ATLANTA BELTLINE PARTNERSHIP, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2018

ATLANTA BELTINE PARTNERSHIP, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Atlanta BeltLine Partnership Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Atlanta BeltLine Partnership, Inc. (a non-profit Organization), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities, functional expenses, and cash flows 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity'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 entity'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 Atlanta BeltLine Partnership, Inc. as of June 30, 2018, 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 of America.

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Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of state awards expended on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Brooks, McGinnis & Company, LLC

Atlanta, Georgia
October 15, 2018

ATLANTA BELTLINE PARTNERSHIP, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

Cash and cash equivalents	$	2,499,149
Unconditional promises to give, net		1,195,566
Prepaid expenses and other assets		31,861
Property and equipment, net		1,151,824
Total assets	$	4,878,400

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	$	110,538
Due to Atlanta BeltLine, Inc.		141,833
Promises to give payable		150,000
Other liabilities		97,920
Total liabilities		500,291
Commitments and contingencies		
Net assets:		
Without donor restrictions:		
Available for operations		52,072
Expended for property and equipment		1,151,824
Total net assets without donor restrictions		1,203,896
With donor restrictions		3,174,213
Total net assets		4,378,109
Total liabilities and net assets	$	4,878,400

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

ATLANTA BELTLINE PARTNERSHIP, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Changes in net assets without donor restrictions:		
Revenues, gains and support:		
Contributions	$	505,653
In-kind donations		28,228
Special event revenue, net of $131,738 in direct expenses		154,212
Program revenues		57,381
Other income		14,706
Total revenues		760,180
Net assets released from restrictions		3,321,719
Total revenues, gains and support without donor restrictions		4,081,899
Expenses:		
Program services:		
Enable the Project		2,068,267
Engage the Public		932,660
Empower the Residents		572,520
Total program services		3,573,447
Supporting services:		
Management and general		444,699
Fundraising		277,883
Total expenses		4,296,029
Decrease in net assets without donor restrictions		(214,130)
Changes in net assets with donor restrictions:		
Contributions		4,067,029
Governmental grants		79,560
Net assets released from restrictions		(3,321,719)
Increase in net assets with donor restrictions		824,870
Increase in net assets		610,740
Net assets, beginning of year, restated		3,767,369
Net assets, end of year	$	4,378,109

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

ATLANTA BELTLINE PARTNERSHIP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Enable the Project	Engage the Public	Empower the Residents	Total Program	Management and General	Fundraising	Total
Salaries and wages	$ 126,630	$ 211,050	$ 60,300	$ 397,980	$ 72,360	$ 132,660	$ 603,000
Payroll taxes	9,430	15,717	4,491	29,638	5,389	9,879	44,906
Employee benefits	15,458	25,763	7,361	48,582	8,833	16,194	73,609
Total payroll expense	151,518	252,530	72,152	476,200	86,582	158,733	721,515
Grants	1,642,789	254,673	450,000	2,347,462	-	-	2,347,462
Consultants and contractors	220,286	146,617	2,890	369,793	308,400	44,057	722,250
Rent and occupancy	14,387	59,602	12,332	86,321	8,221	8,221	102,763
Equipment rental	756	15,779	648	17,183	432	432	18,047
Tour bus expense	-	52,726	-	52,726	-	-	52,726
Advertising	1,746	9,573	5,365	16,684	17,363	1,016	35,063
Travel, conferences and registration	1,991	3,318	948	6,257	1,137	2,085	9,479
Information technology	4,591	19,020	3,935	27,546	2,623	2,623	32,792
Insurance	755	3,127	647	4,529	431	431	5,391
Service fees	1,472	1,472	-	2,944	-	18,081	21,025
Bad debt	-	-	-	-	-	22,112	22,112
Repairs and maintenance	1,076	4,459	923	6,458	615	615	7,688
Supplies	1,347	5,578	1,154	8,079	769	769	9,617
Telephone	2,138	6,193	1,423	9,754	1,223	1,733	12,710
Utilities	931	3,858	798	5,587	532	532	6,651
Program events	-	1,664	-	1,664	-	-	1,664
Other	1,277	4,615	1,128	7,020	4,253	4,325	15,598
Total expenses before depreciation	2,047,060	844,804	554,343	3,446,207	432,581	265,765	4,144,553
Depreciation and amortization	21,207	87,856	18,177	127,240	12,118	12,118	151,476
Total expenses	$ 2,068,267	$ 932,660	$ 572,520	$ 3,573,447	$ 444,699	$ 277,883	$ 4,296,029
Percentage of total expenses	48%	22%	14%	84%	10%	6%	100%

