

# **TRANSPORTATION ALTERNATIVES, INC.**

AUDITED FINANCIAL STATEMENTS

For the years ended March 31, 2018 and 2017



# TRANSPORTATION ALTERNATIVES, INC.

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Transportation Alternatives, Inc.  
New York City, New York

We have audited the accompanying financial statements of Transportation Alternatives, Inc. (TransAlt), a nonprofit organization, which comprise the statements of financial position as of March 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Transportation Alternatives, Inc. as of March 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*UHY LLP*

Columbia, Maryland  
October 12, 2018

**TRANSPORTATION ALTERNATIVES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**March 31, 2018 and 2017**

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 348,578	\$ 87,724
Receivables, net	311,118	476,064
Prepaid expenses	204,429	127,517
Total current assets	<u>864,125</u>	<u>691,305</u>
<b>PROPERTY, EQUIPMENT AND INTANGIBLES, net</b>	<u>113,988</u>	<u>137,451</u>
<b>OTHER ASSETS</b>		
Investments	280,775	272,348
Deposits	74,404	74,404
Total other assets	<u>355,179</u>	<u>346,752</u>
	<u><u>\$ 1,333,292</u></u>	<u><u>\$ 1,175,508</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 54,400	\$ 27,062
Accrued expenses	52,327	29,526
Deferred revenue	285,310	129,833
Total current liabilities	<u>392,037</u>	<u>186,421</u>
<b>DEFERRED RENT</b>	<u>65,767</u>	<u>43,749</u>
Total liabilities	<u>457,804</u>	<u>230,170</u>
<b>NET ASSETS</b>		
Unrestricted, board designated	400,000	400,000
Unrestricted, undesignated	286,044	335,314
Total unrestricted net assets	<u>686,044</u>	<u>735,314</u>
Temporarily restricted net assets	<u>189,444</u>	<u>210,024</u>
Total net assets	<u>875,488</u>	<u>945,338</u>
	<u><u>\$ 1,333,292</u></u>	<u><u>\$ 1,175,508</u></u>

**TRANSPORTATION ALTERNATIVES, INC.**  
**STATEMENT OF ACTIVITIES**  
For the year ended March 31, 2018

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
Contributions	\$ 1,453,131	\$ 337,583	\$ 1,790,714
Membership support	440,693	-	440,693
Grants	371,126	90,000	461,126
Special events - Streets for People Party	854,980	-	854,980
Program service fees	381,281	-	381,281
Sponsorships	237,565	-	237,565
Consulting income	25,272	-	25,272
Investment income	8,659	-	8,659
Other income	30,512	-	30,512
Net assets released from restrictions	448,163	(448,163)	-
	<u>4,251,382</u>	<u>(20,580)</u>	<u>4,230,802</u>
<b>Expenses</b>			
Program services:			
Advocacy	1,890,463	-	1,890,463
Membership	465,802	-	465,802
Outreach tours and events	709,394	-	709,394
Total program services	<u>3,065,659</u>	<u>-</u>	<u>3,065,659</u>
Management and general	746,043	-	746,043
Fundraising	488,950	-	488,950
	<u>4,300,652</u>	<u>-</u>	<u>4,300,652</u>
<b>Change in Net Assets</b>	(49,270)	(20,580)	(69,850)
<b>Net Assets, Beginning of Year</b>	<u>735,314</u>	<u>210,024</u>	<u>945,338</u>
<b>Net Assets, End of Year</b>	<u>\$ 686,044</u>	<u>\$ 189,444</u>	<u>\$ 875,488</u>

