



Gary McGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

Bicycle Transportation Alliance

Financial Statements and Other Information
as of and for the Year Ended August 31, 2015
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, 2015, 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, 2015, 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

We have previously audited the Bicycle Transportation Alliance's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 3, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Gary Lee & Co. LLP". The signature is written in a cursive, flowing style.

December 4, 2015

BICYCLE TRANSPORTATION ALLIANCE

STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2015

(WITH COMPARATIVE AMOUNTS FOR 2014)

	2015	2014
Assets:		
Cash and cash equivalents	\$ 469,156	566,663
Accounts receivable <i>(note 4)</i>	29,709	15,577
Contributions receivable <i>(note 5)</i>	63,600	23,538
Prepaid expenses and deposits	6,946	25,832
Inventories	10,873	7,249
Property and equipment <i>(note 6)</i>	24,982	28,133
Total assets	\$ 605,266	666,992
Liabilities:		
Accounts payable and accrued expenses	7,378	32,092
Accrued payroll and related expenses	87,410	77,793
Total liabilities	94,788	109,885
Net assets:		
Unrestricted:		
Available for programs and general operations	222,820	235,959
Designated by Board for operating reserve <i>(note 7)</i>	150,000	150,000
Net investment in capital assets	24,982	28,133
Total unrestricted	397,802	414,092
Temporarily restricted <i>(note 7)</i>	112,676	143,015
Total net assets	510,478	557,107
Commitments and contingencies <i>(notes 5, 12, 13, and 14)</i>		
Total liabilities and net assets	\$ 605,266	666,992

See accompanying notes to financial statements.

BICYCLE TRANSPORTATION ALLIANCE

STATEMENT OF ACTIVITIES

YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014
	Unrestricted	Temporarily restricted	Total	
Revenues, gains, and other support:				
Government grants and contracts	\$ 397,991	–	397,991	376,277
Private grants and contributions	409,966	95,134	505,100	498,660
In-kind contributions	78,489	–	78,489	16,889
Program events and fees (<i>note 8</i>)	103,355	–	103,355	93,018
Special events, net of direct costs of \$42,282 in 2015 and \$59,300 in 2014	178,754	–	178,754	185,407
Sale of merchandise, net of cost of sales of \$15,548 in 2015 and \$23,283 in 2014	3,436	–	3,436	2,330
Other	20,272	–	20,272	15,534
Total revenues and gains	1,192,263	95,134	1,287,397	1,188,115
Net assets released from restrictions (<i>note 10</i>)	125,473	(125,473)	–	–
Total revenues, gains, and other support	1,317,736	(30,339)	1,287,397	1,188,115
Expenses (<i>note 11</i>):				
Program services:				
Advocacy	516,806	–	516,806	339,690
Education	236,724	–	236,724	245,180
Encouragement	179,108	–	179,108	163,715
Total program expenses	932,638	–	932,638	748,585
Supporting services:				
Management and general	166,634	–	166,634	158,644
Fundraising	234,754	–	234,754	207,863
Total supporting expenses	401,388	–	401,388	366,507
Total expenses	1,334,026	–	1,334,026	1,115,092
Increase (decrease) in net assets	(16,290)	(30,339)	(46,629)	73,023
Net assets at beginning of year	414,092	143,015	557,107	484,084
Net assets at end of year	\$ 397,802	112,676	510,478	557,107

See accompanying notes to financial statements.

BICYCLE TRANSPORTATION ALLIANCE

STATEMENT OF CASH FLOWS

YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015	2014
Cash flows from operating activities:		
Cash received from grantors, members, and others	\$ 832,367	870,009
Cash received from governmental agencies	379,391	380,272
Interest income	786	636
Cash paid to employees, suppliers, grantees, and others	(1,302,874)	(1,150,942)
Net cash provided by (used in) operating activities	(90,330)	99,975
Cash flows from investing activities:		
Capital expenditures	(7,177)	(5,161)
Net cash used in investing activities	(7,177)	(5,161)
Net increase (decrease) in cash and cash equivalents	(97,507)	94,814
Cash and cash equivalents at beginning of year	566,663	471,849
Cash and cash equivalents at end of year	\$ 469,156	566,663

See accompanying notes to financial statements.

