

**BIKE WALK KC AND AFFILIATE**

**COMBINED FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITOR'S REPORT**

**December 31, 2025**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Bike Walk KC and Affiliate  
Kansas City, Missouri

### **Report on the Audit of the Combined Financial Statements**

#### ***Opinion***

We have audited the accompanying combined financial statements of Bike Walk KC (a nonprofit organization) and Affiliate (collectively, "the Organization") which comprise the combined statement of financial position as of December 31, 2025, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Bike Walk KC and Affiliate as of December 31, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Combined Financial Statements***

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

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Board of Directors  
Bike Walk KC and Affiliate

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

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Organization'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 combined financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

Board of Directors  
Bike Walk KC and Affiliate

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents from pages 24-27 are presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Standards* in considering the Organization's internal control over financial reporting.

Marr and Company, P.C.  
Certified Public Accountants

Kansas City, Missouri  
June 25, 2026

**BIKE WALK KC AND AFFILIATE**

**COMBINED STATEMENT OF FINANCIAL POSITION**  
December 31, 2025

**ASSETS**

Cash and cash equivalents	\$	67,355
Accounts receivable, net		366,281
Contribution and grants receivable		77,300
Prepaid expenses		84,268
Investments		155,857
Operating lease right-to-use assets		254,810
Other assets		19,933
Capital assets, net of accumulated depreciation		1,038,632
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>2,064,436</u></b>

**LIABILITIES & NET ASSETS**

Liabilities:		
Payroll withholdings	\$	6,594
Accounts and credit card payable		49,867
Accrued expenses		83,381
Refundable grant advances		217,325
Lease liabilities		257,427
Notes payable		445,509
Total Liabilities		<u>1,060,103</u>
Net Assets:		
Net assets without donor restrictions		924,333
Net assets with donor restrictions		80,000
Total Net Assets		<u>1,004,333</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$</b>	<b><u>2,064,436</u></b>

*See Accompanying Independent Auditor's Report and Notes to these Financial Statements.*

**BIKE WALK KC AND AFFILIATE**

**COMBINED STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>SUPPORT, REVENUE, &amp; OTHER INCOME</u></b>			
Contributions and grants	\$ 238,429	\$ 15,000	\$ 253,429
Government grants and contracts	1,756,493	0	1,756,493
Contributed nonfinancial assets	43,849	0	43,849
Program service fees revenue	423,107	0	423,107
Investment income, net	16,053	0	16,053
Other income	10,651	0	10,651
Net assets released from restriction	173,354	(173,354)	0
	<hr/>	<hr/>	<hr/>
Total Support, Revenue & Other Income	2,661,936	(158,354)	2,503,582
 <b><u>EXPENSES</u></b>			
Program Services:			
Bike Share KC	806,914	0	806,914
Youth & Family Education	660,651	0	660,651
Public Policy	270,671	0	270,671
Community Planning	77,271	0	77,271
Total Program Services	<hr/> 1,815,507	<hr/> 0	<hr/> 1,815,507
Supporting Activities			
General and Administrative	395,668	0	395,668
Fundraising	150,533	0	150,533
Total Supporting Activities	<hr/> 546,201	<hr/> 0	<hr/> 546,201
Total Expenses	<hr/> 2,361,708	<hr/> 0	<hr/> 2,361,708
Change in Net Assets	<hr/> 300,228	<hr/> (158,354)	<hr/> 141,874
NET ASSETS, BEGINNING OF YEAR	624,105	238,354	862,459
NET ASSETS, END OF YEAR	<hr/> <u>\$ 924,333</u>	<hr/> <u>\$ 80,000</u>	<hr/> <u>\$ 1,004,333</u>

*See Accompanying Independent Auditor's Report and Notes to these Financial Statements.*

