</b>	
	Advocacy	Education	Membership Services	Promotion	General and Administrative	Fundraising	<b>Total</b>	Total
Personnel	\$ 546,785	\$ 145,632	\$ 168,382	\$ 150,949	\$ 104,516	\$ 19,663	<b>\$ 1,135,927</b>	\$ 957,954
Professional Services	41,400	73,779	36,166	24,375	6,361	2,285	<b>184,366</b>	246,505
Facility and Catering Fees	32,501	-	-	-	-	-	<b>32,501</b>	-
Office Expense	56,000	43,430	88,812	69,643	23,722	23,098	<b>304,705</b>	247,706
Travel	45,599	26,185	4,242	1,411	9,645	-	<b>87,082</b>	31,974
Occupancy	28,109	7,816	9,037	8,102	5,609	1,055	<b>59,728</b>	56,730
Insurance	8,551	2,378	2,749	2,465	1,707	321	<b>18,171</b>	15,093
Website / Database Expenses	61,088	16,987	19,640	17,607	12,190	2,294	<b>129,806</b>	94,587
Interest	208	58	67	60	41	8	<b>442</b>	57
Bank and Credit Card Fees	14,906	4,145	4,792	4,296	1,595	560	<b>30,294</b>	28,255
Depreciation and Amortization	1,844	512	594	532	369	69	<b>3,920</b>	3,772
Other	-	-	-	-	2,459	-	<b>2,459</b>	-
<b>Total</b>	<b>\$ 836,991</b>	<b>\$ 320,922</b>	<b>\$ 334,481</b>	<b>\$ 279,440</b>	<b>\$ 168,214</b>	<b>\$ 49,353</b>	<b>\$ 1,989,401</b>	<b>\$ 1,682,633</b>

**See Accompanying Notes to Financial Statements.**

**League of American Wheelmen, Inc.**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2022**  
**With Comparative Totals For the Year Ended December 31, 2021**

	2022	2021
<b>Cash Flows from Operating Activities</b>		
Increase (Decrease) in Net Assets	<b>\$ (173,852)</b>	\$ 456,331
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Donation of Stock	-	(102,930)
Forgiveness of PPP Loan	-	(148,700)
(Gains) Losses on Investments	<b>107,540</b>	(7,811)
Depreciation and Amortization	<b>3,920</b>	3,772
<u>(Increase) Decrease in Assets</u>		
Accounts Receivable	<b>(42,542)</b>	64,665
Prepaid Expenses	<b>(6,255)</b>	-
Deposits	<b>(14,071)</b>	(4,129)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	<b>23,860</b>	(41,378)
Deferred Revenue	<b>(29,100)</b>	(4,150)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(130,500)</b>	215,670
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	<b>(59,251)</b>	(79,114)
Proceeds from Sale of Investments	<b>95,000</b>	-
Purchases of Property and Equipment	<b>(1,185)</b>	(6,386)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>34,564</b>	(85,500)
Increase (Decrease) in Cash and Cash Equivalents	<b>(95,936)</b>	130,170
Cash and Cash Equivalents, Beginning of Year	<b>238,699</b>	108,529
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 142,763</b>	\$ 238,699
<b>Non-Cash Investing Activities</b>		
Purchase of Investment through Stock Donation	<b>\$ -</b>	\$ 102,930

**See Accompanying Notes to Financial Statements.**



## **League of American Wheelman, Inc.**

### **Notes to Financial Statements December 31, 2022**

#### **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. LAB 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**

##### **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.

##### **Basis of Presentation**

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of the League have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the League to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the League. These net assets may be used at the discretion of management and the Board of Directors.

## League of American Wheelman, Inc.

### Notes to Financial Statements December 31, 2022

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Basis of Presentation (Continued)**

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the League or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

##### **Use of Estimates**

The preparation of financial statements in conformity with US GAAP 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**

Cash and cash equivalents are considered by the League 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.

Investments are reported 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.

## **League of American Wheelman, Inc.**

### **Notes to Financial Statements December 31, 2022**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **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 League's 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.

##### **Revenue Recognition**

Grants and contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field.

There were no unrecognized conditional contributions as of December 31, 2022.

Membership dues, which are nonrefundable, are treated as contributions because there is no exchange element based on the value of benefits provided. Membership dues are reported as revenue when received.

