



Gary McGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

Bicycle Transportation Alliance

Financial Statements and Other Information
as of and for the Year Ended August 31, 2013
and Report of Independent Accountants

BICYCLE TRANSPORTATION ALLIANCE

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REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
Bicycle Transportation Alliance:*

We have audited the accompanying financial statements of the Bicycle Transportation Alliance, which comprise the statement of financial position as of August 31, 2013, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bicycle Transportation Alliance as of August 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Summarized Comparative Information

The financial statements of the Bicycle Transportation Alliance as of August 31, 2012 were audited by other auditors whose report dated December 7, 2012 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2012 is derived from the 2012 financial statements and is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gary. Lee & Co. LLP

December 3, 2013

BICYCLE TRANSPORTATION ALLIANCE

STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2013

(WITH COMPARATIVE AMOUNTS FOR 2012)

	2013	2012
Assets:		
Cash and cash equivalents	\$ 471,849	387,238
Accounts receivable <i>(note 4)</i>	12,267	31,411
Contributions receivable <i>(note 5)</i>	23,956	21,000
Prepaid expenses and deposits	28,329	21,923
Inventories	10,817	8,661
Property and equipment <i>(note 6)</i>	29,765	36,183
Total assets	\$ 576,983	506,416
Liabilities:		
Accounts payable and accrued expenses	29,355	44,498
Accrued payroll and related expenses	63,544	14,747
Total liabilities	92,899	59,245
Net assets:		
Unrestricted:		
Available for programs and general operations	227,775	231,761
Designated by Board for operating reserve <i>(note 7)</i>	150,000	150,000
Net investment in capital assets	29,765	36,183
Total unrestricted	407,540	417,944
Temporarily restricted <i>(note 7)</i>	76,544	29,227
Total net assets	484,084	447,171
Commitments and contingencies <i>(notes 11, 12, and 13)</i>		
Total liabilities and net assets	\$ 576,983	506,416

See accompanying notes to financial statements.

BICYCLE TRANSPORTATION ALLIANCE

STATEMENT OF ACTIVITIES

YEAR ENDED AUGUST 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			2012
	Unrestricted	Temporarily restricted	Total	
Revenues, gains, and other support:				
Government grants and contracts	\$ 423,526	–	423,526	440,115
Private grants and contributions	361,097	70,345	431,442	367,975
In-kind contributions	55,393	–	55,393	28,974
Program fees	12,185	–	12,185	26,651
Special events, net of direct costs of \$50,102 in 2013 and \$47,517 in 2012	186,673	–	186,673	208,628
Sale of merchandise, net of cost of sales of \$14,255 in 2013 and \$7,951 in 2012	14,942	–	14,942	357
Other	14,349	–	14,349	15,144
Total revenues and gains	1,068,165	70,345	1,138,510	1,087,844
Net assets released from restrictions (<i>note 9</i>)	23,028	(23,028)	–	–
Total revenues, gains, and other support	1,091,193	47,317	1,138,510	1,087,844
Expenses (<i>note 10</i>):				
Program services:				
Advocacy	293,458	–	293,458	245,576
Education	347,210	–	347,210	374,158
Encouragement	115,470	–	115,470	165,124
Total program expenses	756,138	–	756,138	784,858
Supporting services:				
Management and general	152,847	–	152,847	120,684
Fundraising	192,612	–	192,612	160,441
Total supporting expenses	345,459	–	345,459	281,125
Total expenses	1,101,597	–	1,101,597	1,065,983
Increase (decrease) in net assets	(10,404)	47,317	36,913	21,861
Net assets at beginning of year, as restated (<i>note 15</i>)	417,944	29,227	447,171	425,310
Net assets at end of year	\$ 407,540	76,544	484,084	447,171

See accompanying notes to financial statements.

BICYCLE TRANSPORTATION ALLIANCE

STATEMENT OF CASH FLOWS

YEAR ENDED AUGUST 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013	2012
Cash flows from operating activities:		
Cash received from grantors, members, and others	\$ 720,362	655,106
Cash received from governmental agencies	442,670	447,009
Interest income	630	617
Cash paid to employees, suppliers, grantees, and others	(1,076,177)	(1,128,828)
Net cash provided by (used in) operating activities	87,485	(26,096)
Cash flows from investing activities:		
Capital expenditures	(2,874)	(5,994)
Net cash used in investing activities	(2,874)	(5,994)
Net increase (decrease) in cash and cash equivalents	84,611	(32,090)
Cash and cash equivalents at beginning of year	387,238	419,328
Cash and cash equivalents at end of year	\$ 471,849	387,238

See accompanying notes to financial statements.

