

ATLANTA BELTLINE PARTNERSHIP, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2021 AND 2020



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 statements of financial position as of June 30, 2021 and 2020 and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Brooks, McGinnis & Company, LLC

Atlanta, Georgia
October 15, 2021

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ATLANTA BELTLINE PARTNERSHIP, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,139,665	\$ 1,807,297
Unconditional promises to give, net	3,940,212	1,226,873
Prepaid expenses and other assets	32,259	35,711
Construction in progress	14,690,313	4,218,685
Property and equipment, net	345,778	598,105
Total assets	\$ 21,148,227	\$ 7,886,671
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 119,706	\$ 131,990
Construction accounts payable	2,528,084	1,273,010
Due to Atlanta BeltLine, Inc.	1,858,309	178,187
Refundable advance	-	41,946
Property tax commitment	253,692	-
Other liabilities	2,741	50,081
Total liabilities	4,762,532	1,675,214
Net assets:		
Without donor restrictions	14,022,215	4,603,173
With donor restrictions	2,363,480	1,608,284
Total net assets	16,385,695	6,211,457
Total liabilities and net assets	\$ 21,148,227	\$ 7,886,671

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

ATLANTA BELTLINE PARTNERSHIP, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Changes in net assets without donor restrictions:		
Revenues, gains and support:		
Contributions	\$ 466,191	\$ 358,316
In-kind donations of land	12,715,300	657,500
In-kind donations - other	131,236	49,395
Special event revenue, net of \$17,746 and \$75,646 in direct expenses in fiscal 2021 and 2020, respectively	86,536	132,582
Program revenues	-	33,883
Loss due to theft	(2,506,552)	-
Other income	16,249	25,801
Total revenues	10,908,960	1,257,477
Net assets released from restrictions	15,555,008	5,551,483
Total revenues, gains and support without donor restrictions	26,463,968	6,808,960
Expenses:		
Program services:		
Enable the Project	15,224,422	1,418,892
Engage the Public	521,529	908,023
Empower the Residents	696,435	249,067
Total program services	16,442,386	2,575,982
Supporting services:		
Management and general	254,622	327,258
Fundraising	347,918	445,120
Total expenses	17,044,926	3,348,360
Increase in net assets without donor restrictions	9,419,042	3,460,600
Changes in net assets with donor restrictions:		
Contributions	16,079,851	5,398,175
Governmental grants	230,353	183,962
Net assets released from restrictions	(15,555,008)	(5,551,483)
Increase in net assets with donor restrictions	755,196	30,654
Increase in net assets	10,174,238	3,491,254
Net assets, beginning of year	6,211,457	2,720,203
Net assets, end of year	\$ 16,385,695	\$ 6,211,457

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, 2021

	Enable the Project	Engage the Public	Empower the Residents	Total Program	Management and General	Fundraising	Total
Salaries and wages	\$ 132,491	\$ 110,409	\$ 104,889	\$ 347,789	\$ 104,889	\$ 99,368	\$ 552,046
Payroll taxes	10,384	8,653	8,220	27,257	8,220	7,788	43,265
Employee benefits	14,422	12,018	11,417	37,857	11,417	10,816	60,090
Total payroll expense	<u>157,297</u>	<u>131,080</u>	<u>124,526</u>	<u>412,903</u>	<u>124,526</u>	<u>117,972</u>	<u>655,401</u>
Grants	14,987,105	210,690	264,234	15,462,029	-	-	15,462,029
Consultants and contractors	30,660	15,293	102,094	148,047	69,661	181,918	399,626
Rent and occupancy	13,818	44,219	56,655	114,692	13,818	9,673	138,183
Equipment rental	287	994	1,177	2,458	287	201	2,946
Tour bus expense	-	6,957	-	6,957	-	-	6,957
Advertising	580	2,639	9,664	12,883	1,756	10,968	25,607
Travel, conferences and registration	66	55	52	173	52	50	275
Information technology	3,092	9,895	12,677	25,664	3,092	2,164	30,920
Insurance	793	2,536	3,249	6,578	793	555	7,926
Service fees	-	333	-	333	9,013	1,784	11,130
Bad debt	-	-	-	-	-	400	400
Repairs and maintenance	606	1,940	2,485	5,031	606	424	6,061
Supplies	478	1,528	1,958	3,964	478	334	4,776
Telephone	1,966	3,254	3,816	9,036	1,699	1,440	12,175
Utilities	480	1,535	1,966	3,981	480	336	4,797
Program events	-	249	-	249	-	-	249
Other	1,961	7,587	8,428	17,976	3,129	2,036	23,141
Total expenses before depreciation	<u>15,199,189</u>	<u>440,784</u>	<u>592,981</u>	<u>16,232,954</u>	<u>229,390</u>	<u>330,255</u>	<u>16,792,599</u>
Depreciation and amortization	25,233	80,745	103,454	209,432	25,232	17,663	252,327
Total expenses	<u>\$ 15,224,422</u>	<u>\$ 521,529</u>	<u>\$ 696,435</u>	<u>\$ 16,442,386</u>	<u>\$ 254,622</u>	<u>\$ 347,918</u>	<u>\$ 17,044,926</u>

