BICYCLE COALITION OF MAINE

Financial Statements
December 31, 2016 and 2015

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Independent Accountants' Review Report

Board of Directors
Bicycle Coalition of Maine
Portland, Maine

We have reviewed the accompanying financial statements of Bicycle Coalition of Maine (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and change in net assets and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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's Responsibility 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; 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

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

Macpage LLC

South Portland, Maine
August 22, 2017

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Statements of Financial Position

December 31,

	2016	2015
Current Assets		
Cash and cash equivalents	$ 418,627	$ 328,878
Accounts receivable	47,878	54,092
Prepaid expenses	6,858	1,000
Inventory	35,086	29,501
Total Current Assets	508,449	413,471
Property and Equipment		
Equipment	27,194	23,416
Accumulated depreciation	(18,153)	(15,041)
Total Property and Equipment	9,041	8,375
Long Term Assets		
Investments	225,146	192,236
Other Assets		
Security deposit	1,000	
Total Assets	$ 743,636	$ 614,082

LIABILITIES AND NET ASSETS

	2016	2015
Current Liabilities		
Accounts payable	$ 9,655	$ 11,734
Deferred revenue	258,825	147,676
Accrued expenses	33,006	33,621
Total Current Liabilities	301,486	193,031
Net Assets		
Unrestricted net assets	350,281	363,894
Temporarily restricted net assets	91,869	57,157
Total Net Assets	442,150	421,051
Total Liabilities and Net Assets	$ 743,636	$ 614,082

See independent accountants' review report.
The accompanying notes are an integral part of these financial statements.

Statement of Activities and Change in Net Assets

Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Support and Revenues			
Contract revenue	$ 181,590		$ 181,590
Memberships	177,983		177,983
Contributions	179,065		179,065
Bike rides and events	625,771		625,771
Grants		$ 121,545	121,545
Sales	42,371		42,371
Special events	13,979		13,979
Interest income	7,894		7,894
Miscellaneous income	4,149		4,149
In-kind revenue	79,571		79,571
Unrealized gain on investments	12,832		12,832
Assets released from restriction	86,833	(86,833)	
Total Support and Revenues	1,412,038	34,712	1,446,750
Expenses			
In-kind expenses	79,571		79,571
Cost of sales	31,103		31,103
Marketing	68,043		68,043
Program and event expenses	424,704		424,704
Professional fees	16,457		16,457
Salaries and benefits	640,683		640,683
Conference	2,634		2,634
Travel expenses	36,338		36,338
Occupancy costs	20,429		20,429
Insurance	24,592		24,592
Information technology	13,236		13,236
Office expenses	28,693		28,693
Card and bank fees	22,853		22,853
Dues and memberships	3,833		3,833
Equipment	103		103
Sponsorships and scholarships	515		515
Special events	7,246		7,246
Miscellaneous	1,506		1,506
Depreciation	3,112		3,112
Total Expenses	1,425,651		1,425,651
Change in Net Assets	(13,613)	34,712	21,099
Net Assets - Beginning of Year	363,894	57,157	421,051
Net Assets - End of Year	$ 350,281	$ 91,869	$ 442,150

See independent accountants' review report.
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Statement of Activities and Changes in Net Assets

Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Support and Revenues			
Contract revenue	$ 252,165		$ 252,165
Memberships	198,995		198,995
Contributions	129,624		129,624
Bike rides and events	625,726		625,726
Grants	62,892	$ 57,157	120,049
Sales	17,981		17,981
Special events	18,307		18,307
Interest income	8,520		8,520
Miscellaneous income	500		500
In-kind revenue	54,161		54,161
Assets released from restriction	101,551	(101,551)	
Total Support and Revenues	1,470,422	(44,394)	1,426,028
Expenses			
Unrealized loss on investments	11,985		11,985
In-kind expenses	54,161		54,161
Cost of sales	35,755		35,755
Marketing	69,512		69,512
Program and event expenses	422,237		422,237
Professional fees	27,361		27,361
Salaries and benefits	526,506		526,506
Subcontractor labor	55,164		55,164
Conference	1,318		1,318
Travel	37,446		37,446
Occupancy costs	17,998		17,998
Insurance	18,838		18,838
Information technology	17,964		17,964
Office expenses	30,380		30,380
Card and bank fees	27,859		27,859
Dues and memberships	3,829		3,829
Equipment	3,283		3,283
Sponsorships and scholarships	1,810		1,810
Special events	4,574		4,574
Miscellaneous	276		276
Depreciation	2,734		2,734
Total Expenses	1,370,990		1,370,990
Change in Net Assets	99,432	(44,394)	55,038
Net Assets - Beginning of Year	264,462	101,551	366,013
Net Assets - End of Year	$ 363,894	$ 57,157	$ 421,051

See independent accountants' review report.
The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Year Ended December 31,

