

denver **Bike Sharing**

2013 ANNUAL REPORT

Owner & Operator Of:



Denver B-cycle Founding Funder:



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LET'S GO RIDE BIKES

Denver Bike Sharing is a 501(c)(3) non-profit organization that owns and operates an automated, public bike sharing system known as Denver B-cycle. In 2013, the system included 709 bicycles and 82 stations located throughout downtown Denver, the Uptown, Highland, Cherry Creek and Baker neighborhoods and around the University of Denver and Auraria campuses.

OUR MISSION

Denver B-cycle is presented by Founding Funder Kaiser Permanente in association with a variety of community sponsors. Denver B-cycle is owned and operated by Denver Bike Sharing, a charitable, non-profit organization.

Denver Bike Sharing serves as a catalyst for a fundamental transformation in thinking and behavior by operating a bike sharing system in Denver to enhance mobility while promoting all aspects of sustainability: quality of life, equity, the environment, economic development, and public health.



OUR VISION

Denver B-cycle will:

- Complement and integrate with Denver's comprehensive metropolitan transportation system
- Influence the number of Denver's bicycle commuters to reach 10 percent of all commutes by 2018
- Encourage the replacement of car trips by bicycles for all recreational, social and functional purposes
- Serve the broad spectrum of transportation users and needs
- Contribute to Denver becoming the healthiest and greenest city in America
- Transform the perception of cycling to create a shift in Denver's transportation culture so that, whatever your reason, you ride!

CORE VALUES

- B-cycle as a truly sustainable solution that integrates the "triple-e bottom line": environment, economics, equity
- B-cycle as a vehicle to happiness
- B-cycle as a way to good health
- B-cycle as the preferred mobility mode of transportation
- B-cycle as a lifestyle choice in an urban environment
- Denver Bike Sharing as a thriving and sustainable business

LETTER FROM THE BOARD CHAIR

Dear Friends,

As we prepare to launch our fifth year of operations, Denver B-cycle has grown from novelty to fixture. Our distinctive red bicycles with their handy baskets are no longer a curiosity. They are part of the landscape.

In 2013, Denver B-cycle added 29 stations to serve the bike-sharing public—82 stations in all. The system is connecting neighborhoods, providing convenience and offering healthier transportation options to more and more citizens every day as the word spreads about the benefits.

Denver's version of this worldwide trend is thriving. Ridership in 2013 increased 27 percent over 2012. In addition, Denver B-cycle enjoyed its highest-ever annual member renewal rate and sold more memberships than ever before. One significant point is worth underscoring: 2013 was the first year that membership revenue outpaced sponsorship revenue. The system is on solid footing.

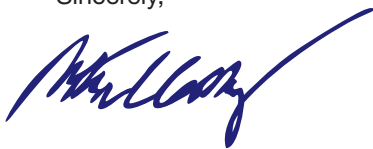
I feel compelled again to recognize the fact that our community partners are critical to the success of Denver B-cycle. On behalf of the board, our thanks go out to all of them for their steadfast support. We can't thank our sponsors and underwriters enough, in particular Founding Funder Kaiser Permanente for committing to another three years of support.

Denver B-Cycle's dedicated staff works like a finely-tuned cruiser. They are passionate and determined that the system works for all users in a way that is efficient and reliable. One key example of this is their bold step to stay open for the winter—a move that proved successful in the inaugural year. If Denver B-cycle is going to be a fixture, after all, it can't go into hibernation for 12 weeks every winter.

Please take a few minutes to browse the highlights of our annual report. I'm sure you'll find reasons to share my excitement and continued enthusiasm that Denver B-cycle is on a roll.

Thank you for your ongoing support.

Sincerely,



Peter Coakley

BOARD OF DIRECTORS

Jock Bickert, *Retired*

Peter Coakley, *Principal*, Inverness Properties, LLC

Ben Davis, *Communications Specialist*, Creative Director, OnSight Public Affairs

Adam DeVoe, *Attorney*, Brownstein Hyatt Farber Schreck, LLP

Mike Dino, *Senior Policy Advisor*, Patton Boggs, LLP

Andy Duvall, *Assistant Professor - Research*, Department of Health and Behavioral Sciences, University of Colorado Denver

Michael Fahndrich, *President*, 3 Points Accounting

Eric France, M.D., *Chief of Population and Prevention Services*, Kaiser Permanente

Jay Kenney, *Author*, Cartographer, Attorney, Kenney Brothers Foundation

Tim Prunk, *Executive Vice President*, Epsilon

Susan Powers, *Founder, Partner*, Urban Ventures, LLC

Steve Sander, *President*, Sander Marketing

Ceara Smith, *Senior Auditor*, Eide Bailly

Emily Snyder, *Project Manager II*, Denver Public Works

Robin Thurston, *CEO*, MapMyFitness, Inc.