**BIKE WALK KC AND AFFILIATE**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2025

	Program Services					Supporting Activities			Combined Total
	Bike Share KC	Youth & Family Education	Public Policy & Research	Community Planning	Program Services Total	General and Administrative	Fundraising	Supporting Activities Total	
Payroll and related expenses	\$ 370,679	\$ 422,174	\$ 180,824	\$ 65,939	\$ 1,039,616	\$ 213,712	\$ 86,039	\$ 299,751	\$ 1,339,367
Conferences and continuing ed	810	99	2,782	321	4,012	155	750	905	4,917
Consulting and outside services	16,150	89,306	60,648	1,994	168,098	0	0	0	168,098
Depreciation	196,530	20,261	383	660	217,834	1,626	240	1,866	219,700
Bicycle and related expenses	84,823	37,498	0	0	122,321	0	0	0	122,321
Gas, mileage & auto expense	71	1,526	287	268	2,152	64	73	137	2,289
Insurance	48,689	22,784	3,075	2,875	77,423	38,854	300	39,154	116,577
Interest	1,659	3,128	0	0	4,787	20,329	0	20,329	25,116
In-Kind	12,200	21,000	0	0	33,200	0	0	0	33,200
Lodging & Transportation	1,938	0	5,900	0	7,838	935	186	1,121	8,959
Meals	556	923	2,463	111	4,053	1,136	1,676	2,812	6,865
Media: print, online, ads, design	2,535	4,307	187	200	7,229	0	22,390	22,390	29,619
Operations	954	1,460	2,952	841	6,207	56,791	8,369	65,160	71,367
Other expense	0	0	0	0	0	0	3,252	3,252	3,252
Professional Services	4,142	4,704	6,037	0	14,883	32,007	24,605	56,612	71,495
Rent	45,676	29,571	4,960	3,975	84,182	28,063	2,480	30,543	114,725
Sales tax	9,622	0	0	0	9,622	0	0	0	9,622
Utilities	9,880	1,910	173	87	12,050	1,996	173	2,169	14,219
<b>Total Expenses</b>	<b>\$ 806,914</b>	<b>\$ 660,651</b>	<b>\$ 270,671</b>	<b>\$ 77,271</b>	<b>\$ 1,815,507</b>	<b>\$ 395,668</b>	<b>\$ 150,533</b>	<b>\$ 546,201</b>	<b>\$ 2,361,708</b>

*See Accompanying Independent Auditor's Report and Notes to these Financial Statements.*

## BIKE WALK KC AND AFFILIATE

### COMBINED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2025

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ 141,874
Items not requiring (providing) cash	
Depreciation	219,700
Realized and unrealized (gain) / loss on investments	(16,053)
Amortization of operating lease right-to-use assets	76,184
Changes in:	
Accounts receivable	(113,654)
Contribution and grants receivable	(26,900)
Prepaid expenses	(10,955)
Other assets	(606)
Payroll withholdings	627
Accounts and credit card payable	(3,711)
Accrued expenses	(11,397)
Refundable grant advance	151,925
Operating lease liability	(73,567)
Net Cash Flows from Operating Activities	<u>333,467</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of capital assets	<u>(639,467)</u>
Net Cash Flows from Investing Activities	<u>(639,467)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Principal payments on debt	(852,868)
Proceeds from new borrowings of debt	<u>1,181,778</u>
Net Cash Flows from Financing Activities	<u>328,910</u>
Net Change in Cash	<u>22,910</u>
CASH, BEGINNING OF YEAR	<u>44,445</u>
CASH, END OF YEAR	<u><u>\$ 67,355</u></u>

*See Accompanying Independent Auditor's Report and Notes to these Financial Statements.*

# BIKE WALK KC AND AFFILIATE

## NOTES TO COMBINED FINANCIAL STATEMENTS December 31, 2025

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## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

#### NOTE 1: NATURE OF OPERATIONS

Bike Walk KC is a Missouri not-for-profit 501(c)(3) corporation formed on November 26, 2010 to foster active, safe, healthy communities throughout the Kansas City region; make communities more livable and competitive by providing residents with active transportation options; and deliver innovative programs, policies, and outreach in those areas. Bike Walk KC works to redefine our streets as places for people to build a culture of active living. Bike Walk KC's vision is a Greater Kansas City where everyone can move through the region and its public spaces equitably, safely, comfortably, and sustainably. Bike Walk KC's revenues and other support are derived principally from contributions, federal and state governmental grants, and program service fees.

Bike Walk KC is affiliated with Bike Share KC, which was incorporated in Missouri on December 9, 2011. Bike Share KC was formed to create, own, and operate a public bicycle sharing service that provides a more sustainable transportation option to local residents and visitors.

The operations of the Organization include four programs:

1. Bike Share KC: A 24/7 public bike share system providing a unique mix of technologies that extend the fixed-route transit system and gives residents and visitors a variety of options for getting around the area. It offers smart electric bikes, a few classic pedal bikes, and programming that promotes safe bicycling for transportation, recreation, fitness, and a more sustainable natural environment.
2. Family Education: Includes a comprehensive youth education program to empower kids to safely bike and walk to school and to advocate for their neighborhood. Components include bicycle safety education, youth ambassador training, maintain your ride, public engagement, and opportunities to "earn a bike." Other programs are designed to teach adults safe riding skills, rules of the road, and how to do basic bike maintenance and repairs.
3. Public Policy and Research: Public Policy involves building relationships with policy-makers and community leaders to implement policies that improve the built environment, especially in low-income neighborhoods. BikeWalkKC also partners with local municipalities; school districts; regional, state, and federal agencies; and other active transportation advocacy organizations across Missouri and Kansas to improve walking and biking through public policy and school travel planning. BikeWalkKC also engages in collaborative research through strong partnerships with academic and health researchers, transportation engineering firms, and data science consultants. BikeWalkKC programs have been the focus of several research articles published in the *Journal of Transport & Health*. The organization maintains a data dashboard accessible to the public on its website. It is a resource for professionals in active transportation and helps educate community leaders about infrastructure challenges and the impact on vulnerable road users' safety.
4. Community Planning: BikeWalkKC uses walk audits, technical assistance, built environment assessments, traffic counting, traffic calming events, the Home Street Home exhibition, and other activities to help neighborhoods identify solutions to problems related to the built environment, street safety, walkability, bikeability, and other infrastructure issues.

## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Principles of Combination

The combined financial statements include the accounts of Bike Walk KC and Bike Share KC (collectively, the “Organization”). Bike Walk KC and Bike Share KC are under common management and governance, and therefore, the financial statements are combined. All material intercompany balances and transactions have been eliminated in combination.

##### B. Basis of Accounting

The combined financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

##### C. Use of Estimates

The preparation of combined financial statements in conformity with 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 combined financial statements and the reported amounts of support, revenues, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

##### D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization defines its cash and equivalents to include cash in demand deposits and considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

##### E. Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and demand deposit accounts with financial institutions believed by management to be creditworthy. Accounts at each depository institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, amounts on deposit may exceed insured limits. The Organization did not have deposits in excess of insurance levels as of December 31, 2025. To date, the Organization has not experienced any losses on such deposit accounts at the financial institution and believes it is not exposed to any significant credit risk on cash.

## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### F. Accounts, Grants, and Contributions Receivable

Accounts receivable are stated at unpaid balances less an allowance for credit losses. Accounts receivable consist primarily of unpaid charges for reimbursement grants and ride services and are carried at the original transaction amount. The allowance method is used to recognize potentially uncollectible accounts receivable and is determined by management based on the Organization's past collection experience, and collections received subsequent to year-end. Receivables are considered impaired if full principal payments are not received in accordance with the terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The amount of bad debt expense for the year ending December 31, 2025 was \$0.

The Organization's grants receivables are due from government, state, and local contracts and grants and are recorded at amounts due, net of an allowance for uncollectible grants. These receivables are stated at the amount billed under various grants and contracts. Grants receivable are typically paid by the granting agency in their normal course of business (usually within 90 days). Management makes a regular assessment of the collectability of outstanding grants and if deemed necessary, establishes an allowance.

The Organization's contributions receivable are carried at promised amounts, less a discount for promised gifts to be received more than one year from the combined statement of financial position date. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contributions and donation revenue. On a periodic basis, the Organization evaluates contributions receivable and establishes an allowance for doubtful collections, based on history, past write-offs and collections and current conditions. A contribution receivable is written off when it is determined that all collection efforts have been exhausted.

At December 31, 2025, the Organization considered all accounts, grants, and contributions receivable fully collectible; accordingly, no allowance for uncollectible receivable is required.

## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### G. Investments

The Organization has investments in pooled investment funds at the Greater Kansas City Community Foundation (GKCCF). The Organization accounts for these investments at net asset value as a practical expedient to fair value because these investments have readily determined value and transact frequently. The underlying holdings of the GKCCF funds are valued by GKCCF using quoted market prices for publicly traded securities and fair value for other investments, using methodologies relevant to each asset class as provided by the respective investment custodians. The valuations provided by GKCCF are routinely evaluated by management, and management believes such values are reasonable. Unrealized gains and losses are included in net investment income in the combined statement of activities and change in net assets.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. 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 the amounts reported as net assets in the combined statement of financial position.

##### H. Capital Assets

Capital assets are recorded at cost, if acquired, or fair value, if donated. Such donations are reported as contributions without restrictions unless the donor has restricted the donated asset to a specific purpose. Repairs and related maintenance are charged to operations as incurred. The Organization has capitalized assets with a dollar amount above \$2,500. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation with any gains and losses reflected in the statement of activities. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Category</u>	<u>Useful Life</u>
Bicycles	5-10 years
Vehicles	10 years
Office Equipment and Furniture	5-7 years
Leasehold Improvements	5 years

##### I. Refundable Advance

Revenue from advanced grant funds is deferred and recognized over the periods during which allowable costs have been incurred and other eligibility criteria are met.

## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### J. Leases

The Organization reports leases in accordance with FASB ASC 842, *Leases*. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Organization determines whether an arrangement is or contains a lease at contract inception. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. Operating leases with a duration greater than one year are included in right-of-use asset - operating lease and operating lease liability on the Organization's combined statement of financial position at December 31, 2025. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments using the elected risk-free rate. The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise the option, (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor.

The operating lease right of use assets also include any lease payments made and exclude lease incentives received or receivable. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred.

##### K. Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service, absent donor stipulations regarding how long the donated assets must be maintained.

## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### K. Net Assets (continued)

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restriction.

##### L. Revenue and Revenue Recognition

The Organization's revenue streams are comprised of public support and program service fees. For each revenue stream, revenue recognition is subject to the completion of performance obligations. The Organization's revenue is recognized when a performance obligation is satisfied, either over a period of time or at a given point in time. The Organization recognizes the revenue over a period of time if the customer receives and consumes the benefit that the Organization provided, or if the Organization's performance does not create an asset with an alternative use and has an enforceable right to payment for the performance.

The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods. The transaction price is calculated as the amount of consideration to which the Organization expects to be entitled (such as event agreements, price of program fees set in advance). In some situations (such as grant funds), the Organization bills and collects cash prior to the satisfaction of the performance obligation, which results in the Organization recognizing revenue upon receipt of payment. The following explains the performance obligations related to each revenue stream and they are recognized.

Public Support: The Organization records contributions and grants, when received, with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the combined statement of activities and change in net assets.

Special events consist of an exchange element equal to the fair value of direct benefits to donors and a contribution revenue for the difference. The Organization's revenue is recognized when a given performance obligation is satisfied, usually at the time of the event. The contribution portion is recognized immediately.

Program Service Fees: Certain revenue is derived from community planning services, programming, and cost-reimbursable state and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has completed the services or programs or has incurred expenditures in compliance with specific contract or grant provisions. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### M. Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which increases the transparency regarding contributed nonfinancial assets through presentation and disclosure, both quantitative and qualitative. The standard requires the Organization to present additional information regarding contributed nonfinancial assets. Donated assets are reflected as contributed nonfinancial assets at their estimated fair value when received. The Organization's policy is to utilize the assets given to carry out the mission of the organization. The Organization regularly receives nonfinancial assets including vehicle usage, bikes, helmets, food and beverages for special events, event space, and advertising.

Contributed nonfinancial assets are reported as support without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions.

##### *Contributed Services*

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Many individuals volunteer their time and talents assisting the Organization in accomplishing its mission. However, no amounts for these services are recognized in the financial statements since they did not meet the criteria.

##### N. Income Taxes

Bike Walk KC and Bike Share KC are nonprofit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law provisions. Accordingly, no provision for income taxes has been included in the accompanying combined financial statements. Bike Walk KC and Bike Share KC have been classified as organizations that are not private foundations under Section 509(a) of the Internal Revenue Code.

The Organization's accounting policy is to record a liability in the consolidated financial statements during the period which, based on all available evidence, it is more likely than not that the tax position would not be sustained upon examination by taxing authorities and the liability would be incurred by the Organization. Management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustment to or disclosure in the combined financial statements and as such, no liability has been accrued at December 31, 2025.

## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS December 31, 2025

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### O. Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. Directly identifiable expenses are charged to programs and supporting services. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, payroll taxes, employee benefits, occupancy expenses, office expenses, organizational expenses, and travel and transportation which are allocated on the basis of estimates of time and effort.

##### P. Subsequent Events

Management has evaluated subsequent events to June 25, 2026, which is the date the financial statements were available for issuance.

#### NOTE 3: LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of December 31, 2025, the financial assets available for general expenditure, that is, without donor or other restrictions and designations limiting their use, within one year of the statement of financial position date, comprise of the following:

Cash	\$ 67,355
Accounts receivable	366,281
Contribution and grants receivable	77,300
Investments	<u>155,857</u>
Total financial assets available	666,793
Less amounts unavailable for general expenditures within one year:	
Net assets with donor restrictions	<u>(80,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>586,793</u>

In addition to the financial assets available to meet general expenditures over the next 12-months noted above, the Organization has deferred revenue from refundable grant advances that will likely be converted to cash or available for general expenditures during the normal course of next year's operations. In the event of a short fall, the Organization has access to a line of credit (see Note 7).

## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

#### NOTE 4: INVESTMENTS AND FAIR VALUE DISCLOSURES

The Organization reports investments in accordance with ASC 820, *Fair Value Measurements and Disclosures*. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy for fair value measurement categorizes the inputs as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 Unobservable inputs that are supported by little or no market activity and that is significant to the fair value of the assets or liabilities. In certain cases where Level 1 or 2 criteria are not applicable, then securities are designated as Level 3.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

The pooled investment funds held by the Greater Kansas City Community Foundation are valued at the proportional value of the overall fund which estimates fair value. As the Organization's ownership is in units of the fund as opposed to the underlying investments, the investment is classified within Level 2 of the hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2025.

**BIKE WALK KC AND AFFILIATE**

NOTES TO COMBINED FINANCIAL STATEMENTS  
December 31, 2025

NOTE 4: INVESTMENTS AND FAIR VALUE DISCLOSURES (continued)

The following tables present the investment balances and the fair value measurements recognized in the accompanying combined statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall as of December 31, 2025:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment Pool:				
Money market pool	\$ 15,453	\$ 0	\$ 15,453	\$ 0
Fixed income pool	77,784	0	77,784	0
Equity securities pool	<u>62,620</u>	<u>0</u>	<u>62,620</u>	<u>0</u>
Total investments	\$ <u>155,857</u>	\$ <u>0</u>	\$ <u>155,857</u>	\$ <u>0</u>

NOTE 5: CAPITAL ASSETS

The capital assets consisted of the following as of December 31, 2025:

Bicycles	\$ 1,437,594
Vehicles	140,818
Office equipment and furniture	54,462
Leasehold improvements	<u>13,850</u>
Gross Capital Assets	1,646,724
Accumulated depreciation	<u>(608,092)</u>
Capital Assets, net	\$ <u>1,038,632</u>

Depreciation expense was \$219,700 for the year ended December 31, 2025.

NOTE 6: LEASE COMMITMENTS

*Office Copier Equipment*

In June 2025, the Organization signed a finance lease agreement for copier equipment for 36 months. The terms of the lease were July 1, 2025 through June 30, 2028 with monthly lease payments of \$97. The imputed interest rate charged on the agreement was in accordance to the Organization's elected policy. The equipment is amortized over the estimated productive lives.

*Building Facilities – Maintenance and Storage*

In October 2023, the Organization signed a 60-month non-cancelable triple net lease amendment to an original operating lease for a building facility used for maintenance and storage. Effective November 1, 2023, the lease requires monthly payments of \$2,916 for base rent through October 31, 2028. In addition, triple net lease charges estimated at \$625 per month are billed to the Organization.

**BIKE WALK KC AND AFFILIATE**

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: LEASE COMMITMENTS (continued)

*Building Facilities – Office Space*

In October 2023, the Organization signed a 60-month non-cancelable triple net lease amendment to an original operating lease for a building facility used for office space and educational bike fleet maintenance. Effective November 1, 2023, the lease requires escalating monthly payments for the base rent starting at \$4,787 and increases annually to \$5,388 effective November 1, 2027 through October 31, 2028. In addition, triple net lease charges estimated at \$504 per month are billed to the Organization.

*Quantitative Disclosures*

Topic 842 requires the disclosure of other information pertaining to the operating cash flows from leases, the weighted-average remaining lease term, and the weighted-average discount rate. The information for the operating and finance leases for the year ended December 31, 2025, are as follows:

Operating lease cost included in rent expense (a)	\$ <u>113,076</u>
(a) includes variable lease costs for rent expense	\$ <u>18,615</u>
Finance lease cost:	
Interest component	\$ 58
Amortization	<u>314</u>
Total finance lease cost	\$ <u>373</u>
<u>Other information:</u>	
Cash paid for amounts included in measurement of operating lease liability	\$ <u>94,461</u>
Cash paid for amounts included in measurement of finance lease liability	\$ <u>583</u>
Weighted-average remaining lease term:	
Operating lease (years)	2.83
Finance lease (years)	2.50
Weighted-average discount rate:	
Operating lease (percentage)	4.67%
Finance lease (percentage)	3.75%

The maturities of the lease liability and reconciliation to the statement of financial position as of December 31, 2025, are as follows for the fiscal years ending December 31:

	<u>Financing</u>	<u>Operating</u>
2026	\$ 1,166	\$ 96,245
2027	1,166	98,083
2028	<u>583</u>	<u>84,044</u>
Total future undiscounted lease payments	2,916	277,372
Less interest	<u>(299)</u>	<u>(22,562)</u>
Present value of lease liability	\$ <u>2,617</u>	\$ <u>254,810</u>

## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

#### NOTE 7: NOTES PAYABLE

##### *Line of Credit Note Agreement*

Effective July 23, 2019, the Organization signed a credit agreement and was issued a line of credit for a maximum of \$150,000 at a variable interest rate of the WSJ Prime Rate per annum with an original maturity date of July 22, 2020 collateralized by substantially all tangible assets. The agreement called for interest-only payments beginning in August 2019, with all remaining unpaid principal and interest due at maturity. The agreement was renewed with similar terms each fiscal year.

