



**Financial Statements
December 31, 2018**

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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 statement of financial position as of December 31, 2018, and the related statements of activities, statements of functional expenses and cash flows for the year 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 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement 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 review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2017 Financial Statements

The financial statements of Bicycle Coalition of Maine as of December 31, 2017, were reviewed by Macpage LLC, who merged with Wipfli LLP as of August 1, 2018, and whose report dated July 30, 2018, stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Schedule of Expenditures of Department Agreements Required by MAAP

The accompanying *Schedule of Expenditures of Department Agreements*, as required by the *Maine Uniform Accounting and Auditing Practices for Community Agencies* for the year ended December 31, 2018, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the information. We have not audited the information and do not express an opinion on such information.



South Portland, Maine
July 15, 2019

Statements of Financial Position

December 31,

| | 2018 | 2017 |
|---|-------------------|-------------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 476,523 | \$ 480,415 |
| Accounts receivable | 22,031 | 55,438 |
| Prepaid expenses | 12,116 | 7,853 |
| Inventory | 17,819 | 30,218 |
| Total Current Assets | <u>528,489</u> | <u>573,924</u> |
| Property and Equipment | | |
| Equipment | 38,645 | 38,645 |
| Accumulated depreciation | (21,230) | (15,039) |
| Total Property and Equipment | <u>17,415</u> | <u>23,606</u> |
| Long Term Assets | | |
| Investments | 268,493 | 263,874 |
| Other Assets | | |
| Security deposit | 3,900 | 1,000 |
| Total Assets | <u>\$ 818,297</u> | <u>\$ 862,404</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable | \$ 13,852 | \$ 2,536 |
| Deferred revenue | 455,550 | 295,135 |
| Accrued expenses | 34,657 | 38,106 |
| Total Current Liabilities | <u>504,059</u> | <u>335,777</u> |
| Net Assets | | |
| Without donor restrictions | | |
| Undesignated | 204,828 | 438,615 |
| Total without donor restrictions | <u>204,828</u> | <u>438,615</u> |
| With donor restrictions | 109,410 | 88,012 |
| Total Net Assets | <u>314,238</u> | <u>526,627</u> |
| Total Liabilities and Net Assets | <u>\$ 818,297</u> | <u>\$ 862,404</u> |

See independent accountants' review report.

The accompanying notes are an integral part of these financial statements.

Statement of Activities

Year Ended December 31, 2018

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|-------------------------------|----------------------------|-------------------|
| Support and Revenues | | | |
| Contract revenue | \$ 219,113 | | \$ 219,113 |
| Memberships | 137,131 | | 137,131 |
| Contributions | 157,260 | | 157,260 |
| Bike rides and events | 604,515 | | 604,515 |
| Grants | | \$ 63,000 | 63,000 |
| Sales | 25,365 | | 25,365 |
| Special events | 15,641 | | 15,641 |
| Interest income | 15,214 | | 15,214 |
| Miscellaneous income | 661 | | 661 |
| In-kind revenue | 43,068 | | 43,068 |
| Assets released from restriction | 41,602 | (41,602) | |
| Total Support and Revenues | <u>1,259,570</u> | <u>21,398</u> | <u>1,280,968</u> |
| Expenses | | | |
| Program and grant related expenses | 952,798 | | 952,798 |
| Fundraising expenses | 81,691 | | 81,691 |
| General and administrative | 458,868 | | 458,868 |
| Total Expenses | <u>1,493,357</u> | | <u>1,493,357</u> |
| Change in Net Assets | <u>(233,787)</u> | <u>21,398</u> | <u>(212,389)</u> |
| Net Assets - Beginning of Year | <u>438,615</u> | <u>88,012</u> | <u>526,627</u> |
| Net Assets - End of Year | <u>\$ 204,828</u> | <u>\$ 109,410</u> | <u>\$ 314,238</u> |

See independent accountants' review report.

The accompanying notes are an integral part of these financial statements.

