

OMNIAIR CONSORTIUM, INC.
OMNIAIR CERTIFICATION SERVICES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

KOSITZKA, WICKS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



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Independent Accountant's Review Report

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KOSITZKA, WICKS & COMPANY
Certified Public Accountants

Independent Accountant's Review Report

To the Board of Directors
OmniAir Consortium, Inc.
OmniAir Certification Services
Alexandria, Virginia

We have reviewed the accompanying consolidated statement of financial position of **OmniAir Consortium, Inc. and OmniAir Certification Services** (nonprofit organizations) as of December 31, 2014, and related consolidated statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modification that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Kositzka, Wicks and Company

Alexandria, Virginia
September 9, 2015

OmniAir Consortium, Inc.
OmniAir Certification Services

Consolidated Statement of Financial Position
December 31, 2014

Assets

Current assets

Cash and cash equivalents	\$	62,596
Contracts and grants receivable		50,061
Dues receivable		3,808
Prepaid expenses		6,988
		<u>123,453</u>

Other assets

Property and equipment, net		<u>932</u>
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Total assets \$ 124,385

Liabilities and net assets

Current liabilities

Accounts payable and accrued expenses	\$	10,530
Deferred dues		7,500
Total liabilities		<u>18,030</u>

Net assets

Unrestricted		<u>106,355</u>
Total net assets		<u>106,355</u>

Total liabilities and net assets \$ 124,385

See accompanying notes and independent accountant's review report.

OmniAir Consortium, Inc.
OmniAir Certification Services

Consolidated Statement of Activities
for the year ended December 31, 2014

	<u>Total and Unrestricted</u>
Support and revenue	
Dues	\$ 121,158
Contracts and grants	106,634
Certification revenue and fees	10,600
Interest income	11
	<u>238,403</u>
 Expenses	
Program services	105,931
General and administrative	100,887
	<u>206,818</u>
 Change in net assets	31,585
 Net assets, beginning of year	<u>74,770</u>
 Net assets, end of year	<u><u>\$ 106,355</u></u>

See accompanying notes and independent accountant's review report.

OmniAir Consortium, Inc.
OmniAir Certification Services

Consolidated Statement of Cash Flows
for the year ended December 31, 2014

Cash flows from operating activities

Change in net assets	\$	31,585
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation		546
(Increase) decrease in operating assets		
Contracts and grants receivable		19,693
Dues receivable		(3,808)
Prepaid expenses		(511)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses		(40,367)
Deferred dues		7,500
Net cash provided by operating activities		<u>14,638</u>

Net increase in cash and cash equivalents 14,638

Cash and cash equivalents, beginning of year 47,958

Cash and cash equivalents, end of year \$ 62,596

Supplemental disclosure of cash flow information

Cash paid for interest	\$	-
Income taxes paid	\$	-

See accompanying notes and independent accountant's review report.

OmniAir Consortium, Inc. and OmniAir Certification Services

Notes to Consolidated Financial Statements December 31, 2014

1. Organization and purpose

OmniAir Consortium, Inc. (OmniAir) is the leading advocate for connected vehicle interoperability. It brings people and companies together to enable the national deployment of effective, standards-compliant, interoperable connected vehicle technologies that dramatically improve the safety, mobility and efficiency of highway transportation. OmniAir Consortium was incorporated in Delaware as a nonprofit corporation in January 2003. OmniAir Consortium is supported primarily through grants and contracts as well as membership dues.

OmniAir Certification Services (OCS) was established to serve as a certification organization for ITS. OCS certified interoperability of several types of tolling equipment for OmniAir members and users of tolling systems. OmniAir Consortium is the single corporate member of OCS.

All inter-company transactions have been eliminated in the preparation of these consolidated financial statements. The two organizations are collectively referred to as the Organizations.

2. Summary of significant accounting policies

Basis of accounting

The consolidated financial statements of the Organizations are prepared using the accrual method of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred. All revenue and expenses, which are applicable to future periods, have been presented as deferred revenue or prepaid expenses on the accompanying statement of financial position.

Financial statement presentation

The Organizations are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2014, the Organizations had no temporarily or permanently restricted net assets.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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.

See independent accountant's review report.

OmniAir Consortium, Inc. and OmniAir Certification Services

Notes to Consolidated Financial Statements December 31, 2014

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash consists of cash held in checking and savings accounts. OmniAir maintains its cash in bank accounts which, at times, may exceed federally insured (FDIC) limits. FDIC insurance on interest bearing accounts is \$250,000 per depositor, per insured bank. As of December 31, 2014, no amounts were held in excess of FDIC limits.

Receivables

Contracts and grants receivable as well as dues receivable are reported at full value as all amounts are deemed fully collectible. Based on management's review of contracts and grants receivable and analysis of historical collections, no allowance is deemed necessary. All receivables are due within one year or less.

Property and equipment

Property and equipment in excess of \$1,000 with an estimated useful life of greater than one year is capitalized at cost, or at estimated fair market value if donated, and is depreciated on a straight-line basis over the estimated lives of the assets.

Deferred dues

Deferred dues consists of membership dues received in advance for the year ended December 31, 2015.

Functional classification of expenses

The costs of providing the programs and services are summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair value of financial assets and liabilities

Financial assets with carrying values approximating fair value include cash and cash equivalents, contracts and grants receivable, dues receivable, and prepaid expenses. Financial liabilities with carrying values approximating fair value include accounts payable and accrued expenses and deferred dues. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

See independent accountant's review report.