Effective July 22, 2024, the Organization signed a change in terms agreement to increase the maximum credit to \$500,000 and extend the maturity date to July 21, 2025 at a variable interest rate of Enterprise Bank & Trust Prime rate plus 0.25% and floor of 5.0%, which was 8.75% on July 22, 2024. Effective July 21, 2025, the Organization signed a change in terms agreement to increase the maximum credit to \$700,000 and extend the maturity date to July 20, 2026 at a variable interest rate of Enterprise Bank & Trust Prime rate plus 0.50% and floor of 6.0%, which was 8.00% on July 21, 2025. The outstanding debt balance was \$391,987 as of December 31, 2025.

##### *Promissory Note Payable – Education Van*

Effective June 27, 2024, the Organization signed a promissory note agreement for \$47,140 at a fixed interest rate of 7.75% with an original maturity date of June 27, 2029 collateralized by a van. The note calls for 60 monthly principal and interest payments of \$953 beginning on July 27, 2024, with all remaining unpaid principal and interest due at maturity. The outstanding debt balance was \$34,911 as of December 31, 2025.

##### *Promissory Note Payable – Transport Vehicle*

Effective June 27, 2024, the Organization signed a promissory note agreement for \$25,146 at a fixed interest rate of 7.77% with an original maturity date of June 27, 2029 collateralized by a cargo van. The note calls for 60 monthly principal and interest payments of \$508 beginning on July 27, 2024, with all remaining unpaid principal and interest due at maturity. The outstanding debt balance was \$18,611 as of December 31, 2025.

The future scheduled principal payments on all debt, including the line of credit, are as follows for years ending December 31:

2026	\$ 405,806
2027	14,947
2028	16,159
2029	<u>8,597</u>
Total debt	\$ <u>445,509</u>

Interest expense was \$25,116 for the year ended December 31, 2025.

## BIKE WALK KC AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2025

#### NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of cash and investments and are held for the following purposes as of December 31, 2025:

Kauffman Foundation	\$ 65,000
Geraldine and RA Barrows Foundation	<u>15,000</u>
Total net assets with donor restrictions	\$ <u>80,000</u>

The following are sources of net assets released from donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of events specified by the donors during the years ended December 31, 2025:

Kauffman Foundation	\$ 158,900
Truman Heartland/Jelley Family	7,500
Mader Foundation	<u>6,954</u>
Total net assets released from donor restrictions	\$ <u>173,354</u>

#### NOTE 9: CONTRIBUTED NONFINANCIAL ASSETS

The Organization recognized revenue and expenses for the use of the following items for the year ended December 31, 2025:

Bicycles and trailer donation	\$ 9,449
Earn A Bike Program (EAB) bike donations	22,000
Transit van from KCATA	<u>12,200</u>
Total contributed nonfinancial assets	\$ <u>43,849</u>

The Organization recognized contributed nonfinancial assets including bicycles and trailer used for education and transit van usage. In valuing these contributed items, the Organization estimated the fair value on the basis of actual price of the donated item or similar products. These contributed nonfinancial assets are utilized by the Organization's major programs and are included as net assets without donor restrictions on the combined statement of activities.

#### NOTE 10: FEDERAL AWARDS

The Organization has received financial assistance in the form of federal grants and awards to fund its activities. These activities are subject to audit by agents of the granting authority. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined as of this date.

**BIKE WALK KC AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**  
December 31, 2025

NOTE 11: EMPLOYEE BENEFIT PLAN

The Organization offers an employee benefit plan, Bike Walk KC 403(b) Plan (the “Plan”), to employees who meet plan criteria. The Organization has the discretion to contribute any amount, regardless of employee participation in the Plan. During the year ended December 31, 2025, the Organization contributed \$23,625 to the Plan.