Statement of Activities

Year Ended December 31, 2017

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|-------------------------------|----------------------------|-------------------|
| Support and Revenues | | | |
| Contract revenue | \$ 254,669 | | \$ 254,669 |
| Memberships | 187,791 | | 187,791 |
| Contributions | 209,672 | | 209,672 |
| Bike rides and events | 605,975 | | 605,975 |
| Grants | | \$ 117,029 | 117,029 |
| Sales | 38,837 | | 38,837 |
| Special events | 12,592 | | 12,592 |
| Interest income | 6,863 | | 6,863 |
| Miscellaneous income | 800 | | 800 |
| In-kind revenue | 54,563 | | 54,563 |
| Unrealized gain on investments | 31,937 | | 31,937 |
| Assets released from restriction | 120,886 | (120,886) | |
| Total Support and Revenues | <u>1,524,585</u> | <u>(3,857)</u> | <u>1,520,728</u> |
| Expenses | | | |
| Program and related grant expenses | 1,036,673 | | 1,036,673 |
| Fundraising expenses | 51,289 | | 51,289 |
| General and administrative | 348,289 | | 348,289 |
| Total Expenses | <u>1,436,251</u> | | <u>1,436,251</u> |
| Change in Net Assets | <u>88,334</u> | <u>(3,857)</u> | <u>84,477</u> |
| Net Assets - Beginning of Year | <u>350,281</u> | <u>91,869</u> | <u>442,150</u> |
| Net Assets - End of Year | <u>\$ 438,615</u> | <u>\$ 88,012</u> | <u>\$ 526,627</u> |

See independent accountants' review report.

The accompanying notes are an integral part of these financial statements.

Statement of Functional Expenses

Year Ended December 31, 2018

| | Program and Grant Related Expenses | Fundraising Expenses | General and Administrative | Total |
|--------------------------------|--|-------------------------|-------------------------------|---------------------|
| Personnel Expense | | | | |
| Compensation | \$ 340,955 | \$ 31,760 | \$ 228,419 | \$ 601,134 |
| Payroll taxes | 25,507 | 2,613 | 20,293 | 48,413 |
| Employee benefits | | | 5,258 | 5,258 |
| Total Personnel Cost | <u>366,462</u> | <u>34,373</u> | <u>253,970</u> | <u>654,805</u> |
| Other Expenses | | | | |
| In-kind expenses | | | 43,068 | 43,068 |
| Cost of sales | 17,505 | | 7,182 | 24,687 |
| Marketing | 43,865 | 23,197 | 17,573 | 84,635 |
| Program and event expenses | 442,797 | 1,192 | 375 | 444,364 |
| Professional fees | | 17,278 | 15,347 | 32,625 |
| Conference | 2,329 | | 3,973 | 6,302 |
| Travel expenses | 31,445 | 1,044 | 4,727 | 37,216 |
| Occupancy costs | 2,315 | | 40,601 | 42,916 |
| Insurance | 10,566 | | 5,563 | 16,129 |
| Information technology | 458 | 25 | 13,256 | 13,739 |
| Office expenses | 1,209 | 4,567 | 15,223 | 20,999 |
| Card and bank fees | 19,121 | 15 | 2,898 | 22,034 |
| Dues and memberships | 810 | | 2,058 | 2,868 |
| Equipment | 1,019 | | | 1,019 |
| Sponsorships and scholarships | 2,250 | | | 2,250 |
| Special events | 10,647 | | | 10,647 |
| Unrealized loss on investments | | | 26,863 | 26,863 |
| Depreciation | | | 6,191 | 6,191 |
| Total Other Expenses | <u>586,336</u> | <u>47,318</u> | <u>204,898</u> | <u>838,552</u> |
| Total Expenses | <u>\$ 952,798</u> | <u>\$ 81,691</u> | <u>\$ 458,868</u> | <u>\$ 1,493,357</u> |

