

ATLANTA BICYCLE COALITION, INC.

Financial Statements
and
Independent Auditors' Report

December 31, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Atlanta Bicycle Coalition, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Atlanta Bicycle Coalition, Inc., (“the Coalition”) which comprise the Statements of Financial Position as of December 31, 2017 and 2016, and the related Statements of Activities and Changes in Net Assets and Cash Flows for the years then ended, and the related Notes to Financial Statements.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlanta Bicycle Coalition, Inc. as of December 31, 2017 and 2016, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Coalition's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 1, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marshall, Jones & Co.

Atlanta, Georgia
June 16, 2018

ATLANTA BICYCLE COALITION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and 2016

	2017	2016
ASSETS		
Current Assets		
Cash	\$ 377,668	\$ 296,581
Accounts receivable	238,504	122,564
Other current assets	2,671	5,186
Total Current Assets	618,843	424,331
Fixed Assets		
Furniture and equipment	9,654	16,182
Less: Accumulated depreciation	(3,588)	(4,178)
Total Fixed Assets, net	6,066	12,004
TOTAL ASSETS	\$ 626,857	\$ 436,335
LIABILITIES		
Accounts payable and accrued expenses	\$ 90,266	\$ 20,287
TOTAL LIABILITIES	90,266	20,287
NET ASSETS		
Unrestricted	306,143	252,717
Temporarily restricted	228,500	163,331
TOTAL NET ASSETS	534,643	416,048
TOTAL LIABILITIES AND NET ASSETS	\$ 626,857	\$ 436,335

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

ATLANTA BICYCLE COALITION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2017 and 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total	2016 Total
Revenues					
Contributions	\$ 322,001	\$ 204,500	\$ -	\$ 526,501	\$ 352,212
Membership fees	33,387	-	-	33,387	54,350
Fundraising	404,269	-	-	404,269	326,421
Interest income	135	-	-	135	105
Miscellaneous income	(1,948)	-	-	(1,948)	2,271
Net assets released from restriction	140,331	(140,331)	-	-	-
Total Unrestricted Revenue	897,175	65,169	-	961,344	735,359
Expenses					
Program services	699,449	-	-	699,449	505,068
General and administration	104,125	-	-	104,125	131,536
Fundraising expenses	40,175	-	-	40,175	32,555
Total Expenses	843,749	-	-	843,749	669,159
Total Changes in Net Assets	53,426	65,169	-	118,595	66,200
Net Assets-Beginning of Year	252,717	163,331	-	416,048	349,848
Net Assets-End of Year	\$ 306,143	\$ 228,500	\$ -	\$ 534,643	\$ 416,048

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

ATLANTA BICYCLE COALITION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2017 and 2016

	Program Services	General & Administration	Fundraising	2017 Total	2016 Total
Functional Expenses					
Salaries	\$ 249,873	\$ 49,975	\$ 12,494	312,342	\$ 292,307
Employee benefits	6,687	1,337	334	8,358	-
Payroll taxes	20,052	4,010	1,003	25,065	20,005
Accounting fees	7,240	9,480	-	16,720	11,248
Fundraising services	-	-	1,350	1,350	-
Marketing and advertising	1,700	387	2,482	4,569	10,375
Office expenses	18,170	8,058	648	26,876	64,046
Technology	1,114	1,241	1,065	3,420	3,336
Occupancy expenses	21,232	4,246	1,062	26,540	56,868
Travel	6,444	2,710	-	9,154	20,085
Depreciation	-	3,990	-	3,990	3,393
Insurance	12,285	2,697	-	14,982	20,254
Licenses and permits	1,400	50	-	1,450	-
Dues and subscriptions	734	25	-	759	-
Equipment rental	17,922	-	384	18,306	-
Catering	7,043	315	312	7,670	6,707
Contract labor	301,514	2,462	5,546	309,522	153,561
Other expenses	26,039	13,142	13,495	52,676	6,974
Total Functional Expenses	\$ 699,449	\$ 104,125	\$ 40,175	\$ 843,749	\$ 669,159

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

ATLANTA BICYCLE COALITION, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2017 and 2016

	2017	2016
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Cash Flows From Operating Activities		
Change in net assets	\$ 118,595	\$ 66,200
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,990	3,393
Loss on sale of asset	1,948	
Accounts receivable	(115,940)	(87,184)
Other current assets	2,515	(3,180)
Accounts payable and accrued expenses	69,979	(6,568)
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Net Cash Provided (Used) by Operating Activities	81,087	(27,339)
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Cash Flows From Investing Activities		
Acquisition of property and equipment	-	(12,257)
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Net Cash (Used) By Investing Activities	-	(12,257)
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Net Increase (Decrease) Increase in Cash	81,087	(39,596)
Cash-Beginning of Year	296,581	336,177
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Cash at End of Year	\$ 377,668	\$ 296,581
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These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