BICYCLE TRANSPORTATION ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015				Management and general
	Program services			Total	
	Advocacy	Education	Encour- agement		Total
Salaries and related expenses	\$ 336,277	171,977	109,668	617,922	130,998
Professional services	64,611	11,167	19,162	94,940	11,886
Grant awards	4,200	—	—	4,200	—
Occupancy	20,237	10,343	6,602	37,182	7,964
Technology services	854	653	3,193	4,700	867
Telephone and data	2,199	1,124	887	4,210	866
Office supplies and related expenses	2,147	24,689	13,097	39,933	1,124
Printing and publications	3,291	924	6,601	10,816	92
Postage and delivery	123	806	3,769	4,698	47
Facility and equipment rental	47,027	4,763	2,791	54,581	701
Travel	14,065	1,717	237	16,019	945
Training and conferences	1,842	485	162	2,489	90
Memberships and dues	4,553	10	206	4,769	532
Insurance	2,541	1,323	829	4,693	1,000
Meals and meetings	1,697	633	601	2,931	1,502
Marketing and advertising	15	8	1,641	1,664	6
Bank fees	5,817	2,559	7,934	16,310	5,329
Depreciation and amortization	4,002	2,045	1,305	7,352	1,575
Miscellaneous	1,308	1,498	423	3,229	1,110
Total expenses	\$ 516,806	236,724	179,108	932,638	166,634

See accompanying notes to financial statements.

Supporting services

Fundraising	Total	Total	2014
116,914	247,912	865,834	779,261
21,014	32,900	127,840	81,148
–	–	4,200	–
7,083	15,047	52,229	47,883
924	1,791	6,491	5,677
770	1,636	5,846	5,027
3,066	4,190	44,123	25,855
6,379	6,471	17,287	17,770
4,818	4,865	9,563	14,317
624	1,325	55,906	50,808
1,582	2,527	18,546	12,644
659	749	3,238	7,237
142	674	5,443	2,700
889	1,889	6,582	7,115
1,378	2,880	5,811	6,190
56,447	56,453	58,117	9,620
10,143	15,472	31,782	31,299
1,401	2,976	10,328	9,349
521	1,631	4,860	1,192
234,754	401,388	1,334,026	1,115,092

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

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, 2015, BTA incurred program service 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, 2015, the following in-kind contributions were recorded by the organization:

Advertising	\$	55,792
Supplies and materials		13,337
Professional services		9,360
		\$ 78,489

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, 2015, these expenses totaled \$58,117, which included \$55,792 in in-kind advertising.

Concentrations of Credit Risk – BTA’s financial instruments consist primarily of cash equivalents and money market funds, which may subject the organization 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 checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 for each depositor, for each insured bank, for each account ownership category. At August 31, 2015, BTA had \$85,864 in cash in excess of these limits. In addition, cash and cash equivalents include \$129,809 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, 2012 through 2014.

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 4, 2015, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2014 –

The accompanying financial information as of and for the year ended August 31, 2014 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, 2015:

Government grants and contracts	\$ 24,732
Other	4,977
	<hr/> \$ 29,709

5. Contributions Receivable

Contributions receivable represent unconditional promises to be collected in less than one year totaling \$63,600 at August 31, 2015.

In addition, BTA has been awarded a multi-year grant totaling \$155,040 that is conditioned upon incurring allowable expenses and obtaining programmatic and expenditure approval by the grantor. As of August 31, 2015, no allowable expenses had been submitted for approval by the funder. The grant has not been included in the accompanying financial statements because the associated conditions have not been satisfied as of August 31, 2015.