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

Statement of Functional Expenses

Year Ended December 31, 2017

| | Program and Grant Related Expenses | Fundraising Expenses | General and Administrative | Total |
|-------------------------------|--|-------------------------|-------------------------------|---------------------|
| Personnel Expense | | | | |
| Compensation | \$ 403,857 | \$ 35,163 | \$ 157,599 | \$ 596,619 |
| Payroll taxes | 22,480 | 4,398 | 19,713 | 46,591 |
| Employee benefits | 7,418 | 1,451 | 6,505 | 15,374 |
| Total Personnel Cost | <u>433,755</u> | <u>41,012</u> | <u>183,817</u> | <u>658,584</u> |
| Other Expenses | | | | |
| In-kind expenses | | | 54,563 | 54,563 |
| Cost of sales | 23,775 | | 610 | 24,385 |
| Marketing | 49,058 | 728 | 15,797 | 65,583 |
| Program and event expenses | 450,320 | 1,516 | 1,962 | 453,798 |
| Professional fees | 5,738 | 600 | 12,450 | 18,788 |
| Conference | 3,760 | | 1,240 | 5,000 |
| Travel | 36,261 | 541 | 3,879 | 40,681 |
| Occupancy costs | 1,987 | | 17,759 | 19,746 |
| Insurance | 9,980 | | 8,906 | 18,886 |
| Information technology | 473 | | 15,243 | 15,716 |
| Office expenses | 2,374 | 6,892 | 14,805 | 24,071 |
| Card and bank fees | 17,876 | | 3,274 | 21,150 |
| Dues and memberships | 836 | | 3,169 | 4,005 |
| Equipment | 18 | | | 18 |
| Sponsorships and scholarships | | | 250 | 250 |
| Special events | 447 | | | 447 |
| Miscellaneous | 15 | | 5,073 | 5,088 |
| Depreciation | | | 5,492 | 5,492 |
| Total Other Expenses | <u>602,918</u> | <u>10,277</u> | <u>164,472</u> | <u>777,667</u> |
| Total Expenses | <u>\$ 1,036,673</u> | <u>\$ 51,289</u> | <u>\$ 348,289</u> | <u>\$ 1,436,251</u> |

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

Statements of Cash Flows

Years Ended December 31,

| | 2018 | 2017 |
|--|---------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | <u>\$ (212,389)</u> | <u>\$ 84,477</u> |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: | | |
| Depreciation | 6,191 | 5,492 |
| Unrealized gain | 26,863 | (31,865) |
| (Increase) decrease in operating assets: | | |
| Accounts receivable | 33,407 | (7,560) |
| Prepaid expenses | (4,263) | (995) |
| Inventory | 12,399 | 4,868 |
| Other assets | (2,900) | |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 11,316 | (7,119) |
| Accrued expenses | (3,449) | 5,100 |
| Deferred revenue | 160,415 | 36,310 |
| Total adjustments | <u>239,979</u> | <u>4,231</u> |
| Net cash flows from operating activities | <u>27,590</u> | <u>88,708</u> |
| Cash flows from Investing Activities | | |
| Purchase of property and equipment | - | (20,057) |
| Purchase of investments | (31,482) | (6,863) |
| Net cash flows from investing activities | <u>(31,482)</u> | <u>(26,920)</u> |
| Net Change in Cash and Cash Equivalents | (3,892) | 61,788 |
| Cash and Cash Equivalents, Beginning of Year | <u>480,415</u> | <u>418,627</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 476,523</u> | <u>\$ 480,415</u> |

See independent accountants' review report.

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

December 31, 2018 and 2017

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, and 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:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose of which the resource was restricted has been fulfilled, or both.

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, 2018 and 2017.

Inventory

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

Deferred Revenue

Deferred revenue results from advance registrations received for the Coalition's subsequent year BikeMaine event, which is unrecognized as of December 31, 2018 and 2017.

See independent accountants' review report.

Notes to Financial Statements

December 31, 2018 and 2017

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

Concentration of Revenue

Of the contract revenue received by the Coalition for both the year ended December 31, 2018 and 2017, 91% was from two sources. Of the program and events revenue for the year ended December 31, 2018 and 2017, 74% and 65% 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 and/or time restrictions 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 years ended 2018 and 2017, respectively, the Coalition incurred \$952,798 and \$1,036,673 in program and related grant expenses, \$458,868 and \$348,289 in administrative expenses, and \$81,691 and \$51,289 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, 2015 through December 31, 2018.