BICYCLE TRANSPORTATION ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED AUGUST 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013				Management and general
	Program services			Total	
	Advocacy	Education	Encourage- ment	Total	
Salaries and related expenses	\$ 223,150	200,469	66,701	490,320	108,742
Professional services	24,450	3,973	12,643	41,066	23,811
Grant awards	-	54,177	-	54,177	-
Occupancy	15,177	15,597	-	30,774	7,496
Technology services	399	390	4,395	5,184	233
Telephone and data	1,338	1,375	-	2,713	736
Office supplies and related expenses	690	39,925	14,994	55,609	437
Printing and publications	3,676	4,185	3,438	11,299	765
Postage and delivery	75	2,261	4,506	6,842	55
Facility and equipment rental	1,777	6,717	2,012	10,506	997
Travel	5,966	3,152	586	9,704	63
Training and conferences	2,235	1,790	175	4,200	224
Memberships and dues	3,530	-	-	3,530	85
Insurance	2,113	2,171	-	4,284	1,043
Meals and meetings	665	1,439	176	2,280	1,192
Marketing and advertising	-	-	805	805	-
Bank fees	5,282	5,949	4,969	16,200	5,494
Depreciation	2,886	2,966	-	5,852	1,425
Miscellaneous	49	674	70	793	49
Total expenses	\$ 293,458	347,210	115,470	756,138	152,847

See accompanying notes to financial statements.

Supporting services

Fundraising	Total	Total	2012
119,189	227,931	718,251	710,897
20,905	44,716	85,782	76,060
–	–	54,177	64,550
10,593	18,089	48,863	47,175
118	351	5,535	4,477
934	1,670	4,383	7,099
2,695	3,132	58,741	46,533
8,109	8,874	20,173	8,507
8,661	8,716	15,558	9,530
1,317	2,314	12,820	14,125
1,071	1,134	10,838	8,940
899	1,123	5,323	2,327
122	207	3,737	2,489
1,475	2,518	6,802	6,531
1,251	2,443	4,723	8,335
1,175	1,175	1,980	7,366
11,969	17,463	33,663	30,315
2,015	3,440	9,292	9,773
114	163	956	954
192,612	345,459	1,101,597	1,065,983

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

1. Organization

The Bicycle Transportation Alliance (“BTA”) works to promote bicycling and improve bicycling conditions in Oregon. Since 1990, BTA has partnered with citizens, businesses, community groups, governmental agencies, and elected officials to create communities in which people can meet their daily transportation needs on a bike.

BTA addresses needs such as increased safety in larger transportation corridors and thoroughfares; repairing aging infrastructures that accommodate safer cycling; increasing the number of low-stress, neighborhood greenways; and building inspiring trails that connect Oregon’s communities. Through a robust trinity of education, advocacy, and community encouragement, BTA seeks to transform communities by reinventing transportation while offering solutions to universal challenges such as health, livability, and the environment.

2. Program Services

During the year ended August 31, 2013, BTA incurred program services expenses in the following major areas:

Advocacy – BTA advocates for bicycling infrastructure and programs at the local and state level and engages community members in our advocacy activities.

Education – BTA educates children, youth and families to use safe, active transportation to get to and from school or work and throughout their communities.

Encouragement – BTA engages members and the community in our advocacy, education, and volunteer programs throughout the year.

3. Summary of Significant Accounting Policies

The significant accounting policies followed by the organization are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – BTA has adopted the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) No. 958-605, *Revenue Recognition*, and FASB ASC No. 958-205, *Presentation of Financial Statements*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of BTA and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of BTA and/or the passage of time.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, such differences, if any, would not be significant.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Unconditional promises to give, with payments due to BTA in future periods, are recorded as increases in temporarily restricted net assets at the estimated present value of future cash flows, net of an allowance for estimated uncollectible promises. Restricted contributions received and expended in the same period are reported as unrestricted contributions.