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, 2020

	Enable the Project	Engage the Public	Empower the Residents	Total Program	Management and General	Fundraising	Total
Salaries and wages	\$ 124,396	\$ 176,774	\$ 78,566	\$ 379,736	\$ 130,943	\$ 144,038	\$ 654,717
Payroll taxes	9,940	14,126	6,278	30,344	10,464	11,510	52,318
Employee benefits	12,748	18,115	8,051	38,914	13,419	14,761	67,094
Total payroll expense	<u>147,084</u>	<u>209,015</u>	<u>92,895</u>	<u>448,994</u>	<u>154,826</u>	<u>170,309</u>	<u>774,129</u>
Grants	1,221,095	247,500	15,000	1,483,595	-	-	1,483,595
Consultants and contractors	-	139,635	22,110	161,745	67,276	219,684	448,705
Rent and occupancy	11,996	62,645	27,990	102,631	21,326	9,330	133,287
Equipment rental	299	2,278	696	3,273	531	232	4,036
Tour bus expense	-	49,768	-	49,768	-	-	49,768
Advertising	1,622	6,446	3,693	11,761	4,933	10,162	26,856
Travel, conferences and registration	326	651	3,454	4,431	1,694	391	6,516
Information technology	2,849	14,880	6,649	24,378	5,066	2,216	31,660
Insurance	735	3,838	1,715	6,288	1,306	572	8,166
Service fees	-	1,745	-	1,745	9,096	2,594	13,435
Bad debt	-	-	-	-	-	1,900	1,900
Repairs and maintenance	752	3,930	1,756	6,438	1,338	585	8,361
Supplies	1,205	6,291	2,811	10,307	2,142	937	13,386
Telephone	1,695	4,674	2,085	8,454	2,216	1,735	12,405
Utilities	771	4,025	1,799	6,595	1,370	600	8,565
Program events	-	1,406	-	1,406	-	-	1,406
Other	4,760	25,513	11,107	41,380	11,999	5,437	58,816
Total expenses before depreciation	<u>1,395,189</u>	<u>784,240</u>	<u>193,760</u>	<u>2,373,189</u>	<u>285,119</u>	<u>426,684</u>	<u>3,084,992</u>
Depreciation and amortization	23,703	123,783	55,307	202,793	42,139	18,436	263,368
Total expenses	<u>\$ 1,418,892</u>	<u>\$ 908,023</u>	<u>\$ 249,067</u>	<u>\$ 2,575,982</u>	<u>\$ 327,258</u>	<u>\$ 445,120</u>	<u>\$ 3,348,360</u>