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

ATLANTA BELTLINE PARTNERSHIP, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

Cash flows from operating activities:	
Increase in net assets	$ 610,740
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation and amortization	151,476
Donated capital asset	(10,000)
Changes in assets and liabilities:	
(Increase) decrease in:	
Unconditional promises to give, net	(951,993)
Prepaid expenses and other assets	17,777
Increase (decrease) in:	
Accounts payable and accrued expenses	12,624
Due to Atlanta BeltLine, Inc.	(3,098,114)
Promises to give payable	150,000
Other liabilities	(18,751)
Total adjustments	(3,746,981)
Net cash used in operating activities	(3,136,241)
Cash flows from investing activities:	
Purchase of property and equipment	(716,460)
Net cash used in investing activities	(716,460)
Net decrease in cash and cash equivalents	(3,852,701)
Cash and cash equivalents, beginning of year	6,351,850
Cash and cash equivalents, end of year	$ 2,499,149

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

1. Nature of Organization and Significant Accounting Policies

Atlanta BeltLine Partnership, Inc. ("the Organization"), a nonprofit 501(c)(3) organization, was incorporated in 2005 under the laws of the state of Georgia. The Organization was established to advance the Atlanta BeltLine vision to be a catalyst for making Atlanta a global beacon for equitable, inclusive, and sustainable city life. Working in partnership with Atlanta BeltLine, Inc. ("ABI"), which implements the Atlanta BeltLine project, the Organization supports efforts to complete the Atlanta BeltLine by 2030, which will include 22 miles of streetcar, 33 miles of trail, 2,000 acres of parks, 5,600 units of affordable housing, and public art.

The Atlanta BeltLine project was authorized by the City of Atlanta in 2005, and since then, accomplishments include 12 miles of trails, 7 parks, over $4.1 billion in new private development representing more than 11,000 permanent jobs, and more than 2,500 affordable housing units that are within the walking distance of the corridor. Milestones in fiscal 2018 included two major ribbon cuttings: the Eastside Trail Extension and the Westside Trail, both of which were partially paid for with philanthropic funds raised by the Organization.

Since inception, the Organization's role in furthering the Atlanta BeltLine vision has been instrumental to the Atlanta BeltLine's success. The Organization recruits and aligns private, corporate and philanthropic partners to fulfill the Atlanta BeltLine vision. The Organization's strategic plan is organized around three areas: **Enable the Project**, **Engage the Public** and **Empower the Residents** of the 45 Atlanta BeltLine neighborhoods.

- *Enable the Project* - Understanding that both local and federal funding sources alone cannot complete the vast network of parks, trails and transit of the Atlanta BeltLine, the Organization helps to fill this funding gap by developing relationships and soliciting investment from the private sector and the philanthropic community. To date, the Organization has raised over $59 million from these sources to support the Atlanta BeltLine vision.

- *Engage the Public* - The Atlanta BeltLine needs ongoing public support throughout its multi-year implementation. Since inception, the Organization has engaged the public to sustain community support, favorable political will and continued philanthropic investment through completion of the project. To this end, the Organization has led and supported programming including, but not limited to, its popular BeltLine tours, Run. Walk. Go! Race Series, free fitness classes, Adopt-the-Atlanta BeltLine, and support of the Art on the BeltLine program. These programs and many more have educated residents and visitors about the Atlanta BeltLine, activated parks and trails and mobilized volunteers and advocates.

- *Empower the Residents* - The Atlanta BeltLine provides parks, trails and future transit that is attracting private investment and creating jobs. In collaboration with its partners, the Organization works to connect Atlanta BeltLine residents with programs designed to empower them in the areas of health, housing and economic opportunity.

1. Nature of Organization and Significant Accounting Policies – Continued

Basis of Accounting and Presentation

The accounts are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). This basis of accounting requires recording revenues and gains when earned and expenses and losses when incurred.

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions based on stipulations made by the donor.

