ATLANTA BELTLINE PARTNERSHIP, INC.

FINANCIAL STATEMENTS

JUNE 30, 2017

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

MARTIN, HARPS, SYPHOE & CO
CERTIFIED PUBLIC ACCOUNTANTS

ATLANTA BELTLINE PARTNERSHIP, INC.

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MARTIN, HARPS, SYPHOE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Atlanta Beltline Partnership, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities 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 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 assessment of 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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, 2017, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 6, 2017, on our consideration with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Martin Hayes Sephas & Co.

Atlanta, Georgia
December 6, 2017

ATLANTA BELTLINE PARTNERSHIP, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

ASSETS		
Cash and cash equivalents	$	6,351,850
Prepaid expenses		17,499
Accounts receivable		9,925
Due from related parties		4,470
Security deposit		6,808
Pledges receivable, net (Note 2)		303,073
Other assets		11,583
Fixed assets, net (Note 3)		576,840
TOTAL ASSETS	$	7,282,048
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	3,335,821
Accrued expenses		2,686
Rent liability		4,671
Deferred revenue		278,444
TOTAL LIABILITIES		3,621,622
NET ASSETS		
Unrestricted		1,130,416
Temporarily restricted (Note 5)		2,530,010
TOTAL NET ASSETS		3,660,426
TOTAL LIABILITIES AND NET ASSETS	$	7,282,048

See independent auditor's report and notes to the financial statements.

ATLANTA BELTLINE PARTNERSHIP, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Totals
PUBLIC SUPPORT			
Capital campaign contributions		$ 32,294	$ 32,294
Annual campaign contributions	484,080	1,050,763	1,534,843
In-kind contributions	544,526	-	544,526
Total public support	1,028,606	1,083,057	2,111,663
REVENUE			
Program revenue	150,798	-	150,798
Investment income	14,747	-	14,747
Fundraising, net	301,947	-	301,947
Merchandise sales, net	8,585	-	8,585
Other income	505,439	-	505,439
Total revenue	981,516	-	981,516
Total public support and revenue	2,010,122	1,083,057	3,093,179
Net assets released from restrictions -			
Satisfaction of program restrictions (Note 5)	6,432,518	(6,432,518)	-
EXPENSES			
Program services:			
Engage the Public	989,219	-	989,219
Empower the Residents	160,559	-	160,559
Enable the Project	6,005,226	-	6,005,226
Total program expenses	7,155,004	-	7,155,004
Supporting services:			
Management and general	644,212	-	644,212
Fundraising	627,506		627,506
Total supporting services	1,271,718	-	1,271,718
Total expenses	8,426,722	-	8,426,722
CHANGE IN NET ASSETS	15,918	(5,349,461)	(5,333,543)
NET ASSETS, BEGINNING OF YEAR	1,114,498	7,879,471	8,993,969
NET ASSETS, END OF YEAR	$ 1,130,416	$ 2,530,010	$ 3,660,426

See independent auditor's report and notes to the financial statements.

ATLANTA BELTLINE PARTNERSHIP, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	(5,333,543)
ADJUSTMENTS TO RECONCILE NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES -		
Depreciation and amortization		116,998
(Increase) decrease in assets:		
Prepaid expenses		9,896
Accounts receivable		(6,400)
Security deposit		(555)
Pledges receivable		3,013,646
Other assets		(135)
Increase (decrease) in liabilities:		
Accounts payable		2,846,202
Accrued expenses		(13,803)
Deferred revenue		113,439
Rent liabilities		4,671
Total adjustments		6,083,959
NET CASH PROVIDED BY OPERATING ACTIVITIES		750,416
CASH FLOWS FROM INVESTING ACTIVITIES:		
Furniture and equipment purchases		(820)
Leasehold improvement purchases		(273,822)
Donated services/materials - furniture and equipment		(107,500)
Donated services/materials - leasehold improvements		(113,500)
NET CASH USED IN INVESTING ACTIVITIES		(495,642)
NET INCREASE IN CASH		254,774
CASH AT BEGINNING OF YEAR		6,097,076
CASH AT END OF YEAR	$	6,351,850
Supplemental information:		
Non-cash contributions	$	119,759
Non-cash contributions in exchange for sponsorships	$	180,994
Inkind contributions	$	243,773

See independent auditor's report and notes to the financial statements.

1. SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

The accompanying financial statements include the accounts of Atlanta BeltLine Partnership, Inc. (the "Organization" or the "BeltLine"). The Organization's financial statements have been prepared in accordance with standards of accounting and reporting established for nonprofit organizations. The significant accounting policies followed by the Organization are described below:

A. Organization

Atlanta BeltLine Partnership, Inc., formerly BeltLine Partnership, Inc. and previously operated as Friends of the Belt Line, Inc. was organized effective June 30, 2005, as a non-profit corporation. The mission of the Organization is to fulfill, protect, and preserve the Atlanta BeltLine vision by raising funds and building partnerships that enable the Atlanta BeltLine project (the "BeltLine"), engage the public, and empower residents in surrounding neighborhoods.

B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

C. Basis of Presentation

The Organization adheres to FASB ASC Nonprofit Classification of Net Assets topic and the FASB ASC Nonprofit Revenue and Disclosure topic. Under these financial standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2017, the Organization had no permanently restricted net assets.

D. Contributions and Pledges Receivable

Contributions are recognized as revenue when a donor makes a pledge 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 reported. Conditional pledges are recognized when the conditions on which they depend are substantially met. Receivables due in future years are reflected at discounts. This is done to present the receivables at the estimated present value of future cash flows.

E. Fixed Assets

Fixed asset purchases are recorded at cost and donations at fair market value. The Organization capitalizes fixed asset purchases greater than $5,000. Depreciation is computed on a straight-line basis over estimated useful lives of five to seven years.

1. SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS (Continued)

F. Income Taxes

The Organization is exempt from federal income tax pursuant to Internal Revenue Code Section 501(c)(3). Donations to the Organization qualify for charitable contribution deductions.

The Organization has evaluated its tax positions and management is of the opinion that material tax positions taken would more likely than not be sustained by examination. As of June 30, 2017, the Organization's tax years 2014 and later remain subject to examination by taxing authorities.

G. Donated Property, Services and Materials

Donated property, materials and services are reflected in the statements as contributions at their estimated fair market value at the date of donation.

H. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the schedule of functional expenses. Certain of these costs have been allocated among the programs and supporting services benefited.

I. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

J. Fair Value of Financial Instruments

The carrying value of assets and liabilities meeting the definition of financial instruments approximates fair value.

2. PLEDGES RECEIVABLE

Unconditional pledges receivable at June 30, 2017 are as follows:

Pledges receivable expected to be collected in:	
Less than one year	$ 303,088

Management has determined that these amounts are fully collectible; therefore, no allowance for uncollectible pledges is considered necessary.

3. FIXED ASSETS

Fixed assets consisted of the following at June 30, 2017:

Vehicles	$ 165,612
Furniture	132,195
Equipment	33,477
Leasehold improvements	449,516
Leasehold improvements - CIP	8,620
	789,420
Less: accumulated depreciation	(212,580)
Net property and equipment	$ 576,840

4. OPERATING LEASES

The Organization leases facility space under an operating lease. The original lease was effective September 1, 2016 for a 60-month period. A first amendment to the lease takes effect in December 2017 and extends the lease term through 2023. Future minimum lease payments under leases having remaining non-cancelable terms in excess of one year at June 30, 2017 are as follows:

Fiscal years ending June 30,	Minimum lease payments
2018	$ 78,586
2019	84,610
2020	87,148
2021	89,763
2022	92,455
2023	70,890

5. TEMPORARILY RESTRICTED NET ASSETS AND RELEASES

Temporarily restricted net assets as of June 30, 2017 are available for the following purposes and/or periods:

Capital campaign – land and trails	$ 1,378,699
Other special projects	1,151,311
	$ 2,530,010

Net assets released from restriction during the period for trails, program services and other special projects amounted to $6,432,518.

6. RELATED PARTY TRANSACTIONS

Related party transactions during the period included the following:

a) The Organization carried pledges receivable in connection with various related parties approximating $7,611 at June 30, 2017.

b) The Organization received pledges, contributions and in-kind services associated with related parties representing $216,792 of its financial support.

7. COMMITMENTS

The Organization, from time to time, will commit and allocate funds pursuant to efforts contemplated by Atlanta Beltline, Inc. for the benefit of the Atlanta Beltline project.

8. CONCENTRATIONS OF RISK

a) Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of pledges and cash/cash equivalent accounts in financial institutions. Cash deposits exceeding federally insured limits totaled $6.1mm at June 30, 2017. The Organization does not believe that it is exposed to any significant risk in connection with its cash and cash equivalents balances.

b) The Organization depends heavily on contributions for its support and revenue. The ability for certain contributors of the Organization to continue giving amounts may be dependent upon current and future overall economic conditions. While the Organization's Board of Directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.