## **SUPPLEMENTARY INFORMATION**

**BIKE WALK KC AND AFFILIATE**

COMBINING STATEMENT OF FINANCIAL POSITION  
December 31, 2025

	<u>Bike Walk</u>	<u>Bike Share</u>	<u>Eliminations</u>	<u>Combined</u>
	KC	KC		
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 58,903	\$ 8,452	\$	\$ 67,355
Accounts receivable, net	288,992	77,289		366,281
Contribution and grants receivable	0	77,300		77,300
Prepaid expenses	83,893	375		84,268
Investments	155,857	0		155,857
Operating lease right-to-use assets	161,753	93,057		254,810
Other assets	19,933	0		19,933
Capital assets, net of accumulated depreciation	990,502	48,130		1,038,632
Intercompany receivable (payable)	(572,209)	572,209		0
<b>TOTAL ASSETS</b>	<b>\$ 1,187,624</b>	<b>\$ 876,812</b>	<b>\$ 0</b>	<b>\$ 2,064,436</b>
<b><u>LIABILITIES &amp; NET ASSETS</u></b>				
Liabilities:				
Payroll withholdings	\$ 6,594	\$ 0	\$	\$ 6,594
Accounts and credit card payable	49,833	34		49,867
Accrued expenses	81,692	1,689		83,381
Refundable grant advances	25,000	192,325		217,325
Lease liabilities	164,370	93,057		257,427
Notes payable	426,898	18,611		445,509
<b>Total Liabilities</b>	<b>754,387</b>	<b>305,716</b>	<b>0</b>	<b>1,060,103</b>
Net Assets:				
Net assets without donor restrictions	353,237	571,096		924,333
Net assets with donor restrictions	80,000	0		80,000
<b>Total Net Assets</b>	<b>433,237</b>	<b>571,096</b>	<b>0</b>	<b>1,004,333</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 1,187,624</b>	<b>\$ 876,812</b>	<b>\$ 0</b>	<b>\$ 2,064,436</b>

*See Independent Auditor's Report.*

## BIKE WALK KC AND AFFILIATE

### COMBINING STATEMENT OF ACTIVITIES For the Year Ended December 31, 2025

	Bike Walk KC	Bike Share KC	Eliminations	Combined
<b><u>WITHOUT DONOR RESTRICTIONS:</u></b>				
<b>SUPPORT, REVENUE, &amp; OTHER INCOME</b>				
Contributions and grants	\$ 238,329	\$ 100	\$ 0	\$ 238,429
Government grants and contracts	1,257,825	498,668	0	1,756,493
Contributed nonfinancial assets	31,649	12,200	0	43,849
Program service fees revenue	218,085	205,022	0	423,107
Investment income, net	16,053	0	0	16,053
Other income	9,936	715	0	10,651
Net assets released from restriction	173,354	0	0	173,354
Total Support, Revenue & Other Income	1,945,231	716,705	0	2,661,936
<b>EXPENSES</b>				
Program Services:				
Bike Share KC	189,080	617,834	0	806,914
Youth & Family Education	660,651	0	0	660,651
Public Policy	270,671	0	0	270,671
Community Planning	77,271	0	0	77,271
Total Program Services	1,197,673	617,834	0	1,815,507
Supporting Activities				
General and Administrative	369,120	26,548	0	395,668
Fundraising	147,893	2,640	0	150,533
Total Supporting Activities	517,013	29,188	0	546,201
Total Expenses	1,714,686	647,022	0	2,361,708
Change in Net Assets Without Donor Restrictions	230,545	69,683	0	300,228
Net Assets Without Donor Restrictions, Beginning	122,692	501,413	0	624,105
Net Assets Without Donor Restrictions, Ending	353,237	571,096	0	924,333
<b><u>WITH DONOR RESTRICTIONS</u></b>				
Restricted contributions and grants	15,000	0	0	15,000
Net assets released from restriction	(173,354)	0	0	(173,354)
Change in Net Assets With Donor Restrictions	(158,354)	0	0	(158,354)
Net Assets with Donor Restrictions, Beginning	238,354	0	0	238,354
Net Assets with Donor Restrictions, Ending	80,000	0	0	80,000
<b><u>CHANGE IN NET ASSETS</u></b>				
Total Change in Net Assets	72,191	69,683	0	141,874
NET ASSETS, BEGINNING OF YEAR	361,046	501,413	0	862,459
NET ASSETS, END OF YEAR	\$ 433,237	\$ 571,096	\$ 0	\$ 1,004,333