Program and rally revenues include amounts paid by or on behalf of participants and sponsors. Fees are based on published fixed rates and collected either at the time of registration, in advance of the events resulting in a deferred revenue balance, or at the time that the events take place and immediately recognized as revenue.

Sponsorships, which are generally considered nonreciprocal transactions, are recognized when the conditions associated with providing the sponsorship are met at the event. As such, all revenue is recognized upon completion of the respective event.

Publications and merchandise revenue are based on published fixed rates and recorded at the time of sale.

##### **Functional Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, occupancy and office expenses, depreciation, information technology costs, and insurance have been allocated among the programs and supporting services benefits allocated on the basis of employee time and effort.

## **League of American Wheelman, Inc.**

### **Notes to Financial Statements December 31, 2022**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Income Taxes**

LAB 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 League 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 League 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, 2022.

Interest and penalties, if any, on tax positions related to its unrecognized tax benefits would be recognized by the League in income tax expense in the financial statements. No interest and penalties were assessed or recorded during 2022.

Generally, the League is no longer subject to U.S. federal or state examinations for returns filed before 2018.

##### **New Accounting Pronouncements**

In 2016, FASB issued ASU 2016-02, Leases (Topic 842). Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. The new standard applies to finance and operating leases entered into after the standard was issued. This standard was adopted by the League in 2022 and there were no leases that met the requirements of the standard.

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. This standard was adopted in the current fiscal year and did not have a significant impact on the financial statements.

## League of American Wheelman, Inc.

### Notes to Financial Statements December 31, 2022

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). This guidance requires the League to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The guidance is effective beginning in 2023.

##### Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the League's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

##### Subsequent Events

Management has evaluated subsequent events through December 8, 2023, the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

#### 3. CONCENTRATION OF CREDIT RISK

The the League maintains its cash balances in banks insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2022, the League'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, 2022, are as follows:

	Fair Value	Level 1 Inputs
Mutual Funds - Equity	\$ 526,322	\$ 526,322
Common Stock	5,028	5,028
	<u>\$ 531,350</u>	<u>\$ 531,350</u>

## League of American Wheelman, Inc.

### Notes to Financial Statements December 31, 2022

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

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 League'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, 2022.

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

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.

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 League 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 2022 are reflected below:

Interest and Dividends	\$ 14,447
Net Gains (Losses)	<u>(107,540)</u>
Investment Income	<u>\$ (93,093)</u>

#### 5. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2022 consisted of the following:

Furniture and Office Equipment	\$ 33,164
Website	<u>29,147</u>
	62,311
Less Accumulated Depreciation and Amortization	<u>(57,191)</u>
Property and Equipment - Net	<u>\$ 5,120</u>

Depreciation and amortization expense for the year ended December 31, 2022, was \$3,920.

#### 6. LINE OF CREDIT

LAB has a \$200,000 line of credit at PNC Bank with a variable interest rate that was extended through August 2023. At December 31, 2022, there was no balance on the line of credit. The variable interest rate on the line of credit was 7.0% at December 31, 2022.

**League of American Wheelman, Inc.**

**Notes to Financial Statements  
December 31, 2022**

**7. NET ASSETS**

Net assets with donor restrictions were as follows:

	Beginning of Year	Contributions	Released	End of Year
Speed Management	\$ 102,930	\$ -	\$ (102,930)	\$ -
Vehicle and Roady Safety	100,000	-	(100,000)	-
	<u>\$ 202,930</u>	<u>\$ -</u>	<u>\$ (202,930)</u>	<u>\$ -</u>

Net assets without donor restrictions as of December 31, 2022 were undesignated.

**8. LEASE OBLIGATIONS**

During 2021, LAB amended its lease for office space at 1612 K Street, NW to extend the term through August 31, 2023. Monthly payments are \$3,657. The lease requires the League to make payments of \$29,256 for the year ended December 31, 2023.

Rent expense for the year ended December 31, 2022 was \$59,728.

**9. 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 \$24,363 for the year ended December 31, 2022.

**10. SUBSEQUENT EVENT**

Subsequent to the end of the year, the League amended its lease to extend its term through August 31, 2024. The other terms of the lease are consistent with prior amendments.