Contributions

In accordance with GAAP, contributions are recognized as revenue in the year they are received or promised, with allowances provided for unconditional promises to give estimated to be uncollectible. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts (if any) is included in contributions in the accompanying statements of activities and changes in net assets.

Depending on the existence and/or nature of any donor restrictions, contributions are recorded as support with donor restrictions or support without donor restrictions. Time and capital donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Equipment, Supplies and Services

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

1. Nature of Organization and Significant Accounting Policies – Continued

Donated Equipment, Supplies and Services – Continued

All non-cash gifts are recorded at their estimated fair value at date of receipt. Donated services are recognized at fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No amounts have been recognized in the financial statements for general volunteer services, since these services do not meet the GAAP criteria noted above.

Property and Equipment

Property and equipment are stated at cost or estimated fair value at time of donation. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of $5,000. Depreciation is computed by the straight-line method over the estimated useful lives as follows:

Leasehold improvements	5 - 15 years
Furniture, fixtures and equipment	5 - 7 years
Vehicles	5 years

Income Taxes

Atlanta BeltLine Partnership, Inc. is a not-for-profit organization exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. The Organization is subject to tax on unrelated business income, net of expenses, resulting from rental of an Organization vehicle. There was no unrelated business income tax liability for the year ended June 30, 2018.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization’s Internal Revenue Service filings for the previous three years remain subject to examination.

1. Nature of Organization and Significant Accounting Policies – Continued

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated on a square foot basis include rent and occupancy, equipment rental, information technology, insurance, depreciation and amortization, repairs and maintenance, supplies, telephone, utilities, and certain other expenses. Salaries and wages, payroll taxes, employee benefits, consultants and contractors, and travel, conferences and registration are allocated on the basis of estimates of time and effort.

Estimates

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

Cash and Cash Equivalents

The Organization considers all cash investments and highly liquid investments with maturities of three months or less to be cash equivalents. The balances in the Organization's bank accounts, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation up to $250,000 as of June 30, 2018. At June 30, 2018, the amount of uninsured balances was $2,291,810.

Advertising

Advertising costs are expensed as incurred.

New Accounting Policies

In August 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-For-Profit Entities,* which improves the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance and cash flows. The guidance requires retrospective application. The Organization adopted this guidance for the year ended June 30, 2018. The new accounting policy did not affect net assets.

1. Nature of Organization and Significant Accounting Policies – Continued

Prior Period Adjustment

Net assets at the beginning of the year have been adjusted to correct the following entries made in previous years:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of the year, as previously reported	$ 1,130,416	$ 2,530,010	$ 3,660,426
Adjustments:			
To recognize contributions previously deferred	-	106,943	106,943
To release donor-restricted funds spent in 2017	287,612	(287,612)	-
Increase (decrease) in previously reported change in net assets	287,612	(180,669)	106,943
Net assets, beginning of the year, restated	$ 1,418,028	$ 2,349,341	$ 3,767,369

2. Liquidity and Availability of Financial Assets

The Organization is substantially supported by contributions with donor restrictions that are received each year for various programs as well as for long term capital projects. As a donor's restrictions require funds to be used in a particular manner or in a future period, the Organization maintains those restricted funds so that they are available to meet those responsibilities as they are required to be met. The Organization considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures may be incurred for program, fundraising, or administrative purposes.

2. Liquidity and Availability of Financial Assets – Continued

The Organization's financial assets at June 30, 2018 (reduced by amounts that are not available for general use because of contractual or donor-imposed restrictions) available within one year after this date to satisfy liabilities at this date and for future general expenditure are as follows:

Cash and cash equivalents	$	2,499,149
Unconditional promises to give, net		1,195,566
Total financial assets		3,694,715
Less:		
Donor restricted cash		(1,763,502)
Unconditional promises to give, net		(1,195,566)
Financial assets available to meet cash needs for general expenditures within one year	$	735,647

For the year ended June 30, 2018, restricted contributions of $215,145 were included in financial assets available to meet cash needs for general expenditures within one year. In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of the following at June 30, 2018:

Cash without donor restrictions	$	520,502
Cash with donor restrictions for programs		215,145
Cash with donor restrictions for capital projects		1,763,502
Total cash and cash equivalents	$	2,499,149

4. Unconditional Promises to Give, Net

Unconditional promises to give are recorded at net realizable value upon receipt. Contributions to be received after one year are discounted at 2%, commensurate with the risks involved. Previously, a $12,500,000 capital campaign was initiated to support the completion of the Westside Trail and key land acquisition. During fiscal 2018, a new $5,750,000 "Opening the Corridor" capital campaign was launched. This campaign will add 14.9 miles of unpaved trails to the Atlanta BeltLine.