	2016	2015
Cash Flows from Operating Activities		
Change in net assets	$ 21,099	$ 55,038
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	3,112	2,734
Unrealized (gain) loss	(12,832)	11,985
(Increase) decrease in operating assets:		
Accounts receivable	6,214	31,161
Prepaid expenses	(5,858)	3,854
Inventory	(5,585)	(5,216)
Other assets	(1,000)	
Increase (decrease) in operating liabilities:		
Accounts payable	(2,079)	(13,834)
Accrued expenses	(615)	(43)
Deferred revenue	111,149	128,296
Total adjustments	92,506	158,937
Net cash flows from operating activities	113,605	213,975
Cash flows from Investing Activities		
Purchase of property and equipment	(3,778)	
Purchase of Investments	(20,078)	(8,468)
Net cash flows from investing activities	(23,856)	(8,468)
Net Change in Cash and Cash Equivalents	89,749	205,507
Cash and Cash Equivalents, Beginning of Year	328,878	123,371
Cash and Cash Equivalents, End of Year	$ 418,627	$ 328,878

See independent accountants' review report.
The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

December 31, 2016 and 2015

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Bicycle Coalition of Maine (the Coalition) is a not-for-profit corporation. The primary purpose of the Coalition is to make Maine better for bicycling and walking. This goal is accomplished through education, legislation, limited advocacy and encouragement.

Basis of Presentation

The Coalition's net assets, revenues and expenses, gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

> **Unrestricted net assets** – Net assets not subject to donor-imposed stipulations.
>
> **Temporarily restricted net assets** – Net assets whose use has been limited by donors to a specified purpose or time period. When a stipulated use is met or time restriction ends, temporarily restricted assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
>
> **Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Coalition. Generally, the donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

The Coalition had no permanently restricted net assets as of December 31, 2016 and 2015.

Basis of Accounting

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

Cash and cash equivalents

Cash and highly liquid investments with initial maturities of three months or less are considered to be cash equivalents.

Accounts Receivable

Accounts receivable represent revenues due for services provided through year-end. Any allowance would be based on management's estimate of possible bad debts. No allowance for uncollectible accounts was considered necessary by management as of December 31, 2016 and 2015.

Inventory

Inventory, which consists of t-shirts and memorabilia sold or distributed at special events, is valued at the lower of cost or market. Cost is determined on the first-in, first-out method.

Deferred Revenue

Deferred revenue results from grant and contract revenue received by the Coalition, which is unexpended and unearned as of December 31, 2016 and 2015.

Notes to Financial Statements

December 31, 2016 and 2015

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Concentration of Revenue

Of the contract revenue received by the Coalition for the year ended December 31, 2016 and 2015, 84% was from two sources and 74% from a single source, respectively. Of the program and events revenue for the year ended December 31, 2016 and , 51% and 52% was from a single source, respectively. Changes in, or elimination of, these sources could adversely affect operations of the Coalition if another service provider was not readily available.

Revenue Recognition

All public support and revenue is considered to be available for unrestricted use, unless specifically restricted by a donor. At its discretion, the Board of Directors may designate unrestricted funds for specific purposes.

Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit use of the donated assets.

Functional Expenses

The Coalition allocates expenses on a functional basis among its programs and supporting services. Accordingly, certain costs have been allocated among the programs and supporting services benefited. For the year ended 2016 and 2015 respectively, the Coalition incurred $1,020,200 and $1,010,388 in program and related grant expenses, $301,659 and $152,477 in administrative expenses, and $103,792 and $208,125 in fundraising expenses.

Income Taxes

The Coalition is classified as a public charity exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

The Coalition is subject to U.S. federal, state, and local examinations by taxing authorities for the years ended December 31, 2013 through December 31, 2016.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Coalition uses various methods, including market, income and cost approaches. Based on these approaches, the Coalition often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Coalition utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Notes to Financial Statements

December 31, 2016 and 2015

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements – Continued

Based on the observability of the inputs used in the valuation techniques, the Coalition is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

In determining the appropriate levels, the Coalition performs a detailed analysis of the assets and liabilities. At each reporting period, any assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the year ended December 31, 2016 and 2015, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investments

Investments have been valued using a market approach. The fair value of mutual funds is determined to be its net asset value (NAV), money market funds are at cost plus interest earned and stocks and other securities are based on quoted market prices.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 in the reporting period. Actual results could differ from these estimates.

Advertising

Advertising (marketing) costs are expensed as they are incurred. Advertising costs for the year ended December 31, 2016 and were $68,043 and $69,512, respectively.

Notes to Financial Statements

December 31, 2016 and 2015

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment

Property and equipment are stated at cost at the date of acquisition or, if donated, at the fair value on the date of the gift. Maintenance, repairs, and minor renewals are expensed as incurred. Renewals and betterments that extend the useful life of the asset are capitalized. When an asset is retired or disposed of, the related costs and allowances for depreciation or amortization are removed from the accounts and any gain or loss on the disposition is reflected in the statements of activities. Provisions for depreciation are made using the straight-line method over estimated useful lives of five years.

