

Bicycle Coalition of Maine

Financial Statements and Supplemental Information

Years Ended December 31, 2020 and 2019



WIPFLI

Independent Accountant's Review Report

Board of Directors
Bicycle Coalition of Maine
Portland, Maine

We have reviewed the accompanying financial statements of Bicycle Coalition of Maine which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses 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 company 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; 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.

Accountant's 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's 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 in accordance with accounting principles generally accepted in the United States.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP
South Portland, Maine
September 21, 2021

Bicycle Coalition of Maine

Statements of Financial Position

December 31,	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 367,733	\$ 151,985
Accounts receivable	21,858	53,070
Prepaid expenses	50,653	7,188
Inventory	26,406	23,685
Total Current Assets	466,650	235,928
Property and Equipment		
Equipment	41,266	39,500
Accumulated depreciation	(24,424)	(19,299)
Total Property and Equipment	16,842	20,201
Long Term Assets		
Investments	297,148	313,872
Other Assets		
Security deposit	3,900	3,900
Total Assets	\$ 784,540	\$ 573,901
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 10,182	\$ 15,885
Deferred revenue	246,880	248,400
Accrued expenses	20,516	29,707
Total Current Liabilities	277,578	293,992
Net Assets		
Without donor restrictions		
Undesignated	367,577	122,348
Total without donor restrictions	367,577	122,348
With donor restrictions	139,385	157,561
Total Net Assets	506,962	279,909
Total Liabilities and Net Assets	\$ 784,540	\$ 573,901

See accompanying notes to financial statements.

Bicycle Coalition of Maine

Statement of Activities

Year Ended December 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contract revenue	\$ -	\$ 153,316	\$ 153,316
Memberships	159,530	-	159,530
Contributions	423,740	-	423,740
Bike rides and events	31,464	-	31,464
Grants	115,497	145,000	260,497
Sales	6,990	-	6,990
Interest income	3,512	-	3,512
Miscellaneous income	238	-	238
In-kind revenue	7,081	-	7,081
Gain on investments	4,802	-	4,802
Assets released from restriction	316,492	(316,492)	-
Total Support and Revenues	1,069,346	(18,176)	1,051,170
Expenses			
Program and grant related expenses	339,221	-	339,221
Fundraising expenses	44,044	-	44,044
General and administrative	440,852	-	440,852
Total Expenses	824,117	-	824,117
Change in Net Assets	245,229	(18,176)	227,053
Net Assets - Beginning of Year	122,348	157,561	279,909
Net Assets - End of Year	\$ 367,577	\$ 139,385	\$ 506,962

See accompanying notes to financial statements.

Bicycle Coalition of Maine

Statement of Activities

Year Ended December 31, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contract revenue	\$ -	\$ 169,900	\$ 169,900
Memberships	148,507	-	148,507
Contributions	116,399	-	116,399
Bike rides and events	608,850	-	608,850
Grants	-	197,500	197,500
Sales	21,538	-	21,538
Special events	5,375	-	5,375
Interest income	10,520	-	10,520
Miscellaneous income	593	-	593
In-kind revenue	35,490	-	35,490
Gain on investments	34,889	-	34,889
Assets released from restriction	319,249	(319,249)	-
Total Support and Revenues	1,301,410	48,151	1,349,561
Expenses			
Program and grant related expenses	897,066	-	897,066
Fundraising expenses	40,148	-	40,148
General and administrative	446,676	-	446,676
Total Expenses	1,383,890	-	1,383,890
Change in Net Assets	(82,480)	48,151	(34,329)
Net Assets - Beginning of Year	204,828	109,410	314,238
Net Assets - End of Year	\$ 122,348	\$ 157,561	\$ 279,909

See accompanying notes to financial statements.