6. Property and Equipment

A summary of property and equipment at August 31, 2015 is as follows:

Computers and software	\$ 65,020
Bicycles	46,843
Furniture and equipment	21,442
Leasehold improvements	6,482
	<hr/> 139,787
Less accumulated depreciation and amortization	(114,805)
	<hr/> \$ 24,982

7. Restrictions and Limitations on Net Asset Balances*Board-Designated Net Assets*

At August 31, 2015, \$150,000 of BTA's unrestricted net assets were designated by the Board of Directors as an operating reserve.

Temporarily Restricted Net Assets

Temporarily restricted net assets at August 31, 2015 consist of contributions, grants, and other unexpended gifts restricted by donors as to time or purpose, as follows:

Safe Routes to Schools	\$ 54,532
Statewide advocacy	39,691
Blueprint for Better Biking	5,504
Encouragement	4,349
Unrestricted purposes for future periods	8,600
	<hr/> \$ 112,676

8. Program Events and Fees

Program events and fees consisted of the following revenue sources for the year ended August 31, 2015:

Active Transportation Summit	\$	91,435
Program contract fees		11,920
		<hr/>
	\$	103,355

The Active Transportation Summit is an annual conference that educates transportation professionals and policy-makers on best practices for creating walkable and bikeable communities. During the year ended August 31, 2015, BTA recorded \$91,435 in revenues and \$64,167 in direct expenses related to the summit.

9. Concentrations

BTA receives a substantial portion of its funding through government grants and contracts from the Oregon Department of Transportation, City of Portland, and Metro. During the year ended August 31, 2015, BTA recognized contract revenues from the City of Portland totaling \$272,980, which represented 21% of the organization's total revenues.

10. Net Assets Released from Restrictions

During the year ended August 31, 2015, net assets totaling \$125,473 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.

11. 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.

12. 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 governmental 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.

13. 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>	
2016	\$ 49,485
2017	4,548
2018	2,274
	<hr/>
	\$ 56,307

Lease expense for these leases during the year ended August 31, 2015 totaled \$54,220.

14. Retirement Plan

Effective May 1, 2014, BTA adopted an employer-funded Simplified Employee Pension plan for all eligible employees. Employees are eligible to participate in the plan if they are reasonably expected to receive at least \$5,000 in compensation in a calendar year. Employee contributions to the plan may be made on a pre-tax basis. BTA makes matching contributions to the plan up to 3% of employee's annual compensation. Both employer and employee contributions are 100% vested as contributed. During the year ended August 31, 2015, BTA contributed \$13,398 to the plan.

15. Reclassification of 2014 Comparative Totals

Certain 2014 amounts presented herein have been reclassified to conform to the 2015 presentation.

16. Statement of Cash Flows Reconciliation

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

Decrease in net assets	\$ (46,629)
<hr/>	
<i>Adjustments to reconcile decrease in net assets to net cash used in operating activities:</i>	
Depreciation and amortization	10,328
<i>Net changes in:</i>	
Accounts receivable	(14,132)
Contributions receivable	(40,062)
Prepaid expenses and deposits	18,886
Inventories	(3,624)
Accounts payable and accrued expenses	(24,714)
Accrued payroll and related expenses	9,617
<hr/>	
Total adjustments	(43,701)
<hr/>	
Net cash used in operating activities	\$ (90,330)

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BICYCLE TRANSPORTATION ALLIANCE

GOVERNING BOARD, MANAGEMENT, AND STAFF

Board of Directors

Justin Yuen, *Chair*

Leslie Carlson, *Vice Chair*

Randy Miller, *Vice Chair*

David Forman, *Secretary*

Susan Marks, *Treasurer*

Chris Achterman, M.D.

Nick Ehlen

Jude Gerace

Stephen Gomez

Hau Hagedorn

Val Hoyle

Adnan Kadir

Ben McKinley

Peter Koonce

Susan Otcenas (*through January 2015*)

Kenji Sugahara

Management and Staff

Robert Sadowsky
Executive Director

Stephanie Noll
Deputy Director

Brittani Garner
Development Director

Gerik Kransky
Advocacy Director

Anne Lee
Director of Operations

Sheilagh Griffin
Education Director

BICYCLE TRANSPORTATION ALLIANCE

INQUIRIES AND OTHER INFORMATION

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