Bill Van Meter, *Assistant General Manager*, Planning, RTD



LETTER FROM THE EXECUTIVE DIRECTOR

Dear Friends,

Denver B-cycle blossomed in 2013 with the addition of more than two dozen new stations. In 2014, the changes won't be quite so visible—but we hope they will be just as noticeable.

Elsewhere in this annual report, you'll find a section highlighting our plans for 2014. The short version is this: we are going to focus our work on improving the system's reliability.

To continue to thrive, we need to ensure that the user experience is seamless and efficient. We want a B-cycle to be available when you need one and we want open docks when it's time to return your ride. When there is a hiccup with the kiosk operation or a charge on your bill that you question, we need to provide the best customer service possible. We cherish your loyalty and we want to encourage repeat business by increasing overall user satisfaction.

Our expansion mode isn't over — not hardly. We are just pausing to focus on reliability and plan for the future, as we learn how our most recent expansion affects our operations.

THANKS TO A STRONG COMMUNITY

We are fortunate to have a strong community of passionate B-cycle enthusiasts and I want to thank all our riders for sharing ideas for making the system better. Please, keep them coming. We love hearing from you.

I'd also like to thank the many corporate citizens who have continued to show their support for our work. There's no simpler way to say it than this: we would not be here without you.

The Denver bicycle scene is surging. The city installed its 100th mile of bike lane this year, including the impressive 15th Street Bikeway in downtown Denver. Behavioral change is happening. People choosing bicycling as their primary way to commute to work rose to 2.9 percent. We continue to build the perception of bikes as transit, and the city continues to attract a population of young professionals who appreciate a multitude of transportation options valuing access over ownership.

We are very excited to be part of this positive change in the urban landscape.

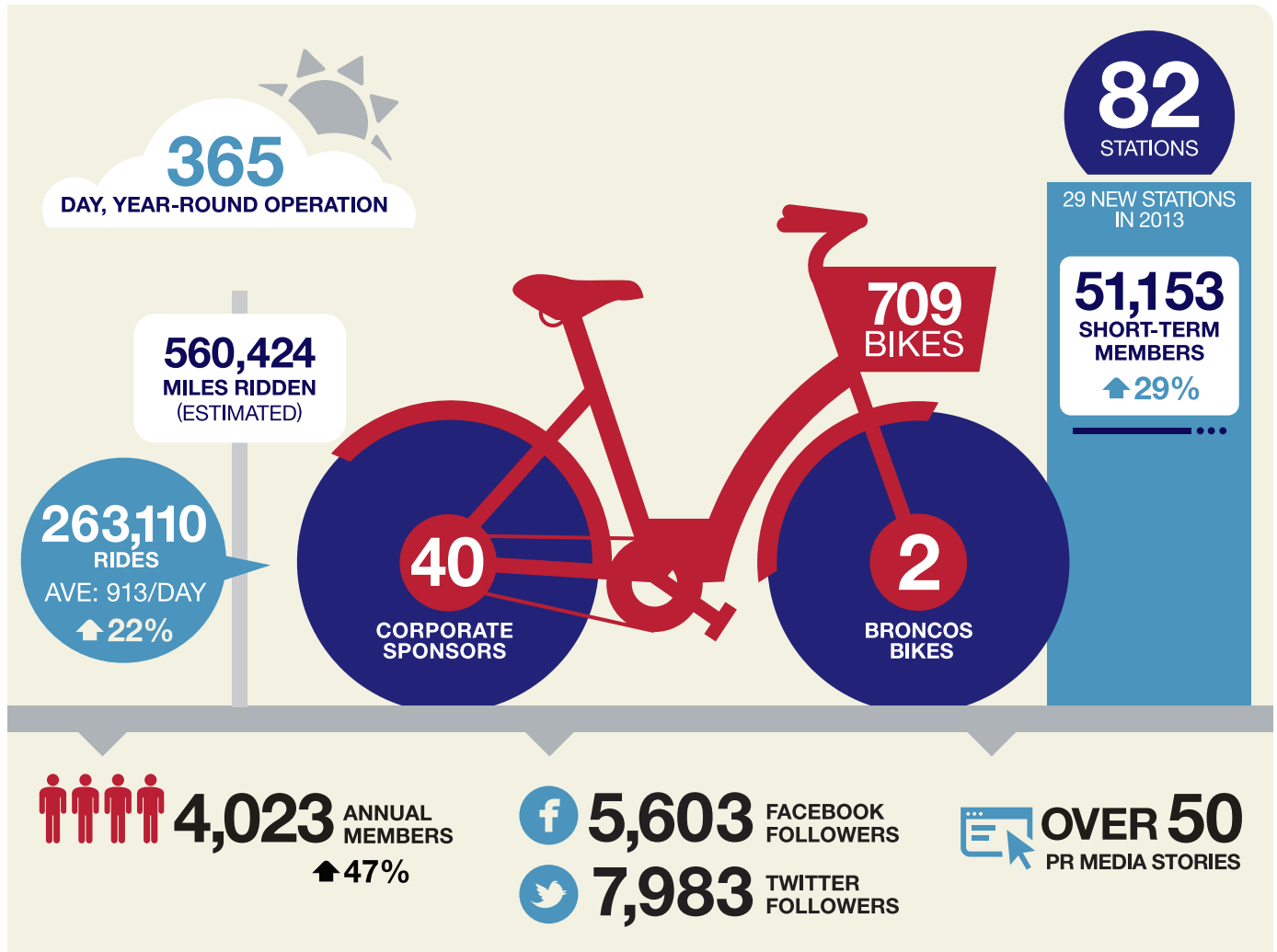
Keep riding. Keep sharing.

