

**WALKBOSTON, INC.**

**FINANCIAL STATEMENTS**

***with***

**INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED DECEMBER 31, 2014 (AUDITED) AND 2013 (UNAUDITED)**

Smith  Sullivan  
& Brown PC  
CERTIFIED PUBLIC ACCOUNTANTS

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**WALKBOSTON, INC.**

**REPORT ON FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2014 (AUDITED) AND 2013 (UNAUDITED)**

***Mission Statement***

*WalkBoston makes walking safer and easier  
in Massachusetts to encourage better  
health, a cleaner environment  
and vibrant communities.*

WALKBOSTON, INC.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 (AUDITED) AND 2013 (UNAUDITED)

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
WalkBoston, Inc.  
Boston, Massachusetts

We have audited the accompanying financial statements of WalkBoston, Inc. (a Massachusetts nonprofit corporation), which comprise the statement of financial position as of December 31, 2014, 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 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 of 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 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WalkBoston, Inc. as of December 31, 2014 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

WalkBoston, Inc.  
Page Two

**Report on Summarized Comparative Information**

The December 31, 2013 financial statements were reviewed by us, and our report thereon, dated March 21, 2014, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

*Smith, Sullivan & Brown, PC*

Westborough, Massachusetts  
August 3, 2015

WALKBOSTON, INC.

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2014 (AUDITED) AND 2013 (UNAUDITED)

**ASSETS**

	<u>2014</u> <i>(Audited)</i>	<u>2013</u> <i>(Unaudited)</i>
<b><u>CURRENT ASSETS:</u></b>		
Cash and Cash Equivalents	\$ 291,063	\$ 266,135
Pledges and Grants Receivable	34,542	25,150
Accounts Receivable, Contracts and Program Services	48,133	6,271
Prepaid Expenses	<u>6,031</u>	<u>4,991</u>
Total Current Assets	<u>379,769</u>	<u>302,547</u>
<b><u>NON-CURRENT ASSETS:</u></b>		
Non-Current Pledges and Grants Receivable	14,717	-
Security Deposit	800	800
Intangible Assets, Net of Amortization	<u>1,153</u>	<u>3,460</u>
Total Non-Current Assets	<u>16,670</u>	<u>4,260</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 396,439</u></b>	<b><u>\$ 306,807</u></b>

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT LIABILITIES:</u></b>		
Accounts Payable and Accrued Expenses	\$ 2,772	\$ 3,776
Accrued Payroll and Related Costs	12,658	15,903
Deferred Contract Revenue	<u>10,000</u>	<u>10,167</u>
Total Current Liabilities	<u>25,430</u>	<u>29,846</u>
<b><u>NET ASSETS:</u></b>		
Unrestricted Net Assets	198,992	155,842
Temporarily Restricted Net Assets	<u>172,017</u>	<u>121,119</u>
Total Net Assets	<u>371,009</u>	<u>276,961</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 396,439</u></b>	<b><u>\$ 306,807</u></b>

WALKBOSTON, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014 (AUDITED)  
*(With Summarized Comparative Unaudited Totals for 2013)*

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2014</u> <i>(Audited)</i>	<u>2013</u> <i>(Unaudited)</i>
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>				
<i>Support and Revenues:</i>				
Grants	\$ 300	\$ 173,000	\$ 173,300	\$ 162,350
Gifts and Contributions	133,631	48,951	182,582	102,671
Contracted Program Services	179,200	-	179,200	134,869
Memberships	30,692	-	30,692	45,341
Donated Goods and Services	5,000	-	5,000	7,500
Miscellaneous Income	1,579	-	1,579	413
Total Support and Revenues	<u>350,402</u>	<u>221,951</u>	<u>572,353</u>	<u>453,144</u>
<i>Reclassification of Net Assets:</i>				
Net Assets Released from Restriction	<u>171,053</u>	<u>(171,053)</u>	<u>-</u>	<u>-</u>
<b><u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u></b>	<b><u>521,455</u></b>	<b><u>50,898</u></b>	<b><u>572,353</u></b>	<b><u>453,144</u></b>
<b><u>FUNCTIONAL EXPENSES:</u></b>				
Program Services	365,413	-	365,413	327,592
Administrative	54,786	-	54,786	58,958
Fund Raising	58,106	-	58,106	65,470
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>478,305</u></b>	<b><u>-</u></b>	<b><u>478,305</u></b>	<b><u>452,020</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b>43,150</b>	<b>50,898</b>	<b>94,048</b>	<b>1,124</b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>155,842</u></b>	<b><u>121,119</u></b>	<b><u>276,961</u></b>	<b><u>275,837</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 198,992</u></b>	<b><u>\$ 172,017</u></b>	<b><u>\$ 371,009</u></b>	<b><u>\$ 276,961</u></b>