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

ATLANTA BELTLINE PARTNERSHIP, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase in net assets	\$ <u>10,174,238</u>	\$ <u>3,491,254</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	252,327	263,368
Changes in assets and liabilities:		
(Increase) decrease in:		
Unconditional promises to give, net	(2,713,339)	(400,074)
Construction in progress additions	(10,471,628)	(4,218,685)
Prepaid expenses and other assets	3,452	(6,720)
Increase (decrease) in:		
Accounts payable and accrued expenses	1,242,790	1,267,362
Due to Atlanta BeltLine, Inc.	1,680,122	(201,529)
Refundable advance	(41,946)	41,946
Property tax commitment	253,692	-
Other liabilities	(47,340)	14,915
Total adjustments	<u>(9,841,870)</u>	<u>(3,239,417)</u>
Net cash provided by operating activities	<u>332,368</u>	<u>251,837</u>
Net increase in cash and cash equivalents	332,368	251,837
Cash and cash equivalents, beginning of year	<u>1,807,297</u>	<u>1,555,460</u>
Cash and cash equivalents, end of year	<u>\$ <u>2,139,665</u></u>	<u>\$ <u>1,807,297</u></u>

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

ATLANTA BELTLINE PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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 is projected to create 22 miles of streetcar, 33 miles of trail, 1,300 acres of new or restored greenspace, 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 14 miles of trails, 359 acres of new or improved parkland, over \$7 billion in new private development representing nearly 20,000 permanent jobs, and more than 4,200 affordable housing units that are within the walking distance of the corridor. Significant milestones were reached in fiscal year 2021 with philanthropic contributions to the Organization, including substantial completion of Westside Park (officially opened in August 2021), completion of the first two segments of the Westside BeltLine Connector in March 2021 in partnership with the PATH Foundation, and completion of the paved Northeast interim trail in April 2021 in partnership with Georgia Power.

The Organization played a critical role in securing City Council approval in March 2021 to establish a Special Service District (SSD) that will generate \$100 million for completion of the remaining BeltLine trail corridor. The SSD secures investment via a property tax from commercial and commercial residential property owners who are benefitting from the BeltLine’s development. It will be invested alongside \$100 million from the BeltLine Tax Allocation District, \$100 million in philanthropic donations to be secured by the Organization, and \$50 million in federal and other public funding to provide the \$350 million needed to complete the 22-mile BeltLine trail corridor by 2030.

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. The Organization has been securing lead gifts as it prepares to launch an approximately \$170 million multi-year campaign in fiscal year 2022 that will support BeltLine trails, parks, and programs.

ATLANTA BELTLINE PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Nature of Organization and Significant Accounting Policies – Continued

- *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. In-person programming was largely suspended in fiscal year 2021 due to the COVID-19 pandemic, though the Organization was able to offer fitness programming and informational presentations virtually.
- *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 connects Atlanta BeltLine residents with resources to help them live, work, and thrive. With funding from the Georgia Power Foundation and Bank of America, the Organization launched a Legacy Resident Retention Program in October 2020 that will cover property tax increases through 2030 for homeowners at risk of displacement. The Organization continued to offer its Home Empowerment workshops in a virtual format to connect residents with partners and resources to help them stay in their homes and mitigate displacement pressures. The Organization's workforce partnerships continued during the pandemic, connecting residents, workforce development organizations, and businesses to provide pathways for BeltLine residents to secure jobs near where they live.

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.

Revenue Recognition

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.

ATLANTA BELTLINE PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Nature of Organization and Significant Accounting Policies – Continued

Revenue Recognition – Continued

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. At June 30, 2021 and 2020, contributions related to the Westside Park project of \$2,928,451 and \$13,281,315, respectively, have not been recognized in the accompanying Statement of Activities because the condition on which they depend has not yet been met. The conditions depend on certain construction milestones and the total amount of the contribution will depend on the final cost of the project. Subsequent to year end in July 2021, the Organization received a grant of \$80,000,000, of which \$65,500,000 is contingent on meeting a project implementation timeline, specific performance goals over the next five years, and other performance measures.

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.

Program fees are recognized as revenue in the period in which service is provided. Special events revenue is recognized in the period in which the event is held.

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.

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.

ATLANTA BELTLINE PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Nature of Organization and Significant Accounting Policies – Continued

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 \$2,500. Depreciation is computed by the straight-line method over the estimated useful lives as follows:

Leasehold improvements	5 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. For the years ended June 30, 2021 and 2020, the Organization did not have any unrelated business income and accordingly, no unrelated business income tax. 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.

