

**ATLANTA BICYCLE COALITION, INC.**

Financial Statements  
and  
Independent Auditors' Report

June 30, 2020

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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 Statement of Financial Position as of June 30, 2020, and the related Statement of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the six months 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 June 30, 2020, and the change in net assets, functional expenses, and cash flows for the six months then ended in accordance with accounting principles generally accepted in the United States of America.

*Marshall Jones*

January 26, 2022

**ATLANTA BICYCLE COALITION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 2020

	2020
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 467,824
Accounts receivable	41,808
Other current assets	2,122
<b>Total Current Assets</b>	<b>511,754</b>
<b>Fixed Assets</b>	
Furniture and equipment	10,287
Less: Accumulated depreciation	(9,440)
<b>Total Fixed Assets, net</b>	<b>847</b>
<b>TOTAL ASSETS</b>	<b>\$ 512,601</b>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 36,771
<b>TOTAL LIABILITIES</b>	<b>36,771</b>
<b>NET ASSETS</b>	
Net assets without donor restriction	273,747
Net assets with donor restriction	202,083
<b>TOTAL NET ASSETS</b>	<b>475,830</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 512,601</b>

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

**ATLANTA BICYCLE COALITION, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the Six Months Ended June 30, 2020

	<b>Net assets without donor restriction</b>	<b>Net assets with donor restriction</b>	<b>2020 Total</b>
<b>Revenues</b>			
Contributions	\$ 90,142	\$ 108,500	<b>198,642</b>
Program services fees	445	-	<b>445</b>
Fundraising	68,049	-	<b>68,049</b>
Interest income	52	-	<b>52</b>
Net assets released from restriction	66,250	(66,250)	-
<b>Total Revenue</b>	<b>224,938</b>	<b>42,250</b>	<b>267,188</b>
<b>Expenses</b>			
Program services	176,678	-	<b>176,678</b>
General and administration	44,113	-	<b>44,113</b>
Fundraising expenses	12,293	-	<b>12,293</b>
<b>Total Expenses</b>	<b>233,084</b>	<b>-</b>	<b>233,084</b>
Total Changes in Net Assets	(8,146)	42,250	<b>34,104</b>
Net Assets – Beginning of Year	281,893	159,833	<b>441,726</b>
<b>Net Assets – End of Year</b>	<b>\$ 273,747</b>	<b>\$ 202,083</b>	<b>\$ 475,830</b>

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

**ATLANTA BICYCLE COALITION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Six Months Ended June 30, 2020

	<b>Program Services</b>	<b>General &amp; Administration</b>	<b>Fundraising</b>	<b>2020 Total</b>
<b>Functional Expenses</b>				
Salaries	\$ 116,738	\$ 23,348	\$ 5,837	<b>\$ 145,923</b>
Employee benefits	3,282	656	164	<b>4,102</b>
Payroll taxes	9,425	1,885	472	<b>11,781</b>
Accounting fees	3,186	4,172	-	<b>7,358</b>
Marketing and advertising	88	20	128	<b>236</b>
Office expenses	2,737	1,214	98	<b>4,049</b>
Technology	1,713	1,908	1,637	<b>5,258</b>
Occupancy expenses	13,274	2,654	664	<b>16,592</b>
Depreciation		515	-	<b>515</b>
Insurance	7,512	1,649	-	<b>9,161</b>
Dues and subscriptions	315	11	-	<b>326</b>
Equipment rental	946	-	20	<b>966</b>
Catering	334	15	15	<b>364</b>
Contract labor	11,236	92	207	<b>11,535</b>
Other expenses	5,892	2,973	3,052	<b>11,917</b>
Bad Debts	-	3,000	-	<b>3,000</b>
<b>Total Functional Expenses</b>	<b>\$ 176,678</b>	<b>\$ 44,113</b>	<b>\$ 12,293</b>	<b>\$ 233,084</b>

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

**ATLANTA BICYCLE COALITION, INC.**  
**STATEMENT OF CASH FLOWS**  
For the Six Months Ended June 30, 2020

	<b>2020</b>
<b>Cash Flows From Operating Activities</b>	
Change in net assets	\$ 34,104
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	515
(Increase) Decrease in:	
Accounts receivable	240,783
Increase (Decrease) in:	
Accounts payable and accrued expenses	1,329
<b>Net Cash Provided By Operating Activities</b>	<b>276,731</b>
Net Increase in Cash	276,731
Cash - Beginning of Year	191,093
<b>Cash - End of Year</b>	<b>\$ 467,824</b>

This financial statement 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**  
June 30, 2020

**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, 2020.

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**

June 30, 2020

**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 June 30, 2020. 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, 2019. 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 June 30, 2020.

(Continued)

**ATLANTA BICYCLE COALITION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2020

**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**

June 30, 2020

**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 June 30, 2020, 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 June 30, 2020, are as follows:

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

**ATLANTA BICYCLE COALITION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2020

**NOTE 4 –NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restriction consisted of the following at June 30:

	<b>2020</b>
Contributions with donor restriction	<b>\$ 202,083</b>
Total Net Assets	<b>\$ 202,083</b>

The following net assets were released from restriction during the year ended June 30:

	<b>2020</b>
Contributions with donor restriction	<b>\$ 66,250</b>
Total released from restriction	<b>\$ 66,250</b>

**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 June 30:

	<b>2020</b>
Cash	<b>\$ 467,824</b>
Accounts receivable	<b>41,808</b>
Less: restrictions	<b>(202,083)</b>
Financial assets available for general expenditures	<b>\$ 307,549</b>

**ATLANTA BICYCLE COALITION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2020

**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.