Bicycle Coalition of Maine

Statement of Functional Expenses

Year Ended December 31, 2020	Program and Grant Related Expenses	Fundraising Expenses	General and Administrative	Total
Personnel Expense				
Compensation	\$ 265,055	\$ -	\$ 265,594	\$ 530,649
Payroll taxes	19,422	4,217	22,490	46,129
Employee benefits	-	-	17,701	17,701
Total Personnel Cost	284,477	4,217	305,785	594,479
Other Expenses				
In-kind expenses	-	-	7,081	7,081
Cost of sales	-	-	3,445	3,445
Marketing	15,222	32,619	6,602	54,443
Program and event expenses	31,389	4,009	293	35,691
Professional fees	-	-	22,196	22,196
Conference	-	-	237	237
Travel	5,167	1,627	975	7,769
Occupancy costs	488	-	55,392	55,880
Insurance	274	-	7,058	7,332
Information technology	1,778	-	10,617	12,395
Office expenses	182	674	8,461	9,317
Card and bank fees	4	-	4,683	4,687
Dues and memberships	240	898	1,517	2,655
Depreciation	-	-	6,510	6,510
Total Other Expenses	54,744	39,827	135,067	229,638
Total Expenses	\$ 339,221	\$ 44,044	\$ 440,852	\$ 824,117

See accompanying notes to financial statements.

Bicycle Coalition of Maine

Statement of Functional Expenses

Year Ended December 31, 2019	Program and Grant Related Expenses	Fundraising Expenses	General and Administrative	Total
Personnel Expense				
Compensation	\$ 350,546	\$ -	\$ 216,581	\$ 567,127
Payroll taxes	23,569	3,308	19,240	46,117
Employee benefits	-	-	8,267	8,267
Total Personnel Cost	374,115	3,308	244,088	621,511
Other Expenses				
In-kind expenses	-	-	35,490	35,490
Cost of sales	14,449	64	2,833	17,346
Marketing	29,996	26,103	17,452	73,551
Program and event expenses	418,193	92	507	418,792
Professional fees	-	-	40,765	40,765
Conference	2,381	125	155	2,661
Travel	21,207	974	3,197	25,378
Occupancy costs	8,200	-	53,978	62,178
Insurance	4,456	-	12,703	17,159
Information technology	426	-	13,379	13,805
Office expenses	1,024	8,618	8,373	18,015
Card and bank fees	17,528	24	3,489	21,041
Dues and memberships	966	840	1,153	2,959
Equipment	57	-	-	57
Sponsorships and scholarships	570	-	-	570
Special events	3,498	-	-	3,498
Depreciation expense	-	-	5,685	5,685
Loss on sale of assets	-	-	3,429	3,429
Total Other Expenses	522,951	36,840	202,588	762,379
Total Expenses	\$ 897,066	\$ 40,148	\$ 446,676	\$ 1,383,890

See accompanying notes to financial statements.

Bicycle Coalition of Maine

Statements of Cash Flows

Years Ended December 31,	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 227,053	\$ (34,329)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	6,510	5,685
Gain on investments	(4,802)	(34,889)
Loss on sale of property and equipment	-	1,281
(Increase) decrease in operating assets:		
Accounts receivable	31,212	(31,039)
Prepaid expenses	(43,465)	4,928
Inventory	(2,721)	(5,866)
Increase (decrease) in operating liabilities:		
Accounts payable	(5,703)	2,033
Accrued expenses	(9,191)	(4,950)
Deferred revenue	(1,520)	(207,150)
Total adjustments	(29,680)	(269,967)
Net cash flows from operating activities	197,373	(304,296)
Cash flows from Investing Activities		
Purchase of property and equipment	(3,151)	(9,752)
Purchase of investments	21,526	(10,490)
Net cash flows from investing activities	18,375	(20,242)
Net Change in Cash and Cash Equivalents	215,748	(324,538)
Cash and Cash Equivalents, Beginning of Year	151,985	476,523
Cash and Cash Equivalents, End of Year	\$ 367,733	\$ 151,985

See accompanying notes to financial statements.