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. The financial statements report certain categories of expenses that benefit 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.

ATLANTA BELTLINE PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Nature of Organization and Significant Accounting Policies – Continued

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. At June 30, 2021 and 2020, the amount of uninsured balances was \$1,830,941 and \$918,427, respectively.

Advertising

Advertising costs are expensed as incurred. Advertising expenses incurred for the years ended June 30, 2021 and 2020 were \$25,607 and \$26,856, respectively.

Reclassification

Certain amounts previously reported have been reclassified to conform to the current year's financial statement presentation.

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 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.

In addition, the Organization supports long-term capital projects with donor restricted contributions that are received over the life of its capital campaigns. The lifespan of a capital campaign will include an upfront investment of resources for fundraising and contributions from donors and capital outlays over multiple years. The Organization maintains these restricted funds so that they are available to meet those responsibilities as needed.

ATLANTA BELTLINE PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. Liquidity and Availability of Financial Assets – Continued

The Organization’s financial assets at June 30, 2021 and 2020 (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:

	2021	2020
Cash and cash equivalents	\$ 2,139,665	\$ 1,807,297
Unconditional promises to give, net	3,940,212	1,226,872
Total financial assets	6,079,877	3,034,169
Less:		
Donor restricted cash for ABI capital projects	(139,366)	(243,588)
Donor restricted unconditional promises to give, net for ABI capital projects	(1,985,168)	(936,907)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,955,343	\$ 1,853,674

For the years ended June 30, 2021 and 2020, restricted contributions of \$238,946 and \$427,789, respectively, 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. Additional information about cash needs for specific expenditures within one year are discussed further in Note 15.

During the years ended June 30, 2021 and 2020, the global coronavirus pandemic threatened to deeply harm global growth. This has affected the U.S. and global equity markets, as well as eroded consumer confidence and deepened unemployment. It is uncertain how this volatility in the financial markets and general economic conditions may affect the Organization’s operations in the future.

While the Organization believes it has the resources to continue its programs, its ability to do so, and the extent to which they each continue are heavily dependent on public support. The strength of public support is largely dependent on current and future overall economic conditions.

ATLANTA BELTLINE PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. Cash and Cash Equivalents

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

	2021	2020
Cash without donor restrictions	\$ 1,761,352	\$ 1,425,885
Cash with donor restrictions for programs	238,947	137,824
Cash with donor restrictions for ABI capital projects	139,366	243,588
Total cash and cash equivalents	\$ 2,139,665	\$ 1,807,297

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 \$5,750,000 “Opening the Corridor” capital campaign was initiated to add 14.9 miles of unpaved trails to the Atlanta BeltLine. During fiscal 2020, this campaign was rolled in to a larger “Advancing the Vision” capital campaign to fund multiple park and trail projects and the Legacy Resident Retention Program to help existing low-income homeowners remain in BeltLine communities by providing financial support to cover property tax increases.

Unconditional promises to give consisted of the following at June 30:

	2021	2020
Capital campaign promises to give:		
Opening the Corridor campaign	\$ 96,834	\$ 296,467
Board pledges	56,600	-
Advancing the Vision campaign	3,807,500	661,885
Operating promises to give	47,444	289,965
	4,008,378	1,248,317
Less allowance for doubtful accounts	(19,717)	(19,717)
Less unamortized discount	(48,449)	(1,727)
Total unconditional promises to give, net	\$ 3,940,212	\$ 1,226,873
Promises to give due within one year	\$ 2,992,846	\$ 1,196,873
Promises to give due within one to three years	947,366	30,000
Total unconditional promises to give, net	\$ 3,940,212	\$ 1,226,873

ATLANTA BELTLINE PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. Property and Equipment, Net

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

	2021	2020
Leasehold improvements	\$ 1,150,934	\$ 1,150,934
Furniture, fixtures and equipment	141,400	141,400
Vehicles	165,612	165,612
Total property and equipment at cost	1,457,946	1,457,946
Less accumulated depreciation	(1,112,168)	(859,841)
Total property and equipment, net	\$ 345,778	\$ 598,105

For the years ended June 30, 2021 and 2020, depreciation and amortization expense was \$252,327 and \$263,368, respectively.