Contributions of Long-Lived Assets – Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire property and equipment with such donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

In-Kind Contributions – BTA receives contributed services from a large number of volunteers who assist in fundraising and other efforts through their participation in a range of activities. In accordance with FASB ASC No. 958-605, *Revenue Recognition*, the value of such services, which BTA considers generally not practicable to estimate, has not been recognized in the accompanying financial statements. Significant services received which create or enhance a non-financial asset or require specialized skills that the organization would have purchased if not donated are recognized in the accompanying financial statements.

In-kind contributions of equipment and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an integral part of the organization's activities.

During the year ended August 31, 2013, the following in-kind contributions were recorded by the organization:

Professional services	\$	22,385
Supplies and materials		33,008
	\$	55,393

Cash Equivalents – For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less to be cash equivalents. Cash and cash equivalents include money market funds.

Capital Assets and Depreciation – Property and equipment are carried at cost, and initially at fair value when acquired by gift. Capital assets having a unit cost exceeding \$1,000 and an estimated useful life of more than one year are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally five to ten years for computers and software, five years for bicycles, five years for furniture and equipment, and five years for leasehold improvements (or the length of the lease term, if less).

Revenue Recognition – All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Service revenues are recognized at the time services are provided and the revenues are earned. Merchandise sales are recognized at the time the transaction occurs and the revenues are earned. Membership payments are considered equivalent to unrestricted contributions and are recognized as revenue when received.

Grants – Grant awards are recorded when unconditional, approved by the Board of Directors, and announced to the grantee.

Advertising and Promotional Expenses – Advertising and promotional costs are charged to expense as they are incurred. For the year ended August 31, 2013, these expenses totaled \$1,980.

Concentrations of Credit Risk – BTA’s financial instruments consist primarily of cash equivalents and money market funds, which may subject BTA to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (“FDIC”).

All interest-bearing checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 per depositor, per insured bank, for each account ownership category. Prior to January 1, 2013, Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act provided depositors with unlimited coverage for non-interest-bearing transaction accounts. This unlimited protection for noninterest-bearing transaction accounts expired on December 31, 2012, and, beginning January 1, 2013, all accounts at an insured depository institution, including noninterest-bearing transaction accounts, are insured by the FDIC up to \$250,000 per depositor, per insured bank, for each deposit insurance ownership category. Cash and cash equivalents include \$129,701 in money market funds that are not insured by the FDIC.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, the organization’s management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Benefits Provided to Donors at Special Events – BTA conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct costs of the benefits received. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to BTA.

Inventories – Inventories consist of promotional merchandise held for resale. Inventories are valued at the lower of cost or fair value on a first-in, first-out basis.

Income Taxes – BTA is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. In addition, the organization has been recognized as a public charity under Section 509(a)(2) of the Internal Revenue Code. For tax purposes, the organization’s open audit periods are for the years ended August 31, 2010 through 2012.

BTA has adopted the recognition requirements for uncertain income tax positions as required by FASB ASC No. 740-10, *Income Taxes*. Under this standard, income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

Subsequent Events – As required by FASB ASC No. 855-10, *Subsequent Events*, subsequent events have been evaluated by management through December 3, 2013, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2012 – The accompanying financial information as of and for the year ended August 31, 2012 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

4. Accounts Receivable

Accounts receivable are summarized as follows at August 31, 2013:

Government grants and contracts	\$ 10,127
Other	2,140
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	\$ 12,267

5. Contributions Receivable

Contributions receivable represent unconditional promises to be collected in less than one year totaling \$23,956 at August 31, 2013.

6. Property and Equipment

A summary of property and equipment at August 31, 2013 is as follows:

Computers and software	\$ 53,232
Bicycles	46,843
Furniture and equipment	18,337
Leasehold improvements	6,482
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	124,894
Less accumulated depreciation	(95,129)
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	\$ 29,765

7. Restrictions and Limitations on Net Asset Balances

Board-Designated Net Assets

At August 31, 2013, \$150,000 of BTA's unrestricted net assets were designated by the Board of Directors for an operating reserve.

