

**METRO BICYCLE COALITION OF NEW ORLEANS
FINANCIAL STATEMENT AND
ACCOUNTANT'S COMPILATION REPORT**

FOR THE YEARS ENDED DECEMBER 31, 2018



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ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Metro Bicycle Coalition of New Orleans
New Orleans, LA

Management is responsible for the accompanying financial statements of Metro Bicycle Coalition of New Orleans (**BIKE EASY**), which comprise of the Statement of Position as of December 31, 2018, and the related statement of Activities and changes in net assets and statement of cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying schedules of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

A handwritten signature in blue ink, appearing to read 'J. Schell'.

VGR, CPA LLC
6/28/2019

METRO BICYCLE COALITION OF NEW ORLEANS
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018

ASSETS

Assets:		
Cash and equivalents (NOTES 2 and 6)	\$	191,169
Contracts Receivable		38,974
Fixed Assets (Net Accumulated Depreciation of \$4,961)		<u>8,569</u>
Total assets		\$ <u>238,712</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Salaries payable (NOTE 6)		\$ <u>9,169</u>
Total liabilities		<u>9,169</u>
Net Assets (NOTE 2):		
Without donor restrictions -		164,226
With donor restrictions-		<u>65,316</u>
Total net assets		<u>229,543</u>
Total liabilities and net assets		\$ <u>238,712</u>

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

METRO BICYCLE COALITION OF NEW ORLEANS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Revenues and Other Support</u>	<u>WITHOUT RESTRICTION</u>	<u>WITH RESTRICTION</u>	<u>TOTAL</u>
Grants Income	\$ 298,770	\$ 65,316	\$ 364,086
Contributions	50,792	-0-	50,792
Contract Revenue	49,335	-0-	49,335
Sponsorship Revenue	173,306	-0-	173,306
In-kind Contributions	2,750	-0-	2,750
Other income	13,958	-0-	13,958
Net assets released from restrictions	<u>49,409</u>	<u>(49,409)</u>	<u>-0-</u>
Total revenues and other support	<u>638,320</u>	<u>15,907</u>	<u>654,227</u>
<u>Expenses</u>			
Program Services	456,386	-0-	456,386
Support Services	55,236	-0-	55,236
Fundraising	<u>27,335</u>	<u>-0-</u>	<u>27,335</u>
Total expenses	<u>538,957</u>	<u>-0-</u>	<u>538,957</u>
Change in net assets	99,363	15,907	115,270
Net assets, beginning of year	<u>\$ 64,864</u>	<u>\$ 49,409</u>	<u>\$ 114,273</u>
Net assets, end of year	<u>\$ 173,396</u>	<u>\$ 65,316</u>	<u>\$ 238,712</u>

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

METRO BICYCLE COALITION OF NEW ORLEANS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Flows from Operating Activities:

Change in net assets	<u>\$ 115,270</u>
Adjustments to reconcile change in net assets to net cash provide by operating activities:	
Depreciation Expense	<u>2,706</u>
Increase/Decrease in:	
Increase in Salaries payable	190
Increase in Contracts Receivable	(13,153)
 Net cash used in operating activities	 <u>105,013</u>

Cash Flows from Investing Activities:

Purchase of property and equipment	(11,275)
 Net cash used in investing activities	 <u>(11,275)</u>

Net Increase in cash	93,738
Cash, beginning of year	<u>97,431</u>
Cash, end of year	<u>\$ 191,169</u>

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

METRO BICYCLE COALITION OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION:

METRO BICYCLE COALITION OF NEW ORLEANS (**BIKE EASY**) is a non-profit organization formed in 2008. BIKE EASY is a grassroots organization dedicated to improving commuting and recreational cycling conditions in and around New Orleans, Louisiana. Bike Easy works to increase transportation choice, mobility and infrastructure by establishing a safe network of bicycle lanes, paths and facilities, educating cyclists and drivers on safety and the rules of the road, and advocating at local, state and national levels for routine accommodation of bicyclists and pedestrians.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

BIKE EASY is a non-profit community based organization whose financial statements are prepared on the accrual basis. BIKE EASY has also been classified as an entity that is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code and qualifies for deductible contributions as provided by Section 170(b)(1)(A)(vi).