Atlanta Bicycle Coalition, Inc., (“the Coalition”), a non-profit corporation located at 889 Wylie Street, Atlanta, Georgia, was incorporated in 1995 in Fulton County in the State of Georgia. The Coalition is committed to creating a healthier, more sustainable Atlanta by making it safer, easier, and more attractive to bicycle for fun, fitness, and transportation. The Coalition advocates for better conditions for bicycling by educating bicyclists and drivers alike to share the road, providing resources for overcoming barriers to biking, increasing confidence while biking, and promoting the bicycle as a viable transportation solution and community-building form of recreation and exercise.

Basis of Presentation

The Coalition prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred. In accordance with GAAP, the Coalition 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.

Unrestricted - represents net assets that are not restricted by donor-imposed stipulations and are available for support of operations and other expenditures.

Temporarily restricted - represents net assets whose use by the Coalition is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Coalition pursuant to those stipulations.

Permanently restricted - represents net assets whose use by the Coalition is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Coalition.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

(Continued)

ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of donor restrictions.

Contributions that are restricted by donors are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Income Taxes

The Coalition qualifies as a tax-exempt entity as described in Internal Revenue Code Section 501(c)(3).

The Coalition only recognizes the tax benefit from an uncertain tax position taken or expected to be taken in a tax return if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Management has analyzed tax positions taken for filings with the Internal Revenue Service and all state jurisdictions where the Coalition operates. Management believes that income tax filing positions would be sustained upon examination and does not anticipate that any adjustments would result in a material adverse affect on the Coalition's financial condition, results of activities or cash flows. Accordingly, the Coalition has not recorded any reserves, or related accruals for interest and penalties, for uncertain income tax positions at December 31, 2017. The Coalition is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Coalition believes it is no longer subject to income tax examinations for fiscal years prior to December 31, 2014.

The Coalition is subject to unrelated business income tax on certain income not directly related to the Coalition's tax-exempt purpose. In the opinion of management, the Coalition did not have unrelated business income tax liabilities at December 31, 2017.

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ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Gifts

In the accompanying financial statements, donated services are reflected as in-kind donations at their estimated values on the date of receipt.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with original maturities of ninety days or less to be cash equivalents.

Subsequent Events

The Coalition has evaluated subsequent events through the filing date of this report and determined that there have not been any significant events that have occurred through that date.

Commitments and Contingencies

The Coalition may receive grants, which require the fulfillment of certain conditions as set forth in the instrument of the grant. The failure to fulfill the conditions could result in the return of the funds to the grantors. Although the return of funds is a possibility, the Board of Directors deems the contingency unlikely, since upon accepting the grants, the Coalition has agreed to comply with the provisions thereof.

Concentrations of Credit Risk

The Coalition depends heavily on contributions and grants for its support and revenue. The ability of certain contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions. While the Board of Directors believes, the Coalition has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

Use of Estimates

The preparation of financial statements in conformity with GAAP includes the use of estimates that may affect the financial statements. Accordingly, actual results could differ from those estimates.

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ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided on the straight-line method over the assets' estimated useful lives as follows:

<u>Classification</u>	<u>Estimated Lives</u>
Furniture and equipment	3 years

Additions and major improvements to existing assets greater than \$1,000 are capitalized, while minor improvements, maintenance, and repairs are charged to expense as incurred. The fair value of donated property and equipment is also capitalized. Upon retirement or disposal of property and equipment, the costs and related accumulated depreciation amounts are eliminated, and any gain or loss is included in the Statements of Activities and Changes in Net Assets.

Memberships

Membership fees are recognized over the term of membership, which is one year. Individual, family, and corporate memberships are available. Members receive information about biking, biking updates, the Coalition's events, and other related information.

NOTE 3 – OPERATING LEASES

The Coalition leases office space under an operating lease. Future minimum lease payments under the operating lease as of December 31, 2017, are as follows:

	<u>Amount</u>
2018	\$ 25,276
2019	6,365
Total	\$ 31,641

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Time-restricted contributions	\$ 194,500	\$ 163,331
Total Temporarily Restricted Net Assets	\$ 194,500	\$ 163,331

(Continued)

ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS (Continued)

The following net assets were released from restriction during the year ended December 31:

	2017	2016
Time-restricted contributions	\$ 173,331	\$ 24,000
Total released from restriction	\$ 173,331	\$ 24,000

These notes should be read only in connection with the
accompanying financial statements and independent auditors' report.