NOTE 2 – INVESTMENTS

Investments at fair value consist of the following as of December 31:

	2016	2015
Equities	$ 147,265	$ 120,502
Fixed Income	76,623	67,674
Money market accounts	1,258	4,060
	$ 225,146	$ 192,236

NOTE 3 – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are, as follows:

December 31, 2016	**Total**	**Level 1**	**Level 2**	**Level 3**
Equities	$ 147,265	$ 147,265		
Fixed Income Mutual Funds	76,623	76,623		
Money Market Accounts	1,258	1,258		
	$ 225,146	$ 225,146		

December 31,2015	Total	Level 1	Level 2	Level 3
Equities	$ 120,502	$ 120,502		
Fixed Income Mutual Funds	67,674	67,674		
Money Market Accounts	4,060	4,060		
	$ 192,236	$ 192,236		

See independent accountants' review report.

Notes to Financial Statements

December 31, 2016 and 2015

NOTE 4 – OPERATING LEASE

The Coalition leases an office in Portland and entered into a five year lease, effective February 1, 2013, with an option to renew this lease for five one-year terms at contracted rates. Rental expense, which is allocated across several areas, totaled $14,192 for the year ended December 31, 2016 and $14,828 for the year ended December 31, 2015.

The Coalition also leases a multifunction printer. The lease ran through April 2015 with payments of $135 due monthly. This lease was renegotiated in April 2016 to extend to December 2019 at a monthly payment of $115 with a monthly maintenance fee of $190.

The Coalition started leasing a storage unit located in Portland starting January 1, 2016 and ending January 2018. Monthly payments are $75 for the period of January 2016 to January 2017 and $80 starting February 2017 ending January 2018.

The future minimum lease payments are:

Years Ending December 31:	
2017	$ 19,149
2018	4,956
2019	3,660
	$ 27,765

NOTE 5 – NET ASSETS

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

	2016	2015
Bikes for all Mainers	$ 1,867	$ 3,562
Community Spokes	10,103	7,229
Safety grant	35,000	
Imagine Bikes Here		2,918
Bicycles WelcoME	393	
Valet Bike Parking	3,234	13,500
Bold Coast	8,678	
BPSE/SRTS	8,346	
Where to Ride	19,248	
Driver Education	5,000	
	$ 91,869	$ 57,157

NOTE 6 – CONCENTRATION OF CREDIT RISK

The Coalition maintains cash balances at a local bank. Deposits are insured up to a maximum amount of $250,000. At times, the bank balances may exceed federally insured limits. The Coalition has not experienced losses in such deposits, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Notes to Financial Statements

December 31, 2016 and 2015

NOTE 7 – NONMONETARY EXCHANGE TRANSACTIONS

A nonmonetary transaction is an exchange transaction, which is a reciprocal transfer in which each party receives and sacrifices something of equal value, as opposed to a nonreciprocal transaction (such as a donation) in which a donor provides resources to support the Coalition's mission.

For the year ended December 31, 2016 and 2015, the Coalition received nonmonetary support from various businesses for the purposes of providing professional fees, memberships and subscriptions, advertising, workshop expenses, and services to the Coalition. In exchange, these businesses were provided with membership benefits, as well as workshop and conference sponsorships. For the years ended December 31, 2016 and 2015, the Coalition's nonmonetary exchange transactions totaled $79,571 and $54,161 respectively.

NOTE 8 – CONTRACT REVENUE

The Coalition administers certain contracts with the Maine Department of Transportation (MDOT) and others to promote its mission, including bicycle and pedestrian safety education and safe routes to school and other missions. The Coalition has an ongoing relationship with MDOT which shares these missions.

Revenue sources for years ended December 31 are as follows:

	2016	2015
Maine Department of Transportation	$ 106,225	$ 186,399
PACTS	16,554	20,830
CDC	45,790	44,936
RTP	3,521	
Maine Office of Tourism	9,500	
	$ 181,590	$ 252,165

NOTE 9 – SPECIAL EVENTS

The Organization engages in certain activities to promote its mission, including bicycle safety, education, socialization and fundraising. Following is a summary of the various events for the years ended, December 31, 2016 and 2015. The expenses include costs that are directly incurred in connection with the event. Staff time and various overhead costs are included elsewhere.

December 31, 2016

	Revenues	Direct Expenses	Net
Horny Toad Sale	$ 449	$ 96	$ 353
Flatbread Revenue	620	96	524
Super Raffle	12,910	6,541	6,369
	$ 13,979	$ 6,733	$ 7,246

See independent accountants' review report.

Notes to Financial Statements

December 31, 2016 and 2015

NOTE 9 – SPECIAL EVENTS - CONTINUED

December 31, 2015

	Revenues	Direct Expenses	Net
Raffles	$ 8,525		$ 8,525
Event Calendar	6,235	$ 3,818	2,417
Community Spokes	2,500	744	1,756
Flatbread Revenue	1,047	12	1,035
	$ 18,307	$ 4,574	$ 13,733

NOTE 10 – RELATED PARTY TRANSACTIONS

The Organization makes payments for some BikeMaine expenses to a business owned by an employee which totaled $13,904 and $13,632 for the years ended December 31, 2016 and 2015 respectively.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 22, 2017, which represents the date on which the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.