Temporarily Restricted Net Assets

Temporarily restricted net assets at August 31, 2013 consist of contributions, grants, and other unexpended gifts restricted by donors as to time or purpose, as follows:

Blueprint for Better Biking	\$ 49,845
Bicycle Safety Program	5,500
Encouragement	3,569
Healthy Streets	2,630
Unrestricted purposes in future periods	15,000
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	\$ 76,544

8. Concentrations

BTA receives funding through grants from the Oregon Department of Transportation. During the year ended August 31, 2013, BTA recognized contract revenues from the City of Portland totaling \$266,400, which represented 23% of the organization's total revenues.

9. Net Assets Released from Restrictions

During the year ended August 31, 2013, net assets totaling \$23,028 were released from temporary donor restrictions by incurring expenses in satisfaction of the restricted purpose, or by the occurrence of other events specified by donors.

10. Expenses

The costs of providing the various programs and other activities of the organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses by natural classification are presented in the statement of functional expenses.

11. Contingencies

Amounts received or receivable under BTA's contracts with the City of Portland, Oregon Department of Transportation, and others are subject to audit and adjustment by the contracting agencies, the State of Oregon, and by various government agencies. Any expenditures or claims disallowed as a result of such audits would become a liability of BTA's unrestricted net assets. In the opinion of management, any adjustments that might result from such audits would not be material to BTA's overall financial statements.

12. Operating Lease Commitments

BTA leases its administrative offices under an agreement expiring in June of 2016. The organization also leases certain office equipment under a noncancellable operating lease that expires in February of 2018.

Future minimum lease commitments under these agreements are as follows:

<i>Years ending August 31,</i>	
2014	\$ 55,632
2015	57,164
2016	49,485
2017	4,548
2018	2,274
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	\$ 169,103

Lease expense for these leases during the year ended August 31, 2013 totaled \$52,123.

13. Retirement Plan

BTA provides employees with a qualified profit-sharing retirement plan as described under Section 401(k) of the Internal Revenue Code. Employees are eligible to participate in the plan after six months of service. Employee contributions to the plan may be made on a pre-tax basis. Employer contributions are made at the discretion of the Board. Both employer and employee contributions are 100% vested as contributed. During the year ended August 31, 2013, the Board did not approve any employer contributions to the plan.

14. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash provided by operating activities (as reported on the statement of cash flows):

Increase in net assets	\$ 36,913
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<i>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</i>	
Depreciation	9,292
<i>Net changes in:</i>	
Accounts receivable	19,144
Contributions receivable	(2,956)
Prepaid expenses and deposits	(6,406)
Inventories	(2,156)
Accounts payable and accrued expenses	(15,143)
Accrued payroll and related expenses	48,797
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Total adjustments	50,572
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Net cash provided by operating activities	\$ 87,485

15. Restatement of Net Asset at December 31, 2012 and Reclassification of 2012 Comparative Totals

During the year ended August 31, 2013, the organization's management identified \$5,710 in contributions received during the year ended August 31, 2012 and reported as donor restricted net assets that should have been reported as unrestricted net assets. Accordingly, temporarily restricted and unrestricted net assets at August 31, 2012 have been restated to \$29,227 and \$417,944, respectively.

In addition, certain 2012 amounts presented herein have been reclassified to conform to the 2013 presentation.



BICYCLE TRANSPORTATION ALLIANCE

GOVERNING BOARD, MANAGEMENT, AND STAFF

Board of Directors

Stephen Gomez
Chair

Austin Ramsland
Secretary

Nick Ehlen
Treasurer

Chris Achterman, M.D.

Theresa Carr

Martina Fahrner

David Forman

Lanny Gower

Val Hoyle

Adnan Kadir

David Kottcamp

J.S. May

Randy Miller

Lois Moss

Dennis Mulvihill

Susan Otcenas

Richard Potestio

Susan Remmers

Shelli Romero

Kenji Sugahara

Pamela Treece

Justin Yuen

Management and Staff

Robert Sadowsky
Executive Director

Stephanie Noll
Deputy Director

LeeAnne Fergason
Education Director

Brittani Garner
Development Director

Gerik Kransky
Advocacy Director

Angie Sabin
Finance Director

Will Vanlue
Communications Director

BICYCLE TRANSPORTATION ALLIANCE

INQUIRIES AND OTHER INFORMATION

Administrative offices

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