Construction in process of \$14,690,313 and \$4,218,685 in the Statement of Financial Position as of June 30, 2021 and 2020, respectively, includes investments in the initial phase of construction at Westside Park, funded by the Blank Foundation. The Park includes walking and biking trails with connections to surrounding neighborhoods, overlooks of a 2.4 billion gallon water reservoir, multi-use fields, a playground, public art, restrooms, parking and concession pavilions. Westside Park opened to the public in August 2021 and the philanthropically funded improvements will be donated to the City of Atlanta during fiscal 2022.

6. Refundable Advance

In April 2020, the Organization obtained a loan from the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP) to assist with operating cash flow during the pandemic. The total received in April 2020 was \$148,408. Expenses incurred for eligible purposes as of June 30, 2020 totaling \$106,462 were recognized and included in contributions in the Statement of Activities. The remaining \$41,946 at June 30, 2020 was recorded as a refundable advance in the Statement of Financial Position. The full amount was forgiven in May 2021, and the refundable advance of \$41,946 has been included in contributions in the Statement of Activities for the year ended June 30, 2021.

In February 2021, the Organization received a second PPP loan from the SBA totaling \$148,407. The full amount was expended for eligible purposes as of June 30, 2021 and has been recorded as contributions in the Statement of Activities. The second loan is expected to be forgiven in fiscal 2022.

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7. Property Tax Commitment

During fiscal 2021, the Organization launched a new program, the Legacy Resident Retention Program (LRRP), which is a resource for eligible homeowners to cover the cost of any increases in property tax bills through 2030, or as long as program funds are available. Payments are made directly to the County Tax Assessor, and the homeowners do not have to repay any of the funds paid on their behalf by the program. The estimated liability for this program based on the number of participants enrolled at June 30, 2021 is \$253,692.

8. Operating Lease Commitments

The Organization leases space for its offices and the Atlanta BeltLine Center and leases certain office equipment. In August 2021, a new office lease was entered into for a period of five years. Total rental and lease expense for all leases for the years ended June 30, 2021 and 2020 was \$96,940 and \$94,200, respectively. The future minimum payments required under these operating leases are as follows:

<u>Year ended June 30,</u>	
2022	\$ 65,562
2023	57,036
2024	57,726
2025	59,458
2026	61,248
Thereafter	<u>5,129</u>
	<u>\$ 306,159</u>

9. Net Assets Without Donor Restrictions

Net assets without donor restrictions include funds the Organization has received that are not subject to donor-imposed restrictions consisting of the following at June 30:

	<u>2021</u>	<u>2020</u>
Deficit from operations	\$ (1,013,876)	\$ (213,617)
Expended for construction in process	14,690,313	4,218,685
Expended for property and equipment	<u>345,778</u>	<u>598,105</u>
Total net assets without donor restrictions	<u>\$ 14,022,215</u>	<u>\$ 4,603,173</u>

ATLANTA BELTLINE PARTNERSHIP, INC
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10. 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:

	2021	2020
Operating programs:		
Engage the Public	\$ 203,947	\$ 360,750
Empower the Residents	35,000	76,070
Total operating programs	238,947	436,820
Restricted for time	-	265,991
Capital campaign cash and pledges:		
Enable the Project	2,124,533	905,473
Total net assets with donor restrictions	\$ 2,363,480	\$ 1,608,284

11. 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:

	2021	2020
Operating programs:		
Engage the Public	\$ 333,053	\$ 428,053
Empower the Residents	116,070	156,630
Total operating programs	449,123	584,683
Paycheck Protection Program	190,353	106,462
Time releases	265,991	-
Capital campaign cash and pledges:		
Enable the Project	14,649,541	4,860,338
Total net assets released from restrictions	\$ 15,555,008	\$ 5,551,483

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12. In-Kind Donations

During the years ended June 30, 2021 and 2020, the Organization received the following in-kind contributions of materials and services that are reflected in the financial statements:

	2021	2020
Advertising and other supplies	\$ 8,500	\$ 47,645
Land	12,715,300	657,500
Construction fees	120,000	-
Legal, accounting and other professional fees	2,736	1,750
Total in-kind contributions	\$ 12,846,536	\$ 706,895

During both of the years ended June 30, 2021 and 2020, the land received was donated to another nonprofit organization and is recorded in grant expense on the Statement of Functional Expenses. The land in fiscal 2020 will be used in the construction of the Westside BeltLine Connector and the land in fiscal 2021 will be used for affordable housing.