**TRANSPORTATION ALTERNATIVES, INC.**  
**STATEMENT OF ACTIVITIES**  
For the year ended March 31, 2017

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
Contributions	\$ 1,300,984	\$ 276,116	\$ 1,577,100
Membership support	433,931	-	433,931
Grants	469,990	210,000	679,990
Special events - Streets for People Party	684,270	-	684,270
Program service fees	449,586	-	449,586
Sponsorships	160,619	-	160,619
Investment income	11,116	-	11,116
In-kind contributions	49,871	-	49,871
Other income	42,138	-	42,138
Net assets released from restrictions	382,009	(382,009)	-
	<u>3,984,514</u>	<u>104,107</u>	<u>4,088,621</u>
<b>Expenses</b>			
Program services:			
Advocacy	1,818,875	-	1,818,875
Membership	399,573	-	399,573
Outreach tours and events	728,308	-	728,308
Total program services	<u>2,946,756</u>	<u>-</u>	<u>2,946,756</u>
Management and general	691,197	-	691,197
Fundraising	612,730	-	612,730
	<u>4,250,683</u>	<u>-</u>	<u>4,250,683</u>
<b>Change in Net Assets</b>	(266,169)	104,107	(162,062)
<b>Net Assets, Beginning of Year</b>	<u>1,001,483</u>	<u>105,917</u>	<u>1,107,400</u>
<b>Net Assets, End of Year</b>	<u>\$ 735,314</u>	<u>\$ 210,024</u>	<u>\$ 945,338</u>

**TRANSPORTATION ALTERNATIVES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended March 31, 2018

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 1,512,537	\$ 454,140	\$ 203,933	\$ 2,170,610
Employee benefits	179,586	53,921	24,213	257,720
Payroll taxes	127,791	38,369	17,230	183,390
Total salaries and related expenses	<u>1,819,914</u>	<u>546,430</u>	<u>245,376</u>	<u>2,611,720</u>
Accounting	-	15,350	-	15,350
Advertising and promotion	44,395	-	1,746	46,141
Apparel and promotional items	102,468	31	13,996	116,495
Bad debt	4,878	1,465	1,307	7,650
Conferences, meetings, and travel	45,816	283	2,122	48,221
Consultant, fee for service	301,315	40,350	43,767	385,432
Credit card fees	36,443	8,742	3,926	49,111
Depreciation and amortization	16,350	4,909	2,204	23,463
Information technology	120,394	35,871	16,815	173,080
Insurance	6,439	1,933	868	9,240
Office expenses	71,161	26,238	12,024	109,423
Other operating expenses	6,137	4,450	2,052	12,639
Rent and occupancy costs	218,978	59,991	26,939	305,908
Special events	270,971	-	38,113	309,084
Streets for People Party - direct donor benefit	-	-	77,695	77,695
Total expenses	<u>\$ 3,065,659</u>	<u>\$ 746,043</u>	<u>\$ 488,950</u>	<u>\$ 4,300,652</u>

See notes to the financial statements.



**TRANSPORTATION ALTERNATIVES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended March 31, 2017

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 1,601,146	\$ 333,403	\$ 245,555	\$ 2,180,104
Employee benefits	169,887	35,375	26,054	231,316
Payroll taxes	131,447	27,371	20,159	178,977
Total salaries and related expenses	<u>1,902,480</u>	<u>396,149</u>	<u>291,768</u>	<u>2,590,397</u>
Accounting	-	22,695	-	22,695
Advertising and promotion	8,986	-	1,908	10,894
Apparel and promotional items	151,629	148	39,878	191,655
Bad debt	-	18,000	-	18,000
Conferences, meetings, and travel	37,962	439	1,120	39,521
Consultant, fee for service	228,332	29,885	38,933	297,150
Credit card fees	-	64,074	-	64,074
Depreciation and amortization	19,440	4,048	2,981	26,469
Information technology	114,064	23,682	17,956	155,702
Insurance	-	9,849	-	9,849
Lobbying	6,000	-	-	6,000
Office expenses	67,693	70,171	15,606	153,470
Other operating expenses including in-kind	12,860	9,415	50,506	72,781
Rent and occupancy costs	222,884	42,642	31,406	296,932
Special events	174,426	-	45,249	219,675
Streets for People Party - direct donor benefit	-	-	75,419	75,419
Total expenses	<u>\$ 2,946,756</u>	<u>\$ 691,197</u>	<u>\$ 612,730</u>	<u>\$ 4,250,683</u>

See notes to the financial statements.