BIKE EASY's Forms 990, *Return of Organization Exempt from Income Tax*, and Forms 990-T, *Exempt Organization Business Income Tax Return*, for the years ending December 31, 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they were filed.

BIKE EASY’s exempt status is recognized by the State of Louisiana. Accordingly, no provision has been made in the financial statements for federal or state income taxes.

Basis of Reporting

BIKE EASY has adopted the provisions of FASB Accounting Standards Codification, Topic 958, "Accounting for Not-for-Profit Entities", and reports its financial position and activities according to two classes of net assets according to externally (donor) imposed restrictions. A description of the two categories of net assets is as follows:

METRO BICYCLE COALITION OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of **BIKE EASY**s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of **BIKE EASY** or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, **BIKE EASY** considers all short-term, highly liquid investments with maturity of three months or less at the time of purchase to be cash equivalents.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

METRO BICYCLE COALITION OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Promises to Give

Contributions are recognized when the donor makes a promise to give to BIKE EASY that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Support and Revenues

Revenues received under grant programs are recognized when earned. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor or the board of directors.

Fair Value

BIKE EASY has adopted certain provisions of FASB Accounting Standards Codification Topic 820, "Fair Value Measurements and Disclosures." ASC Topic 820 refines the definition of fair value, establishes specific requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. ASC Topic 820 requires **BIKE EASY** to maximize the use of observable market inputs, minimize the use of unobservable market inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

METRO BICYCLE COALITION OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:
New Accounting Pronouncements – Adopted

On August 18, 2016 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. **BIKE EASY** has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented. The preparation of financial statements in conformity with generally accepted

In June 2018 the FASB issued ASU No. 2018-08 Not-for-Profit Entities (Topic 958), “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This ASU will be effective for **BIKE EASY** for annual periods beginning after December 15, 2018. **BIKE EASY** is currently assessing the impact of the pronouncement on its financial statements.

The FASB has issued ASU 2014-09 Revenue from Contracts with Customers (Topic 606), to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry specific guidance as well as help financial statement users better understand the nature, amount, timing and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. This ASU will be effective for **BIKE EASY** for annual periods beginning after December 15, 2018. **BIKE EASY** is currently assessing the impact of this pronouncement on the financial statements.

In January 2016, the FASB has issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires that a lease recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should

METRO BICYCLE COALITION OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

New Accounting Pronouncements – Adopted, Continued:

recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, leases and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. This ASU will be effective for financial statements issued for annual periods beginning after December 15, 2019. **BIKE EASY** is currently assessing the impact of this pronouncement on its financial statements.

NOTE 3 - ECONOMIC DEPENDENCY:

The primary sources of revenue for **BIKE EASY** are grants provided through various funding agencies. The continued success of **BIKE EASY** is dependent upon the renewal of these grants and obtaining other grants from the funding sources.

NOTE 4 - INCOME TAXES:

BIKE EASY is a tax-exempt organization under section 501(C)(3) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements. Should **BIKE EASY's** tax status be challenged in the future, 2016, 2017 and 2018 tax years are open for examination by the IRS.

NOTE 5 - COMMITMENTS AND CONTINGENCIES:

Participation in Grant Programs

BIKE EASY is a recipient of grant funds from various funding sources. The administration of the program and activities funded by the grants are under the control and administration of **BIKE EASY** and are subject to audit and/or review by the applicable funding source. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

METRO BICYCLE COALITION OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES:

In accordance with FASB ASC Topic 820, fair value is defined as the price that **BIKE EASY** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability. ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in

NOTE 6 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES CONTINUED:

pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to established classification of fair value measurements for disclosure purposes.

Various inputs are used in determining the value of **BIKE EASY** assets or liabilities. The inputs are summarized in the three broad levels listed below:

Level 1 -Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 -Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 -Pricing inputs are unobservable for the investment and include situations where there is little, if any market activity. The inputs into the determination of fair value require significant management judgment or estimation.