Bicycle Coalition of Maine

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

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. The Coalition's primary sources of revenue are through hosted programs and events, membership fees, contributions from the public, and grant and contract received revenue.

Basis of Presentation

The financial statements of the Coalition have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and, accordingly, reflect all significant receivables, payables and other liabilities.

Net Assets

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

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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 for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Coalition considers all highly liquid debt instruments with an original maturity of three months or less 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, 2020 and 2019.

Bicycle Coalition of Maine

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Inventory

Inventory, consisting of t-shirts and memorabilia sold or distributed at special events, is stated at the lower of cost, determined on the first-in, first-out (FIFO) method, or net realizable value.

Deferred Revenue

Deferred revenue results from advance registrations received for the Coalition's subsequent year BikeMaine event.

Concentration of Revenue

The Coalition received approximately 98% and 85% of its contract revenue from a single source for the years ended December 31, 2020 and 2019, respectively. Of the program and events revenue for the year ended December 31, 2020 and 2019, 62% was from two sources and 84% 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

Revenue from bike related program and events are recognized when the programs or events take place. Program and event registration contain only one performance obligation, which is providing the outlined program or event. Generally, the Coalition bills and collects registration fees at the time of registration. Amounts paid in advance are deferred to the period in which the underlying program or events take place.

Membership fees contain only one performance obligation which is providing any events or services as outlined by the membership signed up for. The passage of time is used to recognize membership fee revenue as management considers that to be the best available measure of progress on the Coalition's performance obligation.

Revenue is reported at the amount of consideration that the Coalition expects to be entitled in exchange for providing its services.

Due to the nature and timing of the performance and/or transfer of services, substantially all contract liabilities at December 31 of each year are recognized the following year.

The Coalition has elected the short-term contract exemption with respect to disclosures associated with its performance obligations as all performance obligations, as of the end of any year, have original terms of less than one year.

Bicycle Coalition of Maine

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contributions

The Coalition recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give; that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Grants

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant awards that are contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant awards that are exchange transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Functional Allocation of 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. Certain indirect costs, such as payroll, are allocated based on time and effort, and other costs are allocated directly based on the nature of the expense.

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, 2017 through December 31, 2020.

Bicycle Coalition of Maine

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2020 and 2019, 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.

Bicycle Coalition of Maine

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

Advertising (marketing) costs are charged to operations when incurred. Advertising costs were \$54,443 and \$73,551 for the years ended December 31, 2020 and 2019, respectively.

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.

New Accounting Pronouncement

Leasing

In February 2016, the 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, 2021. Management is currently evaluating the impact of adoption on its financial statements.

Note 2: Liquidity and Availability of Financial Resources

The Coalition does not have a formal liquidity policy but generally maintains financial assets in liquid form, such as cash and cash equivalents for approximately 120 days of operating expenses. 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:

December 31,	2020	2019
Cash	\$ 367,733	\$ 151,985
Accounts receivable	21,858	53,070
	<u>\$ 389,591</u>	<u>\$ 205,055</u>

Bicycle Coalition of Maine

Notes to Financial Statements

Note 3: Investments

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

	2020	2019
Equities	\$ 57,611	\$ 206,075
Fixed income	37,522	86,320
Money market accounts	202,015	21,477
	\$ 297,148	\$ 313,872

Note 4: Fair Value Measurements

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

December 31, 2020	Total	Level 1	Level 2	Level 3
Equities	\$ 57,611	\$ 57,611	\$ -	\$ -
Fixed income mutual funds	37,522	37,522	-	-
Money market accounts	202,015	202,015	-	-
	\$ 297,148	\$ 297,148	\$ -	\$ -

December 31, 2019	Total	Level 1	Level 2	Level 3
Equities	\$ 206,075	\$ 206,075	\$ -	\$ -
Fixed income mutual funds	86,320	86,320	-	-
Money market accounts	21,477	21,477	-	-
	\$ 313,872	\$ 313,872	\$ -	\$ -

Note 5: Operating Leases

The Coalition leases an office in Portland under a five-year lease, effective August 1, 2018. Rental expense, which is allocated across several areas, totaled \$49,656 and \$48,204 for the years ended December 31, 2020 and 2019, respectively.