**TRANSPORTATION ALTERNATIVES, INC.**  
**STATEMENTS OF CASH FLOWS**  
For the years ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (69,850)	\$ (162,062)
Adjustments to reconcile change in net assets cash provided (used) by operating activities:		
Depreciation and amortization	23,463	26,469
Realized losses on investments	-	189
Unrealized losses (gains) on investments	524	(2,694)
Bad debt allowance	7,000	18,000
Change in operating assets and liabilities		
Accounts receivables, net of bad debts	157,946	(349,877)
Prepaid expenses	(76,912)	(32,249)
Accounts payable	27,338	(12,932)
Accrued expenses	22,801	(6,679)
Deferred revenue	155,477	62,819
Deferred rent	22,018	28,779
	<u>269,805</u>	<u>(430,237)</u>
Net cash provided (used) by operating activities		
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(8,951)	(8,555)
Purchases of property and equipment	-	(5,198)
	<u>(8,951)</u>	<u>(13,753)</u>
Net cash used by investing activities		
<b>Cash Flows from Financing Activities</b>		
Proceeds from line of credit	250,000	-
Repayments on line of credit	(250,000)	-
	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities		
<b>Increase (decrease) in Cash and Cash Equivalents</b>	<b>260,854</b>	<b>(443,990)</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>87,724</b>	<b>531,714</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 348,578</b>	<b>\$ 87,724</b>
<b>Supplemental Cash Flow Information:</b>		
Interest paid	<u>\$ 1,826</u>	<u>\$ 6,220</u>

See notes to the financial statements.

**Transportation Alternatives, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended March 31, 2018 and 2017**

**NOTE 1 – ORGANIZATION**

Transportation Alternatives, Inc. (TransAlt) was organized as a nonprofit corporation in New York in 1974 and operates in New York City. TransAlt is supported primarily through membership, donor contributions and grants. TransAlt was formed to promote the creation, development and implementation of all environmentally sound forms of transportation. These forms include bicycling, walking and public transit.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

**Basis of Presentation**

TransAlt is required to report information regarding financial position and activities according to three classes of net assets as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets – net assets that are subject to donor-imposed restrictions that require passage of time or the occurrence of a specific event.

Permanently restricted net assets – net assets that are subject to donor-imposed restrictions that they be maintained permanently. As of March 31, 2018 and 2017, there were no permanently restricted net assets.

**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 the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, support and expenses during the reporting period. Actual results could differ from those estimates.

**Cash Equivalents**

For financial reporting purposes, TransAlt considers all savings accounts, money market accounts, and highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Transportation Alternatives, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended March 31, 2018 and 2017**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Receivables**

Accounts receivable are valued at management's estimate of the amount that will be ultimately collectible within one year. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and TransAlt's historical collection experience. At March 31, 2018 and 2017, TransAlt had an allowance for uncollectible accounts in the amount of \$7,000 and \$-0-, respectively.

Unconditional contributions are recorded at the earlier of the date received or the date of receipt of a donor or grantor's non-contingent promise or pledge. For the years ended March 31, 2018 and 2017, there is no allowance for doubtful pledges or grants, based on management's evaluation of the collectability of the outstanding pledges and grants receivable.

**Investments**

Investments are reported at their fair value on the date of the statements of financial position, which may differ from the amount ultimately realized at the time of sale. The difference may be material. Realized and unrealized gains and losses are reflected in the statements of activities.

**Fair Value Measurements**

FASB ASC 820, Fair Value Measurements and Disclosures, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 inputs: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date (e. g., equity securities traded on the New York Stock Exchange).
- Level 2 inputs: Level 2 inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (e. g., quoted market prices of similar assets or liabilities in active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active).
- Level 3 inputs: Level 3 inputs are unobservable and should be used to measure fair value to the extent that observable inputs are not available.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of the observable inputs and minimize the use of the unobservable inputs.

**Transportation Alternatives, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended March 31, 2018 and 2017**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodology used at March 31, 2018 and 2017.

Mutual Funds – Valued at the closing price reported in the active market on which the individual securities are traded (Level 1).