9. FAIR VALUE MEASUREMENTS

The Organization's estimates of fair value for financial assets and liabilities are based on the framework established in Accounting Standards Codification (ASC) Topic 820. The topic provides a single definition of fair value and requires enhanced disclosures about assets and liabilities measured at fair value. The topic establishes a hierarchal framework for disclosing the observability of the inputs utilized in measuring assets and liabilities at fair value. The three levels defined by the topic and examples of each level are as follows:

Level 1 – Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access at the measurement date.

Level 2 – Observable inputs such as quoted prices for similar instruments and quoted prices in markets that are not active, and inputs that are directly observable or can be corroborated by observable market data. The types of assets and liabilities included in Level 2 are typically either comparable to actively traded securities or contracts, such as treasury securities with pricing interpolated from recent trades of similar securities, or priced with models using highly observable inputs, such as commodity options priced using observable forward prices and volatilities.

Level 3 – Significant inputs to pricing have little or no observability as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as the complex and subjective models and forecasts used to determine the fair value of financial instruments.

The Organization's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2017 include cash and cash equivalents of $6,351,850, classified as Level 1 and pledges receivable of $303,073 classified as Level 3 within the FASB ASC Topic 820 hierarchy. The Organization does not have any assets or liabilities classified as Level 2 within the hierarchy.

10. SUBSEQUENT EVENT

Management evaluated activity of the Organization through December 6, 2017 (the date the Financial Statements were available to be issued) and concluded that no subsequent event occurred that would require recognition in the financial statements or disclosure in the Notes to the Financial Statements.

ATLANTA BELTLINE PARTNERSHIP, INC.

SUPPLEMENTARY INFORMATION

ATLANTA BELTLINE PARTNERSHIP, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017

	Program Services				Supporting Services			
	"Engage" the Public	"Empower" the Residents	"Enable" the Project	Total Program Services	Management & General	"Enable" Fundraising	Total Supporting Services	Totals
Salaries and wages	$ 145,046	$ 62,530	$ -	$ 207,576	$ 253,746	$ 120,424	$ 374,170	$ 581,746
Payroll taxes	12,537	4,925	-	17,462	13,379	12,801	26,180	43,642
Benefits and other	16,472	5,910	-	22,382	58,758	15,118	73,876	96,258
Total personnel	174,055	73,365	-	247,420	325,883	148,343	474,226	721,646
Grant distribution	188,390	-	6,005,226	6,193,616	-	77,431	77,431	6,271,047
Consultants and contractors	309,104	71,354	-	380,458	98,042	151,060	249,102	629,560
Occupancy	25,076	6,523	-	31,599	29,041	26,488	55,529	87,128
Office expenses	12,815	3,437	-	16,252	32,881	17,952	50,833	67,085
Equipment rental	12,209	-	-	12,209	770	14	784	12,993
Tour bus expense	60,819	-	-	60,819	-	442	442	61,261
Public relations and advertising	58,444	1,640	-	60,084	98	5,059	5,157	65,241
Travel, conferences, registrations	179	242	-	421	3,661	643	4,304	4,725
Information technology	4,579	831	-	5,410	16,112	4,025	20,137	25,547
Insurance	1,996	256	-	2,252	1,112	1,052	2,164	4,416
Service fees	8,337	1,500	-	9,837	15,063	9,283	24,346	34,183
Depreciation and amortization	35,282	-	-	35,282	81,716	-	81,716	116,998
Write-off uncollected pledges	1,000	-	-	1,000		860	860	1,860
Penalties and interest	-	-	-	-	265	-	265	265
In-kind expenses	96,934	1,411	-	98,345	39,568	184,854	224,422	322,767
Total expenses	$ 989,219	$ 160,559	$ 6,005,226	$ 7,155,004	$ 644,212	$ 627,506	$ 1,271,718	$ 8,426,722

See independent auditor's report and notes to the financial statements.

ATLANTA BELTLINE PARTNERSHIP, INC.

COMPLIANCE AND INTERNAL CONTROL REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Atlanta Beltline Partnership, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Atlanta Beltline Partnership, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 6, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

(Continued)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Hayes Sypho... Co.

Atlanta, Georgia
December 6, 2017