**League of American Wheelman, Inc.**

**Notes to Financial Statements  
December 31, 2022**

**11. AVAILABILITY AND LIQUIDITY**

The following represents the League's financial assets at December 31, 2022:

Financial Assets at Year End:

Cash and Cash Equivalents	\$ 142,763
Accounts Receivable	55,756
Investments	<u>531,350</u>
Total Financial Assets	729,869

Less Amounts Not Available To Be Used Within One Year:

Net Assets With Donor Restrictions	-
Restrictions To Be Met Within One Year	<u>-</u>
	<u>-</u>

Financial Assets Available to Meet General Expenditures

Over the Next Twelve Months	<u>\$ 729,869</u>
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As part of the League's liquidity management plan, cash in excess of daily requirements is transferred to income-generating accounts, when practical.



## **Supplemental Information**

**League of American Wheelmen, Inc.**  
**Consolidating Schedule of Financial Position**  
**December 31, 2022**

	LAB	Trust	Eliminations	Total
	<b>Assets</b>			
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 141,066	\$ 1,697.00	\$ -	\$ 142,763
Receivables	65,756	17,350	(27,350)	55,756
Investments	5,028	526,322	-	531,350
Prepaid Expenses	36,369	-	-	36,369
Total Current Assets	248,219	545,369	(27,350)	766,238
<b>Property and Equipment - Net</b>	5,120	-	-	5,120
<b>Deposits</b>	25,261	-	-	25,261
<b>Total Assets</b>	\$ 278,600	\$ 545,369	\$ (27,350)	\$ 796,619
	<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>				
Accounts Payable and Accrued Expenses	\$ 149,196	\$ 10,000	\$ (27,350)	\$ 131,846
Deferred Revenue	36,525	-	-	36,525
Total Current Liabilities - Total Liabilities	185,721	10,000	(27,350)	168,371
<b>Net Assets</b>				
Without Donor Restrictions	92,879	535,369	-	628,248
Total Net Assets	92,879	535,369	-	628,248
<b>Total Liabilities and Net Assets</b>	\$ 278,600	\$ 545,369	\$ (27,350)	\$ 796,619

**League of American Wheelmen, Inc.**  
**Consolidating Schedule of Activities**  
**For the Year Ended December 31, 2022**

	LAB			Trust		Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions			
<b>Revenues and Support</b>							
Grants and Contributions	\$ 373,233	\$ -	\$ 373,233	\$ -	\$ (40,000)		\$ 333,233
Membership Dues	486,536	-	486,536	17,351	-		503,887
Programs and Rallies	988,790	-	988,790	-	-		988,790
Publications	62,962	-	62,962	-	-		62,962
Investment Income (Loss)	(2,614)	-	(2,614)	(90,479)	-		(93,093)
Other	19,770	-	19,770	-	-		19,770
Net Assets Released from Restrictions	202,930	(202,930)	-	-	-		-
<b>Total Revenues</b>	<u>2,131,607</u>	<u>(202,930)</u>	<u>1,928,677</u>	<u>(73,128)</u>	<u>(40,000)</u>		<u>1,815,549</u>
<b>Expenses</b>							
Program Services							
Advocacy	\$ 836,991	\$ -	\$ 836,991	\$ -	\$ -		\$ 836,991
Education	320,922	-	320,922	-	-		320,922
Membership Services	334,481	-	334,481	-	-		334,481
Promotion	279,440	-	279,440	40,000	(40,000)		279,440
General and Administration	168,214	-	168,214	-	-		168,214
Fundraising	49,353	-	49,353	-	-		49,353
<b>Total Expenses</b>	<u>1,989,401</u>	<u>-</u>	<u>1,989,401</u>	<u>40,000</u>	<u>(40,000)</u>		<u>1,989,401</u>
<b>Change in Net Assets</b>	142,206	(202,930)	(60,724)	(113,128)	-		(173,852)
Net Assets, Beginning of Year	(49,327)	202,930	153,603	648,497	-		802,100
<b>Net Assets, End of Year</b>	<u>\$ 92,879</u>	<u>\$ -</u>	<u>\$ 92,879</u>	<u>\$ 535,369</u>	<u>\$ -</u>		<u>\$ 628,248</u>