METRO BICYCLE COALITION OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **BIKE EASY's** assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. All investments are considered level 1 investments.

The carrying value and the estimated fair values of **BIKE EASY's** financial instruments at December 31, 2018 are as follows:

NOTE 6 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES: CONTINUED

<u>Description</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 192,091	\$ 192,091
Contracts Receivable	38,974	38,974
Salaries Payable	9,169	9,169

NOTE 7 - CONTRIBUTED SERVICES:

BIKE EASY records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses.

BIKE EASY received contributed rent during the year ended December 31, 2018, with a fair value on the dates of donation of \$14,400.

NOTE 8 - SUBSEQUENT EVENTS:

FASB Accounting Standards Codifications Topic 855-10, "Subsequent Events" requires the disclosure of the date through which **BIKE EASY** has evaluated subsequent events and the reason for selecting that date. **BIKE EASY** evaluated subsequent events from January 1, 2018 to August 1, 2018, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNCTIONAL EXPENSES

METRO BICYCLE COALITION OF NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Support Services	Fundraising	Total
Expenses				
Salaries	172,312	16,390	19,370	208,071
Payroll Taxes and Fringe Benefits	27,349	2,722	1,747	31,818
Fees and Finance Charges	341	1,745	-	2,086
Payroll Processing Fees	-	1,511	-	1,511
Office Supplies	453	1,920	37	2,410
Postage	7	180	36	223
Inkind Expense	2,750	-	-	2,750
Insurance Expense	-	6,708	-	6,708
Permits	2,824	-	1,500	4,324
Program Equipment	71,278	374	465	72,116
Meals and Entertainment	9,590	778	1,033	11,400
Program Incentives	12,129	-	1,340	13,469
Marketing and Outreach	32,736	-	339	33,075
Transportation	5,919	56	-	5,975
Travel	5,658	-	-	5,658
Membership	530	125	-	655
Outreach and Educational Materials	6,609	-	434	7,043
Rent	-	2,930	-	2,930
Professional Development	65	790	-	855
Professional Fees	105,838	16,303	1,034	123,174
Depreciation	-	2,706	-	2,706
Total	456,386	55,236	27,335	538,957

METRO BICYCLE COALITION OF NEW ORLEANS
SCHEDULE OF FEDERAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>GRANTOR</u>	<u>CFDA NUMBER</u>	<u>ENTITY NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>ACTIVITY</u>
<u>U.S. Department of Transportation</u>				
<u>Awards From A Pass-Through Entity</u>				
<u>Success Preparatory Academy</u>				
Highway Planning and Construction	20.205	N/A	-0-	16,300
<u>Awards From A Pass-Through Entity</u>				
<u>Louisiana Highway Safety Commission</u>				
State and Community Highway Safety	20.600	N/A	-0-	\$ 53,288
<u>Awards From A Pass-Through Entity</u>				
<u>City of New Orleans</u>				
State and Community Highway Safety	20.607	N/A	-0-	20,022
<u>Awards From A Pass-Through Entity</u>				
<u>City of Covington</u>				
Highway Planning and Construction	20.205	N/A	-0-	7,856
Total U.S. Department of Transportation				<u>97,466</u>
Total Expenditures of Federal Awards				<u>97,466</u>

METRO BICYCLE COALITION OF NEW ORLEANS
AGENCY HEAD COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head Name:	Dan Favre	
<u>Purpose</u>		<u>Amount</u>
Salary		65,347.83
Benefits - insurance		4,000.00
Benefits - retirement		-
Benefits - other		-
Car allowance		-
Vehicle provided by organization		-
Per diem		-
Reimbursements		-
Travel		1,380.80
Registration fees		100.00
Conference Travel		1,217.72
Continuing professional education fees		-
Housing		-
Unvouchered expenses		-
Special meals		-

Act 706 of the 2014 Legislative Session requires the disclosure of the total compensation, reimbursement, benefits, and other payments made to the agency head, political subdivision head or Chief executive officer, related to the position; including but not limited to travel housing, unvouchered expenses (such as travel advances) oer diem, and registration fees.