OmniAir Consortium, Inc. and OmniAir Certification Services

Notes to Consolidated Financial Statements December 31, 2014

2. Summary of significant accounting policies (continued)

Income taxes

OmniAir Consortium is exempt from federal income tax as a nonprofit organization described in Section 501(c)(6) of the Internal Revenue Code. OmniAir Certification Services is exempt from federal income tax as a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation.

The material jurisdictions subject to potential examination by taxing authorities are the United States, Delaware, and Virginia. The Board does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on the Organizations' results of operations. Tax years that remain subject to examination by the IRS are 2011 through 2014.

3. Inter-company transactions

Payroll and shared office expenses are split between OmniAir and OCS based on the percentage share of total prior year revenue.

OCS does not have its own bank account, as such, all activity flows through the due to/from account.

4. Property and depreciation

Property and accumulated depreciation consisted of the following as of December 31, 2014:

Computer equipment	\$	4,001
Accumulated depreciation		<u>(3,069)</u>
Property and equipment, net	\$	<u>932</u>
Current year depreciation	\$	546
Estimated useful life (years)		5

5. Vulnerability to concentrations

Approximately 47% of OmniAir's revenue and 54% of OmniAir's contracts and grants receivable was from one contract. 100% of OCS's revenue and 100% of OCS's contracts receivable was from a separate contract.

See independent accountant's review report.

OmniAir Consortium, Inc. and OmniAir Certification Services

Notes to Consolidated Financial Statements December 31, 2014

6. Related party transactions

One member of the Board of Directors of OCS is an employee of a company which performed subcontracting services during the year ended December 31, 2013, and was paid during the year ended December 31, 2014. The total amount paid in 2014 was \$20,000. Additionally, all 2014 OCS revenue was received from this company.

Two other members of the Board of Directors of OCS are employees of companies which performed subcontracting services during the year ended December 31, 2013, and were paid during the year ended December 31, 2014. The total amounts paid in 2014 were \$10,000 and \$9,118.

7. Commitments

OmniAir has a contract with one subcontractor through August 1, 2015. The amount paid is based on actual labor hours and travel expenses incurred. The maximum remaining balance due on the contract is \$44,977. OmniAir has an agreement to receive contract revenue based on the labor hours and travel expenses incurred by the subcontractor.

8. Subsequent events

The Organizations assessed events occurring subsequent to December 31, 2014 through September 9, 2015, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

See independent accountant's review report.

Supplementary Information



KOSITZKA, WICKS & COMPANY
Certified Public Accountants

**Independent Accountant's Review Report on
Supplementary Information**

To the Board of Directors
OmniAir Consortium, Inc.
OmniAir Certification Services,
Alexandria, Virginia

Our report on our reviews of the basic consolidated financial statements of **OmniAir Consortium, Inc.** and **OmniAir Certification Services** for year ended December 31, 2014 appears in the preceding section of these financial statements. That review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying consolidating statement of financial position and consolidating statement of activities is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the reviews of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

Kositzka, Wicks and Company

Alexandria, Virginia
September 9, 2015

OmniAir Consortium, Inc.
OmniAir Certification Services

Consolidating Statement of Financial Position
December 31, 2014

	<u>OmniAir</u>	<u>OCS</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 62,596	\$ -	\$ -	\$ 62,596
Contracts and grants receivable	39,461	10,600	-	50,061
Dues receivable	3,808	-	-	3,808
Prepaid expenses	5,070	1,918	-	6,988
	<u>110,935</u>	<u>12,518</u>	<u>-</u>	<u>123,453</u>
Other assets				
Due from OmniAir Certification Services, Inc.	46,118	-	(46,118)	-
Property and equipment, net	932	-	-	932
	<u>47,050</u>	<u>-</u>	<u>(46,118)</u>	<u>932</u>
Total assets	<u>\$ 157,985</u>	<u>\$ 12,518</u>	<u>\$ (46,118)</u>	<u>\$ 124,385</u>
Liabilities and net assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 10,530	\$ -	\$ -	\$ 10,530
Due to OmniAir Consortium, Inc.	-	46,118	(46,118)	-
Deferred dues	7,500	-	-	7,500
Total liabilities	<u>18,030</u>	<u>46,118</u>	<u>(46,118)</u>	<u>18,030</u>
Net assets				
Unrestricted	<u>139,955</u>	<u>(33,600)</u>	<u>-</u>	<u>106,355</u>
Total net assets	<u>139,955</u>	<u>(33,600)</u>	<u>-</u>	<u>106,355</u>
Total liabilities and net assets	<u>\$ 157,985</u>	<u>\$ 12,518</u>	<u>\$ (46,118)</u>	<u>\$ 124,385</u>

See independent accountant's review report.

OmniAir Consortium, Inc.
OmniAir Certification Services

Consolidating Statement of Activities
for the year ended December 31, 2014

	<u>OmniAir</u>	<u>OCS</u>	<u>Eliminations</u>	<u>Consolidated</u>
Support and revenue				
Dues	\$ 121,158	\$ -	\$ -	\$ 121,158
Contracts and grants	106,634	-	-	106,634
Certification revenue and fees	-	10,600	-	10,600
Interest income	11	-	-	11
	<u>227,803</u>	<u>10,600</u>	<u>-</u>	<u>238,403</u>
Expenses				
Program services	105,931	-	-	105,931
General and administrative	71,296	29,591	-	100,887
	<u>177,227</u>	<u>29,591</u>	<u>-</u>	<u>206,818</u>
Change in net assets	50,576	(18,991)	-	31,585
Net assets, beginning of year	<u>89,379</u>	<u>(14,609)</u>	<u>-</u>	<u>74,770</u>
Net assets, end of year	<u>\$ 139,955</u>	<u>\$ (33,600)</u>	<u>\$ -</u>	<u>\$ 106,355</u>

See independent accountant's review report.