**Property, Equipment and Intangibles**

TransAlt follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$1,000 and with a useful life of greater than one year. Intangible assets consists of web development assets placed in service. Amortization of leasehold improvements is computed using the straight-line basis over the lesser of the estimated useful lives of the underlying assets or the term of the related lease. Depreciation and amortization of property, equipment and intangibles is provided on the straight-line method over the following estimated useful lives:

Intangibles	3 years
Equipment	5 - 6 years
Furniture and fixtures	7 - 10 years
Leasehold improvements	10 years

Depreciation and amortization expense was \$23,463 and 26,469 for the years ended March 31, 2018 and 2017, respectively.

**Revenue Recognition**

Program service fee revenue is comprised of registration fees from attendees and earned consulting fees for services provided. Sponsorship and event revenues are recognized when the events occur. Deferred revenue represents revenue received and unearned. Revenue for programs and events to be held after the end of the year and will be recognized as revenue in the year earned. In-kind gifts received through donations are valued and recorded as a revenue and expense at their fair value at the time the contribution is received. Other income and investment income are recognized when earned.

Unconditional contributions, memberships, and grants are recorded at the earlier of when pledged or received and are reported as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions. When a restriction expires during the year or subsequent years, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Expense Allocation**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Expenses that can be identified with a specific program or supporting service are charged directly to that program or supporting service.

**Transportation Alternatives, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended March 31, 2018 and 2017

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Supporting services are comprised of general and administrative and fundraising expenses and include those costs that are not directly identifiable with any specific program, but provide for the overall support and direction of TransAlt. Accordingly, certain overhead expenses have been allocated based on time spent by TransAlt's personnel in such functions.

**Advertising Costs**

Advertising costs are expenses as incurred. For the years ended March 31, 2018 and 2017, advertising costs totaled \$46,141 and \$10,894, respectively.

**Income Taxes**

TransAlt is exempt from federal and state income taxes (except taxes on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is required for the years ended March 31, 2018 or 2017 since TransAlt had no taxable income from unrelated business activities.

The income tax positions taken by TransAlt for any years open under the various statutes of limitations are that TransAlt continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. TransAlt believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of TransAlt's federal or state income tax returns are currently under examination.

**Reclassifications**

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

**NOTE 3 – RECEIVABLES**

Receivables due within one year consisted of the following for the years ended March 31:

	<u>2018</u>	<u>2017</u>
Pledges receivable	\$ 225,000	\$ 250,000
Grants receivable	50,000	135,611
Other accounts receivable	<u>43,118</u>	<u>90,453</u>
Subtotals	318,118	476,064
Less, allowance for doubtful accounts	<u>(7,000)</u>	<u>-</u>
Totals	<u>\$ 311,118</u>	<u>\$ 476,064</u>

**Transportation Alternatives, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended March 31, 2018 and 2017

**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The following are the major categories of assets measured at fair value on a recurring basis during the years ended March 31. All assets have been valued using a market approach. There have been no changes in the valuation techniques related inputs. All investments are considered Level 1 (using quoted prices in active markets for identical assets):

	<u>2018</u>	<u>2017</u>
Mutual Funds:	<u>\$ 280,775</u>	<u>\$ 272,348</u>

Investment income is reflected in the statement of activities and consisted of the following for the years ended March 31:

	<u>2018</u>	<u>2017</u>
Interest income	\$ 232	\$ 245
Dividend income	8,951	8,366
Realized losses	-	(189)
Unrealized gains (losses)	<u>(524)</u>	<u>2,694</u>
Total	<u>\$ 8,659</u>	<u>\$ 11,116</u>

**NOTE 5 – PROPERTY, EQUIPMENT AND INTANGIBLES**

Property, equipment and intangibles, as well as accumulated depreciation and amortization, consisted of the following for the years ended March 31:

	<u>2018</u>	<u>2017</u>
Equipment	\$ 102,286	\$ 102,286
Intangibles	26,200	26,200
Leasehold improvements	85,644	85,644
Furniture and fixtures	<u>65,309</u>	<u>65,309</u>
	279,439	279,439
Less accumulated depreciation and amortization	<u>(165,451)</u>	<u>(141,988)</u>
Net value of property, equipment and intangibles	<u>\$ 113,988</u>	<u>\$ 137,451</u>

**NOTE 6 – LINE OF CREDIT**

TransAlt has a \$400,000 unsecured line of credit for which any outstanding obligations are due on demand. Interest accrues at the prime rate as published in the Wall Street Journal, plus 1.85%. As of March 31, 2018 and 2017, there were no advances outstanding.