The future minimum lease payments are:

Years Ending December 31:	
2021	\$ 51,020
2022	52,541
2023	4,389
	\$ 107,950

Bicycle Coalition of Maine

Notes to Financial Statements

Note 6: Net Assets with Donor Restriction

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

	2020	2019
Bikes for all Mainers	\$ -	\$ 1,407
Education - Other	2,510	9,299
Community Spokes - Non- Bike Maine Communities	7,326	4,090
Bicycles WelcoME	3,607	3,766
Infrastructure	-	214
Bold Coast	-	4,182
Where to Ride	-	5,561
Law Enforcement Education & Outreach	-	852
Trails & Mountain Biking	13,312	24,661
Imagine People Here	513	-
Other	112,117	103,529
	\$ 139,385	\$ 157,561

Note 7: Concentration of Credit Risk

The Coalition maintains cash balances at a local financial institution where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. The Coalition has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

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 years ended December 31, 2020 and 2019, 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, 2020 and 2019, the Coalition's nonmonetary exchange transactions totaled \$7,081 and \$35,490, 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.

Bicycle Coalition of Maine

Notes to Financial Statements

Note 9: Contract Revenue (Continued)

Revenue sources for years ended December 31 are, as follows:

	2020	2019
Maine Department of Transportation	\$ 150,816	\$ 145,157
PACTS	-	15,232
RTP	-	3,799
Maine Office of Tourism	2,500	5,712
	\$ 153,316	\$ 169,900

Note 10: Paycheck Protection Program

The Coalition received a grant award of \$115,497 from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) as a result of legislation passed to assist businesses in navigating the Coronavirus pandemic. The Coalition has determined the award is a conditional grant and has applied the policy as described in Note 1. Accordingly, the award is reported as a refundable advance liability until the conditions are substantially met or explicitly waived.

The Coalition has interpreted the condition of the award to be the incurrence of eligible expenditures, adjusted for any decrease in full time equivalents and or salary/wage limitations, recognized ratably over the covered period of either 8 or 24 weeks. Should the conditions of the award not be substantially met or explicitly waived, all or a portion of the award will bear interest at 1% be repayable in monthly amounts of principal and interest, beginning November 2020 with final maturity April 2022. The Coalition determined it substantially met the conditions of the award in the year 2020 and recognized the full amount of the award as grant revenue.

Note 11: Risks and Uncertainties

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 Virus Crisis ("CV19 Crisis"), including financial markets, supply chains, businesses, and communities. Specific to the Coalition, the CV19 Crisis has impacted various parts of its 2020 operations and financial results and may impact future operations. Management believes the Coalition is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated at this time.

Bicycle Coalition of Maine

Notes to Financial Statements

Note 12: Subsequent Events

BikeMaine 2021 Cancelled

The 2021 BikeMaine event was cancelled in early 2021 due to the COVID-19 pandemic. The Coalition is refunding those registrations, except for those who are leaving their registration as a donation. The potential exposure of having to refund registrations received at year end for the 2021 ride is approximately \$246,880, which is the balance of the deferred revenue at year end. As of the end of May 2021, it appears that most riders are being refunded their registrations, less fees and a few donations.

The future impact of the COVID 19 crisis on the Coalition cannot be reasonably estimated at this time.

PPP Loan Funds

The Coalition received \$115,497 in Paycheck Protection Program loan funds in 2020. The loan for these funds were fully forgiven on March 29, 2021, based upon regulations in effect as of July 29, 2020. The Coalition received \$114,104 in additional Paycheck Protection Program loan funds on January 25, 2021. The loan for these funds are expected to be fully forgiven based upon regulations in effect as of July 29, 2020.

Events Effecting the Financial Statements

Management has evaluated subsequent events through September 21, 2021, 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.