

ATLANTA BICYCLE COALITION, INC.

Financial Statements
and
Independent Auditors' Report

December 31, 2019 and 2018

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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, 2019 and 2018, and the related Statements of Activities and Changes in Net Assets, Functional Expenses, 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, 2019 and 2018, and the changes in net assets, functional expenses, 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 1, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marshall Jones

Atlanta, Georgia
January 6, 2021

ATLANTA BICYCLE COALITION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash	\$ 191,093	\$ 325,496
Accounts receivable	282,591	261,755
Other current assets	2,122	2,122
Total Current Assets	475,806	589,373
Fixed Assets		
Furniture and equipment	10,286	10,286
Less: Accumulated depreciation	(8,924)	(6,451)
Total Fixed Assets, net	1,362	3,835
TOTAL ASSETS	\$ 477,168	\$ 593,208
LIABILITIES		
Accounts payable and accrued expenses	\$ 35,442	\$ 46,393
TOTAL LIABILITIES	\$ 35,442	46,393
NET ASSETS		
Net assets without donor restriction	281,893	283,898
Net assets with donor restriction	159,833	262,917
TOTAL NET ASSETS	441,726	546,815
TOTAL LIABILITIES AND NET ASSETS	\$ 477,168	\$ 593,208

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, 2019 and 2018

	Net assets without donor restriction	Net assets with donor restriction	2019 Total	2018 Total
Revenues				
Contributions	\$ 353,732	\$ 159,833	\$ 513,565	\$ 628,254
Program services fees	12,054	-	12,054	9,479
Fundraising	234,000	-	234,000	225,492
Interest income	1,382	-	1,382	407
Miscellaneous income	492	-	492	1,932
Net assets released from restriction	262,917	(262,917)	-	-
Total Revenue	864,577	(103,084)	761,493	865,564
Expenses				
Program services	678,948	-	678,948	695,506
General and administration	127,339	-	127,341	103,131
Fundraising expenses	60,295	-	60,293	54,756
Total Expenses	866,582	-	866,582	853,392
Total Changes in Net Assets	(2,005)	(103,084)	(105,089)	12,172
Net Assets-Beginning of Year	283,898	262,917	546,815	534,643
Net Assets-End of Year	\$ 281,893	\$ 159,833	\$ 441,726	\$ 546,815

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, 2019 and 2018

	Program Services	General & Administration	Fundraising	2019 Total	2018 Total
Functional Expenses					
Salaries	\$ 347,462	\$ 69,493	\$ 17,374	434,329	401,220
Employee benefits	8,828	5,635	1,411	15,874	11,302
Payroll taxes	28,180	1,765	441	30,386	32,702
Accounting fees	7,965	10,429	-	18,394	18,632
Fundraising services	-	-	16,000	16,000	1,800
Marketing and advertising	4,954	1,128	7,233	13,315	7,737
Office expenses	24,430	10,833	871	36,134	24,009
Technology	3,579	3,988	3,422	10,989	8,002
Occupancy expenses	24,169	4,833	1,209	30,211	28,760
Travel	2,047	861	-	2,908	7,907
Depreciation	-	2,473	-	2,473	2,864
Insurance	17,074	3,748	-	20,822	24,807
Licenses and permits	1,204	43	-	1,247	4,891
Dues and subscriptions	810	28	-	838	1,403
Equipment rental	11,731	-	251	11,982	17,881
Catering	6,178	276	274	6,728	8,958
Contract labor	173,717	1,418	3,195	178,330	198,111
Other expenses	16,620	8,388	8,614	33,622	35,006
Bad Debts	-	2,000	-	2,000	17,400
Total Functional Expenses	\$ 678,948	\$ 127,339	\$ 60,295	\$ 866,582	\$ 853,392

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, 2019 and 2018

	2019	2018
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Cash Flows From Operating Activities		
Change in net assets	\$ (105,089)	\$ 12,172
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,473	2,864
Loss on sale of asset	-	-
Accounts receivable	(20,836)	(23,251)
Other current assets	-	549
Accounts payable and accrued expenses	(10,951)	(43,873)
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Net Cash (Used In) Operating Activities	(134,403)	(51,539)
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Cash Flows From Investing Activities		
Acquisition of property and equipment	-	(633)
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Net Cash (Used In) Investing Activities	-	(633)
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Net (Decrease) in Cash	(134,403)	(52,172)
Cash - Beginning of Year	325,496	377,668
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Cash - End of Year	\$ 191,093	\$ 325,496
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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, 2019 and 2018

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. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). (ASC) 958-205 effective January 1, 2019.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions - represents net assets that are not restricted by donor-imposed stipulations and are available for support of operations and other expenditures.

Net assets with donor restrictions - represents net assets whose use by the Coalition subject to stipulations imposed by donor. Some donor restrictions are temporary in nature; that either expire by passage of time or can be fulfilled and removed by actions of the Coalition pursuant to those stipulations. Other donor restrictions are perpetual in nature that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Coalition.

ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions, or with donor restrictions, depending on the existence and/or nature of donor restrictions.

Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire (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 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 effect 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, 2019. 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, 2019.

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ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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.

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.

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.

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ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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.

Recent Accounting Pronouncements

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and establishes standards for characterizing grants and similar contracts with resource providers as contributions (nonreciprocal) subject to ASC Topic 958, or as exchange transactions (reciprocal) subject to ASC Topic 606.

For the year ending December 31, 2019, the Coalition adopted ASU 2018-08 and has adjusted the presentation in these financial statements accordingly. The Coalition recognizes contributions and grant income in the accompanying statements of activities, in accordance with ASC Topic 958. The adoption of ASU 2018-08 did not have an impact on the timing of the revenue recognition of the contributions.

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, 2019, are as follows:

	<u>Amount</u>
2020	\$ 29,534
2021	9,941
Total	\$ 39,475

ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 4 –NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction consisted of the following at December 31:

	2019	2018
Contributions with donor restriction	\$ 159,833	\$ 262,917
Total Net Assets	\$ 159,833	\$ 262,917

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

	2019	2018
Contributions with donor restriction	\$ 262,917	\$ 228,500
Total released from restriction	\$ 262,917	\$ 228,500

NOTE 5 – RECLASSIFICATION

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

NOTE 6 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Coalition has \$473,684 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$191,093 and receivables of \$282,591. The receivables are not subject to restriction and are expected to be collected within one year. The Coalition has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expense, which are, on average, approximately \$142,565. The Coalition has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The following represents the financial assets available to meet cash needs within one year as of December 31:

	2019	2018
Cash	\$ 191,093	\$ 325,496
Accounts receivable	282,591	261,755
Less: restrictions	(159,833)	(262,917)
Financial assets available for general expenditures	\$ 313,851	\$ 324,334

ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 7 – SUBSEQUENT EVENTS

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak that occurred subsequent to year end may have an impact on the operations of the Coalition. The extent of the impact to the financial performance of the Coalition will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be predicted. If the financial performance of the Coalition is impacted because of these things for an extended period, the Coalition's financial results may be adversely affected. Final results of the relief measures are not currently known.

In order to reduce the possible impact as described above, the Coalition has updated operations to include employees' ability to work from home and added safety precautions to visitors and/or staff who enter the building.

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