**Transportation Alternatives, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended March 31, 2018 and 2017

**NOTE 7 – LEASE COMMITMENT**

**Operating Leases**

TransAlt leases office facilities under a 10 year lease agreement that expires on August 31, 2025. The lease includes an annual 2.75% escalation of payments. TransAlt accounts for the escalating payments by spreading the total base rent payments on a straight-line basis over the term of the lease, resulting in deferred rent liability. In addition, TransAlt maintains leases for various office equipment.

Future minimum lease commitments under these lease agreements as of March 31 are as follows:

2019	\$ 265,269
2020	269,122
2021	276,457
2022	281,606
2023	289,350
Thereafter	<u>731,512</u>
	<u>\$ 2,113,316</u>

During the year ended March 31, 2017, TransAlt was approved to receive a real estate tax abatement. The tax abatement has been applied against rent expense during the corresponding periods.

Rent and occupancy expense consisted of the following for the years ended March 31:

	<u>2018</u>	<u>2017</u>
Office rent paid	\$ 254,800	\$ 246,472
Less tax abatement	(17,042)	(23,873)
Deferred office rent amortization	<u>22,018</u>	<u>28,779</u>
	259,776	251,378
Storage, utilities and other	<u>46,132</u>	<u>45,554</u>
Total	<u>\$ 305,908</u>	<u>\$ 296,932</u>

**NOTE 8 – BOARD DESIGNATED NET ASSETS**

The Board has designated \$400,000 to be set aside as a minimum reserve for financial stability as of March 31, 2018 and 2017.



**Transportation Alternatives, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended March 31, 2018 and 2017

**NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS**

TransAlt's temporarily restricted net assets were designated for the following time or programs as of March 31:

	<u>2018</u>	<u>2017</u>
Advocacy	\$ 137,444	\$ 155,857
Restricted for time	<u>52,000</u>	<u>54,167</u>
	<u>\$ 189,444</u>	<u>\$ 210,024</u>

**NOTE 10 – RETIREMENT PLAN**

TransAlt has an established 401(k) defined contribution plan (the "Plan") for all eligible employees. Eligible employees can elect to make pre-tax contributions to the Plan. In addition, TransAlt can elect to contribute a percentage of all eligible employees' gross salary on an annual basis. TransAlt contributed \$44,662 and \$39,698 to the Plan for the years ended March 31, 2018 and 2017, respectively.

**NOTE 11 - STREETS FOR PEOPLE PARTY**

TransAlt hosts an annual *Streets for People Party* to celebrate the many victories won in the name of safer streets and to honor individuals who have gone above and beyond to usher in the shared vision of a better New York. The *Streets for People Party* raises funds for operations and outreach efforts to support its vision. For the years ended March 31, 2018 and 2017, net revenue for the event was as follows:

	<u>2018</u>	<u>2017</u>
Revenue:		
Contributions, grants, and sponsors	\$ 854,980	\$ 684,270
Less, direct benefit costs to donors for meals and entertainment	<u>(77,695)</u>	<u>(75,419)</u>
Total revenue, net	<u>\$ 777,285</u>	<u>\$ 608,851</u>

**NOTE 12 - CONCENTRATIONS OF CREDIT RISK**

TransAlt's financial instruments that are exposed to concentrations of credit risk include cash and highly liquid, temporary cash investments. At times, such cash and temporary cash investment balances may be in excess of the Federal Deposit Insurance Corporation insurance limit. TransAlt places its cash and temporary cash investments with high credit quality financial institutions. TransAlt has not experienced any losses in these accounts, and believes it is not exposed to significant credit risk.

**Transportation Alternatives, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended March 31, 2018 and 2017**

**NOTE 12 - CONCENTRATIONS OF CREDIT RISK (Continued)**

TransAlt invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the accompanying financial statements.

**NOTE 13 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 12, 2018, which is the date the financial statements were available to be issued.