*See Independent Auditor's Report.*

**BIKE WALK KC AND AFFILIATE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2025**

<u>Federal Grantor / Program Title / Pass-through Grantor</u>	Federal Assistance Listing Number	Grant or Contract Award Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
<i>Highway Safety Cluster:</i>			
<i>State and Community Highway Safety</i>			
Pass-through from Kansas Department of Transportation	20.600	PS-1135-25	\$ 134
Pass-through from Missouri Department of Transportation	20.600	MCRS-KC06	<u>310</u>
Total State and Community Highway Safety			444
<i>National Priority Safety Programs</i>			
Pass-through from Missouri Department of Transportation	20.616	25-BGPE-16-001	<u>87,307</u>
Total Highway Safety Cluster			87,751
<i>Highway Planning and Construction</i>			
Pass-through from Kansas Department of Transportation	20.205	106 N-0817-01	117,772
Pass-through from Missouri Department of Transportation	20.205	CRP-3301(534)	144,280
Pass-through from Missouri Department of Transportation	20.205	TAP-3302(431)	165,028
Pass-through from Missouri Department of Transportation	20.205	TAP-3302(433)	250,000
Pass-through from Missouri Department of Transportation	20.205	TAP-3302(440)	189,662
Pass-through from Missouri Department of Transportation	20.205	TAP-3302(443)	90,581
Pass through from Johnson County Dept of Health and Environment	20.205	TA-N072(901)	30,432
Pass through from Unified Gov't of Wyandotte County/Kansas City, KS	20.205	R32949	<u>12,724</u>
Total Highway Planning and Construction			<u>1,000,480</u>
Total U.S. Department of Transportation			1,088,231
<u>Centers for Disease Control and Prevention</u>			
<i>REACH – Communities Leading Change</i>			
Pass-through from University of Missouri, Kansas City	93.304	5 NU58DP007644-02-00	<u>123,194</u>
Total U.S. Department of Health and Human Services			<u>123,194</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>1,211,425</u></b>

*See Accompanying Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards.*

## BIKE WALK KC AND AFFILIATE

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2025

#### NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Bike Walk KC and Affiliate (“the Organization”) under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 2 to the Organization’s financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The Uniform Guidance establishes the formula for determining the level of expenditures of disbursements to be used in defining Type A and Type B federal financial assistance programs. For the Organization, Type A programs are those which exceed \$1,000,000 in disbursements, expenditures, or distributions. The determination of major and nonmajor programs is based on the risk-based approach outlined in Uniform Guidance.

#### NOTE 3: INDIRECT COST RATE

The Organization elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The Organization has an approved indirect cost rate with Missouri Department of Transportation of 30.52% may be applied to Personnel costs.

## **INTERNAL CONTROL AND COMPLIANCE**



## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Bike Walk KC and Affiliate  
Kansas City, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bike Walk KC and Affiliate (a nonprofit organization) ("the Organization"), which comprise the combined statement of financial position as of December 31, 2025, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 25, 2026.

### Report Internal Control over Financial Reporting

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

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

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

Board of Directors  
Bike Walk KC and Affiliate  
Kansas City, Missouri

### **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

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



Marr and Company, P.C.  
Certified Public Accountants

Kansas City, Missouri  
June 25, 2026



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Bike Walk KC and Affiliate  
Kansas City, Missouri

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Bike Walk KC and Affiliate (a nonprofit organization) (“the Organization”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended December 31, 2025. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization’s federal programs.

***Auditor’s Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization’s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control over Compliance**

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

Board of Directors  
Bike Walk KC and Affiliate  
Kansas City, Missouri

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

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

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



Marr and Company, P.C.  
Certified Public Accountants

Kansas City, Missouri  
June 25, 2026

**BIKE WALK KC AND AFFILIATE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2025**

**SECTION I: SUMMARY OF AUDITOR'S RESULTS**

*Financial Statement:*

- 1) The type of report issued on the basic financial statements. Unmodified opinion
- 2) Internal Control over Financial Reporting:
  - a) Significant deficiencies were disclosed. None
  - b) Material weaknesses were disclosed. None
- 3) Noncompliance, which is material to the basic financial statements, was disclosed. None

*Federal Awards:*

- 1) Internal Control over Major Programs:
  - a) Significant deficiencies were disclosed. None
  - b) Material weaknesses were disclosed. None
- 2) The type of report issued on compliance for major programs. Unmodified opinion
- 3) Any audit findings which are required to be reported under Section 200.516(a) of the Uniform Guidance. None
- 4) The Organization's major federal program(s):

<u>Assistance Listing Number(s)</u>	<u>Federal Program or Cluster</u>
20.205	DOT Highway Planning and Construction
- 5) Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000
- 6) Auditee qualified as a low-risk auditee specified in Section 200.520 of the Uniform Guidance: No

**SECTION II: FINANCIAL STATEMENT FINDINGS**

No financial statement findings were reported.

**SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No federal award findings and questioned costs were reported.

**SECTION IV: RESOLUTIONS OF PRIOR YEAR AUDIT FINDINGS**

No audit findings were noted from the prior year.