

ATLANTA BICYCLE COALITION, INC.

Financial Statements
and
Independent Auditors' Report

June 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Atlanta Bicycle Coalition, Inc.

Opinion

We have audited the financial statements of Atlanta Bicycle Coalition, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Atlanta Bicycle Coalition, Inc. as of June 30, 2021, and the changes in its net assets and its 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 (GAAS). 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 Atlanta Bicycle Coalition, Inc. 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 Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Atlanta Bicycle Coalition, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

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

Marshall Jones

Atlanta, Georgia
March 16, 2023

ATLANTA BICYCLE COALITION, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS	
Current Assets	
Cash	\$ 556,113
Accounts receivable, net	15,177
Total Current Assets	571,290
Fixed Assets	
Furniture and equipment	12,005
Less: Accumulated depreciation	(10,525)
Total Fixed Assets, net	1,480
TOTAL ASSETS	\$ 572,770
LIABILITIES	
Accounts payable and accrued expenses	\$ 34,825
Loan subject to forgiveness	74,017
TOTAL LIABILITIES	108,842
NET ASSETS	
Net assets without donor restriction	392,728
Net assets with donor restriction	71,200
TOTAL NET ASSETS	463,928
TOTAL LIABILITIES AND NET ASSETS	\$ 572,770

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 Year Ended June 30, 2021

	Net assets without donor restriction	Net assets with donor restriction	Total
Revenues			
Contributions	\$ 194,438	\$ 71,200	\$ 265,638
Program services fees	2,500	-	2,500
Grant income	146,224	-	146,224
Interest income	41	-	41
Other income	9,012	-	9,012
Loan forgiveness	96,300	-	96,300
Net assets released from restriction	202,083	(202,083)	-
Total Revenue	650,598	(130,883)	519,715
Expenses			
Program services	319,725	-	319,725
General and administration	122,193	-	122,193
Fundraising expenses	89,699	-	89,699
Total Expenses	531,617	-	531,617
Total Changes in Net Assets	118,981	(130,883)	(11,902)
Net Assets – Beginning of Year	273,747	202,083	475,830
Net Assets – End of Year	\$ 392,728	\$ 71,200	\$ 463,928

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 Year Ended June 30, 2021

	Program Services	General & Administration	Fundraising	Total
Functional Expenses				
Salaries and wages	\$ 224,783	\$ 71,531	\$ 64,150	\$ 360,464
Payroll taxes	17,231	5,483	4,917	27,631
Employee benefit	20,250	6,444	5,779	32,473
Insurance	4,061	1,292	1,159	6,512
Professional services	-	24,716	-	24,716
Marketing and advertising	2,831	845	-	3,676
Office expenses	6,182	5,513	5,012	16,707
Technology	13,320	2,664	1,776	17,760
Occupancy	4,861	1,547	1,387	7,795
Conferences and trainings	4,628	-	-	4,628
Depreciation	-	568	-	568
Licenses and permits	-	30	-	30
Dues and subscriptions	-	624	3,833	4,457
Meals & entertainment	-	936	234	1,170
Contract labor	5,808	-	1,452	7,260
Other expenses	13,770	-	-	13,770
Bad debts	2,000	-	-	2,000
Total Functional Expenses	\$ 319,724	\$ 122,194	\$ 89,699	\$ 531,617

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 Year Ended June 30, 2021

Cash Flows from Operating Activities	
Change in net assets	\$ (11,902)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	568
Loan forgiveness income	(96,300)
(Increase) Decrease in:	
Accounts receivable	26,631
Other current assets	2,122
Increase (Decrease) in:	
Accounts payable and accrued expenses	(1,946)
Net Cash Used In Operating Activities	(80,827)
Cash Flows from Investing Activities	
Purchases of equipment	(1,201)
Net Cash Used In Investing Activities	(1,201)
Cash Flows from Financing Activities	
Proceeds from loan subject to forgiveness	74,017
Net Cash Provided By Financing Activities	74,017
Net Decrease in Cash	(8,011)
Cash - Beginning of Year	564,124
Cash - End of Year	\$ 556,113

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, 2021

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

Atlanta Bicycle Coalition, Inc., (“the Coalition”), a non-profit corporation located in Atlanta, Georgia, was incorporated in 1995 in Fulton County in the State of Georgia. The Coalition is committed to reclaim Atlanta’s streets as safe, inclusive, and thriving spaces for people to ride, walk, and roll. The Coalition always envisioned a day when biking is wholly integrated into Atlanta's daily life, culture, and infrastructure, and our mission was focused on making biking equitable, safe, and appealing. Our current strategic plan responds to changes in our environment and work with an updated mission and vision, and expanded goals that include walking and transit.

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 are 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, 2021

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, 2021. 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 June 30, 2018. 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, 2021.

(Continued)

ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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.

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 accompanying Statement of Activities and Changes in Net Assets.

(Continued)

ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the accompanying Statement of Activities. The accompanying Statement of Functional Expenses present the natural classification details of expenses by function. Accordingly, certain expenses have been allocated among the programs and supporting services receiving benefit. The allocation has been made based on management's best estimate of the actual resources used in those areas. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and Effort
Depreciation	Square Footage
Occupancy	Square Footage
Other expenses	Time and Effort

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, 2021, 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.

ATLANTA BICYCLE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 –NET ASSETS WITH DONOR RESTRICTION

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

	2021
Contributions with donor restriction	\$ 71,200
Total Net Assets	\$ 71,200

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

	2021
Contributions with donor restriction	\$ 202,083
Total released from restriction	\$ 202,083

NOTE 4 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Coalition has a goal to maintain financial assets, which consist of cash and accounts receivable, on hand to meet 60 days of normal operating expense, which are, on average, approximately \$88,000. 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:

	2021
Cash	\$ 556,113
Accounts receivable	15,177
Less: restrictions	(71,200)
Financial assets available for general expenditures	\$ 500,090

NOTE 5 – DEFINED CONTRIBUTION PLAN

The Coalition participates in a retirement savings plan sponsored by the Coalition. Under this plan, employees may contribute a portion of their earnings into the plan and employees' contributions are matched by the Coalition at a rate of 3%. Employees are always 100% vested in both their contributions and the Coalition's matching contributions. For the year ended June 30, 2021, the Coalition contributed \$8,067 to the plan.

ATLANTA BICYCLE COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 6 – LOAN SUBJECT TO FORGIVENESS

Loan subject to forgiveness resulted from the Coalition receiving government assistance in the form of two loans in accordance with the Paycheck Protection Program of \$93,600 and \$74,017, with interest rates of 1.00% and maturity dates of April 28, 2022 and May 11, 2026, respectively. Forgiveness of the loans is contingent on meeting certain conditions related to payroll expenditures. The first loan was forgiven in its entirety as of June 3, 2021 and, as according to GAAP, this loan was classified and properly recognized as revenue. The second loan was subsequently forgiven as of April 27, 2022 and will be properly recognized as revenue in the appropriate accounting period.

NOTE 7 – CONTINGENCY

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 continued operations to include employees' ability to work from home.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated events through the date of this report, which is the date the financial statements were available to be issued.

In May 2021, the board of directors of the Coalition and Pedestrians Educating Drivers on Safety, Inc. (PEDS), a Georgia nonprofit corporation, approved an asset transfer from PEDS to the Coalition. Subsequently, certain assets and liabilities were transferred to the Coalition as specified in the Asset Purchase Agreement, and PEDS was dissolved per the approved Plan of Dissolution. On June 9, 2022, the Coalition filed a certificate of amendment in the state of Georgia to change its name to Propel ATL, Inc., a nonprofit corporation.

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