WALKBOSTON, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014 (AUDITED)  
*(With Summarized Comparative Unaudited Totals for 2013)*

	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL EXPENSES</u>	
				<u>2014</u>	<u>2013</u>
				<i>(Audited)</i>	<i>(Unaudited)</i>
Salaries and Wages	\$ 269,016	\$ 12,775	\$ 35,824	\$ 317,615	\$ 277,271
Payroll Taxes	24,300	1,154	3,236	28,690	25,671
Employee Benefits	1,949	92	260	2,301	2,657
Professional Fees	5,035	37,465	7,298	49,798	66,205
Project Consultants	10,207	-	-	10,207	17,454
Postage and Delivery	682	32	91	805	1,377
Telephone	2,367	112	315	2,794	2,468
Rent	18,793	892	2,502	22,187	19,200
Printing and Copying	8,095	45	40	8,180	7,478
Conferences and Events	8,901	-	4,988	13,889	13,306
Membership and Subscriptions	1,186	1,628	2,397	5,211	4,527
Minor Equipment and Office Supplies	3,351	52	145	3,548	2,939
Office Expense	2,113	339	450	2,902	2,623
Insurance	2,256	107	300	2,663	2,635
Travel	5,208	-	-	5,208	3,902
Amortization Expense	1,954	93	260	2,307	2,307
<b>Total Functional Expenses</b>	<b><u>\$ 365,413</u></b>	<b><u>\$ 54,786</u></b>	<b><u>\$ 58,106</u></b>	<b><u>\$ 478,305</u></b>	<b><u>\$ 452,020</u></b>



WALKBOSTON, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 (AUDITED) AND 2013 (UNAUDITED)

	<u>2014</u> <i>(Audited)</i>	<u>2013</u> <i>(Unaudited)</i>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in Net Assets	\$ 94,048	\$ 1,124
<i>Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:</i>		
Amortization Expense	2,307	2,307
<i>(Increase) Decrease in Current Assets:</i>		
Pledges and Grants Receivable	(9,392)	11,782
Accounts Receivable, Contracts and Program Services	(41,862)	(23,076)
Prepaid Expenses	(1,040)	263
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable and Accrued Expenses	(1,004)	(5,285)
Accrued Payroll and Related Costs	(3,245)	(1,194)
Deferred Contract Revenue	(167)	(4,333)
<i>(Increase) Decrease in Other Assets:</i>		
Non-Current Pledges and Grants Receivable	(14,717)	-
Net Adjustment	(69,120)	(19,536)
<b><u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>	<b><u>24,928</u></b>	<b><u>(18,412)</u></b>
<b><u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>	<b><u>24,928</u></b>	<b><u>(18,412)</u></b>
<b><u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u></b>	<b><u>266,135</u></b>	<b><u>284,547</u></b>
<b><u>CASH AND CASH EQUIVALENTS - END OF YEAR</u></b>	<b><u>\$ 291,063</u></b>	<b><u>\$ 266,135</u></b>

WALKBOSTON, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 1 ORGANIZATION

WalkBoston, Inc. (“WalkBoston” or the “Organization”) was incorporated in 1990 under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as an organization which is not a private foundation under Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

NOTE 2 PROGRAM SERVICES

WalkBoston engages in a wide array of efforts to make Massachusetts more walkable for everyday activities – walking to transit, to school, to shop and to work. We focus our advocacy to benefit those who most depend on walking: people with lower incomes, elders, children, people with disabilities, and transit users.