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.

See independent accountants' review report.

Notes to Financial Statements

December 31, 2018 and 2017

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 years ended December 31, 2018 and 2017, 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, 2018 and 2017 were \$84,635 and \$65,583, respectively.

See independent accountants' review report.

Notes to Financial Statements

December 31, 2018 and 2017

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.

Recently Adopted Pronouncement

Not-for-Profit Entities

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities, to amend current reporting requirements to make several improvements, including reducing complexities of information presented within Not-for-Profit financial statements. Although a main provision of this update is that a Not-for-Profit entity will report two classes of net assets (amounts for net assets with donor restrictions and net assets without donor restrictions), rather than the currently required three classes, the major affect for the Association will be additional disclosures. The guidance is effective for annual periods beginning after December 15, 2017, with early application permitted. This standard requires retroactive application to previously issued financial statements for 2018 and 2017, if presented. Management adopted this ASU for the year ended December 31, 2018.

Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenues from Contracts with Customers (Topic 606)* and has modified the standard thereafter. This standard replaces existing revenue recognition rules with a comprehensive revenue measurement and recognition standard and expanded disclosure requirements. ASU 2014-09 is effective for annual reporting periods in fiscal years that begin after December 15, 2018. Management is currently evaluating the impact of adoption on its financial statements.

Leasing

In February 2016, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2016 – 02, *Leases (Topic 842)*. ASU 2016-02 replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASU 2016-02 will require lessees to recognize most leases on their statement on financial position as liabilities, with corresponding “right-of-use” assets. The standard is effective for annual reporting periods in fiscal years that begin after December 15, 2019. Management is currently evaluating the impact of adoption on its financial statements

See independent accountants’ review report.

Notes to Financial Statements

December 31, 2018 and 2017

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

Recent Accounting Pronouncements - Continued

Contributions Received and Contributions Made

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update is to provide guidance for not-for-profit entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or exchanges (reciprocal transactions) and determining whether a contribution is conditional. In general, the update is effective for annual periods beginning after December 15, 2018. Early adoption is permitted. Management is currently evaluating the impact of adoption on its financial statements.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

| | |
|------|--------------------------|
| Cash | <u>\$ 476,523</u> |
|------|--------------------------|

NOTE 3 – INVESTMENTS

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

| | 2018 | 2017 |
|-----------------------|--------------------------|--------------------------|
| Equities | \$ 168,757 | \$ 181,713 |
| Fixed Income | 80,314 | 81,321 |
| Money market accounts | 19,422 | 840 |
| | <u>\$ 268,493</u> | <u>\$ 263,874</u> |

NOTE 4 – FAIR VALUE MEASUREMENTS

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

| | Total | Level 1 | Level 2 | Level 3 |
|---------------------------|--------------------------|--------------------------|---------|---------|
| December 31, 2018 | | | | |
| Equities | \$ 168,757 | \$ 168,757 | | |
| Fixed Income Mutual Funds | 80,314 | 80,314 | | |
| Money Market Accounts | 19,422 | 19,422 | | |
| | <u>\$ 268,493</u> | <u>\$ 268,493</u> | | |
| December 31, 2017 | | | | |
| Equities | \$ 181,713 | \$ 181,713 | | |
| Fixed Income Mutual Funds | 81,321 | 81,321 | | |
| Money Market Accounts | 840 | 840 | | |
| | <u>\$ 263,874</u> | <u>\$ 263,874</u> | | |

See independent accountants' review report.

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 5 – OPERATING LEASE

The Coalition leased 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. The lease expired in 2018 and they did not exercise the option to renew the lease. They began leasing a new office in Portland and entered into a five-year lease, effective August 1, 2018. Rental expense, which is allocated across several areas, totaled \$30,204 for the year ended December 31, 2018 and \$14,589 for the year ended December 31, 2017.