4. Unconditional Promises to Give, Net – Continued

Unconditional promises to give totaled the following at June 30, 2018:

Capital campaign promises to give	$	802,583
Operating promises to give		426,409
		1,228,992
Less allowance for doubtful accounts		(19,717)
Less unamortized discount		(13,709)
Total unconditional promises to give, net	$	1,195,566

Promises to give due within one year	$	917,920
Promises to give due within one to three years		277,646
Total unconditional promises to give, net	$	1,195,566

Bad debt expense, inclusive of the allowance for doubtful accounts, was $22,112 during the year ended June 30, 2018.

5. Property and Equipment, Net

Components of property and equipment consist of the following at June 30, 2018:

Leasehold improvements	$	1,150,934
Furniture, fixtures and equipment		199,334
Vehicles		165,612
Total property and equipment at cost		1,515,880
Less accumulated depreciation		(364,056)
Total property and equipment, net	$	1,151,824

For the year ended June 30, 2018, depreciation and amortization expense was $151,476.

6. Operating Lease Commitments

The Organization leases space for its offices and the Atlanta BeltLine Center as well as an operating lease for office equipment. Total rental and lease expense for all leases for the year ended June 30, 2018 was $81,629. The annual minimum lease payments for all leases are as follows:

Year ended June 30,		
2019	$	91,540
2020		94,200
2021		96,940
2022		18,632
2023		720
	$	302,032

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are comprised of funds the Organization has received subject to donor-imposed restrictions consisting of the following at June 30, 2018:

Operating programs:		
Art on the BeltLine	$	160,000
Fitness Programs		38,456
Adopt-the-Atlanta-BeltLine		47,500
Bus Tours		60,000
Workforce Development		30,000
Health Initiative		50,000
Other		10,598
Total operating programs		396,554
Restricted for time		245,000
Capital campaign cash and pledges		2,532,659
Total net assets with donor restrictions	$	3,174,213

8. Net Assets Released from Restrictions

Net assets with donor restrictions were released from donor restrictions by incurring expenditures satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the year ended June 30, 2018:

Operating programs:		
Art on the BeltLine	$	334,750
Fitness Programs		66,266
Adopt-the-Atlanta-BeltLine		16,250
Bus Tours		17,500
Development Officer Grant		37,845
Health Initiative		450,000
Other		20,000
Total operating programs		942,611
Atlanta BeltLine Center		503,813
Capital campaign cash and pledges		1,875,295
Total net assets released from restrictions	$	3,321,719

9. In-Kind Contributions

During the year ended June 30, 2018, the Organization received the following in-kind contributions of materials and services that are reflected in the financial statements:

Advertising and other supplies	$	2,381
Furniture and fixtures		10,000
Legal and accounting		15,847
Special events		53,666
Total in-kind contributions	$	81,894

10. Related Party Transactions

The Organization works in partnership with Atlanta BeltLine, Inc. (“ABI”) to fulfill the Atlanta BeltLine vision. Payments in the form of grants to ABI during the year ended June 30, 2018 totaled $5,498,437. Grants given to ABI are used for capital projects on the BeltLine. The amount due to ABI as of June 30, 2018 is $141,833.

11. Subsequent Events

Management has evaluated events and transactions which occurred through October 15, 2018, which was the date the financial statements were available to be issued. There were no significant subsequent events requiring recognition or disclosure in the financial statements.

ATLANTA BELTLINE PARTNERSHIP, INC.

OTHER INFORMATION AS REQUIRED
BY THE STATE OF GEORIGA

ATLANTA BELTLINE PARTNERSHIP, INC.
SCHEDULE OF STATE AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2018

State Contract Number	Earned Revenues	Receipts	Due From State Agency
Georgia Environmental Finance Authority			
Solar Program Grant			
ID # SEP_PY2016_04_ATLMAY	$ 24,560	$ 24,560	$ -
Fulton County Department of Arts and Culture	40,000	20,000	20,000
Total	$ 64,560	$ 44,560	$ 20,000