**Advocacy Training** – through slide shows, walks and conversations with citizens, engineers, planners and agency staff, we work to excite interest and engagement from a broad variety of residents and professionals in becoming pedestrian advocates in their own communities.

**Boston** – we advocate in the city on many issues: traffic signal timing, neighborhood walking conditions, Complete Streets policies to balance the needs of walkers, transit users, bicyclists and vehicles on our streets, and preserving the walkability of the Greenway.

**Outreach** – we work to get people walking and thinking about walking throughout Massachusetts using many tools: maps; walks throughout the region; environmental and transportation fairs; presentations at local, state and national conferences.

**Statewide Project Review** – our reviews help ensure that transportation and development projects provide good pedestrian environments. This year, we paid especially close attention to significant roadway projects being proposed by MassDOT. We work with fellow advocates to advance a vision of bridge and road designs that safely and attractively accommodate pedestrians, bicycles, persons with disabilities and transit users, while helping to create a transportation future that reduces our dependence on vehicular traffic. Design review of development projects continued to be steady during 2014.

**Safe Routes to Schools (SRTS)** – we provide 2nd grade safety education at individual schools in a number of communities through the Massachusetts SRTS program. WalkBoston is carrying out a multi-year effort in Revere to implement an SRTS program that benefits student health and benefits the environment with the reduction of greenhouse gas emissions (GHGs) over time. In 2014 we were able to measure important growth in student walking in Revere. WalkBoston is also developing a best practices report about school site planning to support walking to school.

**Smart Growth/Transit Oriented Development/Transportation Funding** – as our attention turns to large-scale land use and climate change, WalkBoston is working with many partners to help shape development patterns and advocate for transit, a critical element of walkable communities. We are an active member of the Transportation for Massachusetts coalition working for adequate funding for all modes of transportation across the state.

WALKBOSTON, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(Continued)

NOTE 2 (Continued)

**Legislation** – WalkBoston works with legislators and others to encourage the passage of laws that would enhance pedestrian safety such as the passage of an Act to reduce the prevailing speed limit in urbanized areas from 30 mph to 25 mph – a critical pedestrian safety measure.

**Technical Assistance** – WalkBoston is working with communities across Massachusetts to provide technical assistance on walkability and walking issues including sidewalk conditions, opportunities to improve safety, methods to encourage walking, and development of local constituent and municipal staff committees to work on walking issues.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's financial statements are described below to enhance the usefulness of the financial statements to the reader. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

**Basis of Accounting:**

The Organization's policy is to maintain its books and prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

**Financial Statement Presentation:**

As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, the Organization reports 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. These classifications are related to the existence or absence of donor-imposed restrictions as follows:

*Unrestricted Net Assets* - consists of assets, public support, dues and program revenues which are available and used for activities and programs. Unrestricted net assets represents the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor. In addition, unrestricted net assets includes funds which represent unrestricted resources designated by the Board of Directors for specific purposes.

WALKBOSTON, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(Continued)

NOTE 3 (Continued)

*Temporarily Restricted Net Assets* - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and are satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

*Permanently Restricted Net Assets* - includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Organization to expend part or all of the income derived from the donated assets. For the years presented, WalkBoston, Inc. did not have any assets of this nature.

The financial statements included certain 2013 comparative information. Specifically, with respect to the Statement of Activities, such prior year information is not presented by net asset class and, in the Statement of Functional Expenses, 2013 expenses by line item are presented in total rather than by functional category. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

**Cash and Cash Equivalents:**

Cash consists of checking account deposits and money market funds held with banks and financial institutions. The Organization classifies checks received after year-end but dated and postmarked prior to year-end as cash and cash equivalents.