13. Related Party Transactions

The Organization works in partnership with ABI to fulfill the Atlanta BeltLine vision. Payments to ABI during the years ended June 30, 2021 and 2020 totaled \$2,482,755 and \$807,095, respectively. Payments to ABI are given in the form of grants for capital projects on the BeltLine, grants for operating projects, or for shared expenses. The amount due to ABI as of June 30, 2021 and 2020 is \$1,858,309 and \$178,187, respectively. The amount due to ABI as of June 30, 2021 includes a \$1,779,585 balance for the construction of a portion of the Westside BeltLine Connector, which totaled \$2,272,085. ABI used funds from a loan agreement with InvestAtlanta to pay the Path Foundation for Westside BeltLine Connector construction. The Organization has already raised \$500,000 in philanthropic funds toward the cost of the project and expects to pay the remaining balance to ABI to repay the InvestAtlanta loan by summer 2022. Additionally, for the years ended June 30, 2021 and 2020, \$12,715,300 and \$657,500, respectively, of land was donated to ABI.

14. Loss Due to Theft

During the year ended June 30, 2021, the Organization was notified that the construction company performing work at Westside Park had not received payments totaling \$2,529,320. The Organization immediately investigated and uncovered it had been the victim of a sophisticated ACH fraud scheme. The Organization immediately notified the Federal Bureau of Investigation, the involved financial institutions, and other appropriate organizations, along with engaging the Organization's Board Chair and Treasurer. The investigation remains open and has been transferred to the Department of Homeland Security, where it has been consolidated with other cases involving the same suspect(s).

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14. Loss Due to Theft – Continued

The theft did not involve staff from the Organization nor from any of the other companies impacted by this scheme. The Organization's email and financial systems were not compromised. The hackers infiltrated the email system of one of the companies involved in the approval chain for invoices and used it to send fraudulent payment information to the Organization. Following discovery of the theft, the Organization immediately upgraded its process for verifying ACH payment information and engaged an outside audit firm to conduct a full-scale review of the Organization's internal controls. Though the Organization's email system was not compromised, enhanced protections were implemented as a further safeguard. The involved financial institutions were able to recover \$22,768 in stolen funds. The unrecovered total of \$2,506,552 has been recorded as Loss Due to Theft in the Statement of Activities.

After the fraud was discovered, and prior to the end of the fiscal year, a recovery plan was initiated to pay the construction company for the invoices for which they had not received payment. The scope of the construction contract that had an original amount of \$17,028,306, was reduced to \$14,690,313 to contain costs. The Organization funded \$100,600 from existing unrestricted operating funds and initiated a board campaign that raised \$124,400. The construction company forgave \$120,000 of their fees, which has been recorded as an in-kind donation in the Statement of Activities. A major foundation authorized \$1,800,000 of the remaining conditional grant for the project to be used for loss recovery. Finally, the company whose email system was compromised contributed \$51,000.

In July 2021, the recovery plan was finalized. A major foundation made a non-interest bearing, unsecured loan of \$310,552 to the organization, which will be due in three annual installments of \$100,000, \$100,000, and \$110,552, with the first installment due July 2022.

15. Subsequent Events

Management has evaluated events and transactions which occurred through October 15, 2021, which was the date the financial statements were available to be issued. Except for the conditional contribution received in July 2021, as further discussed in Note 1, the new office lease as further discussed in Note 8, and the loan and recovery plan as further discussed in Note 14, there were no significant subsequent events requiring recognition or disclosure in the financial statements.