The Coalition also leases a multifunction printer. The lease began April 2015 at a monthly payment of \$115 with a monthly maintenance fee of \$190. In September 2018, they received a new printer with a five-year lease to begin January 2019 at a monthly payment of \$127.

The Coalition started leasing a storage unit located in Portland starting January 1, 2016 that ended in January 2018. They started leasing a new storage unit located in Brunswick starting September 6, 2018. Monthly payments are \$360 on the 6th of each month.

The future minimum lease payments are:

Years Ending December 31:

| | |
|------|-------------------|
| 2019 | \$ 49,612 |
| 2020 | 51,060 |
| 2021 | 52,545 |
| 2022 | 54,066 |
| 2023 | 5,406 |
| | <u>\$ 212,689</u> |

NOTE 6 – NET ASSETS

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

| | 2018 | 2017 |
|--|-------------------|------------------|
| Bikes for all Mainers | \$ 1,408 | \$ 1,384 |
| Community Spokes – Bike Maine Communities | | 48 |
| Community Spokes – Non- Bike Maine Communities | 16,246 | 4,000 |
| Safety grant | | 27,500 |
| Bicycles WelcoME | 4,880 | |
| Infrastructure | 2,529 | |
| Bold Coast | 5,867 | 12,077 |
| BPSE/SRTS | | |
| Where to Ride | 6,917 | 16,085 |
| Driver Education | 2,469 | 2,469 |
| Law Enforcement Education & Outreach | 1,383 | 982 |
| Trails & Mountain Biking | 36,174 | 22,556 |
| Legislative Work | 384 | 818 |
| Unassigned | 11,500 | |
| Other | 19,653 | 93 |
| | <u>\$ 109,410</u> | <u>\$ 88,012</u> |

See independent accountants' review report.

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 7 – 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.

NOTE 8 – 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, 2018 and 2017, 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, 2018 and 2017, the Coalition's nonmonetary exchange transactions totaled \$43,068 and \$54,563, respectively.

NOTE 9 – 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:

| | 2018 | 2017 |
|------------------------------------|-------------------|-------------------|
| Maine Department of Transportation | \$ 156,000 | \$ 174,950 |
| FACTS | 5,476 | 18,099 |
| CDC | 43,349 | 56,620 |
| RTP | 5,000 | 5,000 |
| Maine Office of Tourism | 9,288 | |
| | <u>\$ 219,113</u> | <u>\$ 254,669</u> |

NOTE 10 – RELATED PARTY TRANSACTIONS

The Coalition made payments for some BikeMaine expenses to a business owned by employee who left the company at the end of 2017. The expenses totaled \$0 and \$13,300 for the years ended December 31, 2018 and 2017, respectively.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 15, 2019, 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.

See independent accountants' review report.

Schedule of Expenditures of Department Agreements

Year Ended December 31, 2018

Maine Department of Transportation

| Department | Agreement Number | Agreement Amount | Agreement Period | Agreement Service | Agreement Status | Federal Expenses | State Expenses | Total Agreement Expenses | Local Share Expenses | Total Agreement/Match Expenses |
|------------|--|------------------|-------------------|-------------------|------------------|-------------------|----------------|--------------------------|----------------------|--------------------------------|
| MDOT | 20131223.....365 Multi-PIN PIN 018522.14 PIN 018522.16 PIN 018522.17 | \$ 824,500 | 12/23/13-12/31/18 | DBE | Interim | <u>\$ 156,000</u> | | <u>\$ 156,000</u> | | |
| | | | | | | | | <u>\$ 156,000</u> | | |

Total Expenditures of Department Agreements

NOTES:

NOTE 1 – BASIS OF PRESENTATION

The schedule of expenditures of department agreements (the Schedule) includes the state grant activity from the State of Maine Department of Transportation to the Bicycle Coalition of Maine and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Maine Uniform Accounting and Auditing Practices for Community Agencies*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Disclosures:

Is your Organization required to have a federal A-133 Audit? Yes _____ No X