**Accounts Receivable:**

*Accounts Receivable, Contracts and Program Services* are reported at the amount management expects to collect on balances outstanding at year end. Management expects the balances due as of December 31, 2014 and 2013 to be collected in full; therefore, these financial statements do not contain a provision for uncollectible accounts receivable. If accounts become uncollectible, they will be charged to activities when that determination is made. For the years ended December 31, 2014 and 2013, the Organization reported no losses from uncollectible accounts receivable.

**Grants Receivable:**

*Pledge and Grants Receivable* represent amounts which are due from membership pledges, grant awards, and multi-year pledge commitments and are reported at their net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Amounts scheduled for receipt within one year are reported as current, and amounts are reported as non-current when the expected date of receipt exceeds one year. As of December 31, 2014, all non-current pledges are due in 2016. Pledges and grants with expected receipt dates that extend beyond one year have not been discounted to fair value in these financial statements because these amounts are considered to be immaterial. Management believes that these amounts are fully collectible, and therefore, no allowance for doubtful amounts has been established. If a pledge or grant is determined to be uncollectible in subsequent periods, it will be charged to activities at that time. For the years ended December 31, 2014 and 2013, the Organization reported no losses from uncollectible pledges and grants receivable.

WALKBOSTON, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(Continued)

NOTE 3 (Continued)

**Property and Equipment:**

WalkBoston records all property and equipment at cost, if purchased (exceeding \$500), or if donated, at the fair value on the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments (exceeding \$500) are capitalized as additions to property and equipment. There have been no fixed assets purchased by the Organization which met the criteria for capitalization.

**Intangible Assets:**

The Organization has deferred the costs associated with the development and upgrade of its website, which is reported as *Intangible Assets* on the Statements of Financial Position, net of accumulated amortization of \$5,767 and \$3,460, for the years ended December 31, 2014 and 2013 respectively. Website development is subject to amortization over a 36-month period.

**Revenue Recognition:**

Revenue from *Contracted Program Services* is recognized as expenditures eligible for reimbursement are incurred or as deliverable services are provided under the terms of the contract.

Under the provisions of certain contracts, WalkBoston may receive payments in advance which may also be in advance of services rendered and/or costs incurred. Funds received in excess of amounts earned are recorded as *Deferred Contract Revenue* in the accompanying Statements of Financial Position.

**Contributions, Gifts and Grants:**

As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give. Revenue received for *Memberships* is accounted for as contributions based on the nature and terms of the membership agreement.

Contributions, including unconditional promises to give, are recognized as revenues in the period the commitment is received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. As of December 31, 2014, WalkBoston had a conditional commitment of \$100,000 to be paid in a single installment during 2015 based on the grantor's assessment of project milestones. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction until the restriction expires, at which time temporarily restricted net assets are reclassified to unrestricted net assets.

WALKBOSTON, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(Continued)

NOTE 3 (Continued)

**Donated Goods and Services:**

As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, the Organization maintains a policy whereby the value of the donated goods and services which create or enhance nonfinancial assets; require a specialized skill; and/or which would have otherwise been purchased by the Organization are recognized as revenue and expense on the Statement of Activities and are listed as expenses on the Statement of Functional Expenses. The Organization recognized as contribution revenue, with an offsetting expense, \$5,000 and \$7,500 in pro-bono legal services for the years ended December 31, 2014 and 2013, respectively, and are included in *Professional Fees* in the accompanying Statement of Functional Expenses.

**Functional Expenses:**

As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, the Organization allocates its expenses on a functional basis among its various programs and support services. Expenses which can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated based upon space and time usage. Supporting services are those related to operating and managing WalkBoston, Inc. and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

*Administrative* - includes all activities related to WalkBoston, Inc.'s internal management and accounting for program services.

*Fund Raising* - includes all activities related to maintaining contributor information, corporate membership development, grant writing, distribution of materials and other similar projects related to the procurement of funds for the Organization's programs.

**Reclassifications:**

Certain amounts in the prior year summarized comparative information have been reclassified to conform to the current year presentation. These reclassifications made to prior year comparative information have no impact on total net assets or change in net assets.

**Tax Position:**

The Organization currently evaluates all tax positions, and makes a determination regarding the likelihood of those positions being upheld under review. The primary tax positions made by the Organization are the existence of Unrelated Business Income Tax and the Organization's status as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. For the years presented, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on this evaluation. All tax periods prior to 2011 are no longer subject to examination by tax authorities.

WALKBOSTON, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

*(Continued)*

NOTE 4    TEMPORARILY RESTRICTED NET ASSETS

A summary of temporarily restricted net assets as of December 31, 2014 and 2013 is presented below:

<u>Nature of Restriction</u>	<u>2014</u>	<u>2013</u>
Time Restricted	\$ 83,333	\$ 83,333
Walk Boston 25 <sup>th</sup> Anniversary Fund	32,434	-
Community Technical Assistance and Training	28,000	-
Mass in Motion	20,000	-
Transportation for Massachusetts (T4MA) Project	4,250	4,875
Fairmont Corridor Project Design	4,000	-
Revere Walking Map	-	8,111
Tool-Kit to Promote Safe Walking Environments	-	12,300
Community Response Fund	-	<u>12,500</u>
Total	<u>\$172,017</u>	<u>\$121,119</u>

For the years ended December 31, 2014 and 2013, net assets were released from restriction by the passage of time or by the occurrence of events specified by the donor as follows:

<u>Nature of Restriction</u>	<u>2014</u>	<u>2013</u>
Walk Boston 25 <sup>th</sup> Anniversary Fund	\$ 16,217	\$ -
Transportation for Massachusetts (T4MA) Project	17,625	17,125
Fairmont Corridor Project Design	4,000	-
Revere Walking Map	8,411	1,009
Tool-Kit to Promote Safe Walking Environments	12,300	-
Community Response Fund	12,500	12,500
Released Based on Passage of Time	100,000	129,167
Revere Walk to School Program	-	<u>1,500</u>
Total	<u>\$171,053</u>	<u>\$161,301</u>

NOTE 5    CONCENTRATIONS

**Cash:**

The Organization maintains its cash balances at two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. As of December 31, 2014 and 2013, cash balances held at one institution in excess of the FDIC coverage were \$29,698 and \$8,062, respectively. The Organization has not experienced any losses on uninsured cash balances and management considers credit risk on cash to be low.

WALKBOSTON, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(Continued)

NOTE 5 (Continued)

**Receivables:**

As of December 31, 2014 and 2013, the entirety of the outstanding balance in *Accounts Receivable, Contracts and Program Services* was due from two and three subcontract agreements, respectively.

As of December 31, 2014 and 2013, approximately 66% and 20%, respectively, of *Pledges and Grants Receivable* were due from members of the Board of Directors.

**Grants:**

For the years ended December 31, 2014 and 2013, grants totaling \$117,000 and \$119,500, respectively, were received from one foundation, and represented 20% and 26% of total support and revenues, respectively.

NOTE 6 OPERATING LEASE COMMITMENTS

The Organization leases office space under an original, three-year operating lease agreement which commenced on January 1, 2008 and was later extended through December 31, 2014. At the conclusion of this lease, the lease converted to a tenancy-at-will arrangement. The Organization paid a deposit of \$800 at the commencement of the original lease, which is reflected as *Security Deposit* in the accompanying Statements of Financial Position. Total rent expense for the years ended December 31, 2014 and 2013 was \$22,187 and \$19,200, respectively.

NOTE 7 RETIREMENT PLAN

The Organization operates a 403(b) deferred savings plan for its employees. Under the plan, eligible employees may defer a portion of their earnings from current taxation. As the plan is funded solely by employee deferrals, these financial statements do not report a pension expense.

NOTE 8 RELATED PARTY TRANSACTIONS

For the year ended December 31, 2014, WalkBoston compensated a member of the Board of Directors \$8,057 for graphic design services and participation in community workshops.

NOTE 9 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through August 3, 2015, the date which the financial statements were available for issue, and noted no events which met the criteria.