Sincerely,

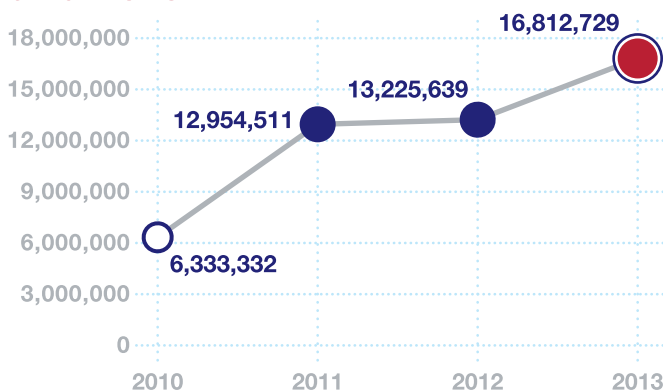


Nick Bohnenkamp
Executive Director

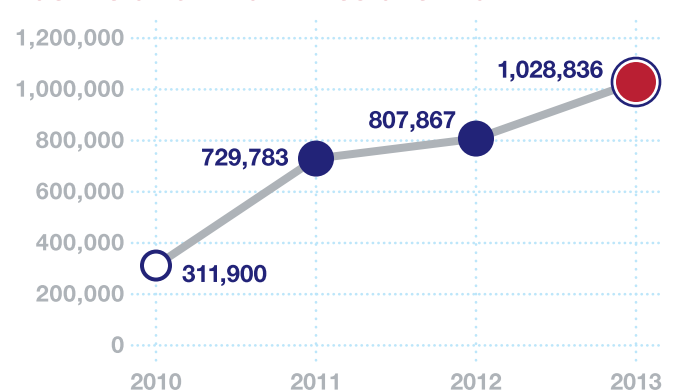
2013 SUCCESSES



CALORIES BURNED



POUNDS OF CARBON EMISSIONS AVOIDED

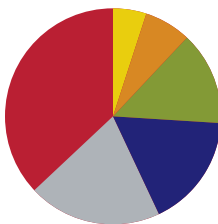


These calculations are estimates, based on member survey results between 2010 and 2013.
Survey data gathered and interpreted by Andy Duvall, DBS Director Research, Assistant Professor, University of Colorado Denver.

2013 FINANCIAL SUMMARY

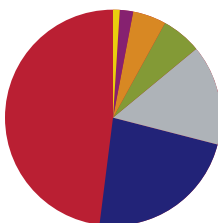
TOTAL RESOURCES

● Capital Grants & Contributions	37%
● Membership Fees	20%
● Sponsorships	17%
● Operating Grants & Contributions	14%
● Usage Fees	7%
● Gifts In Kind	5%



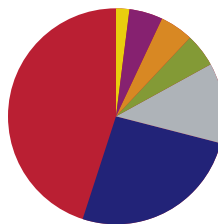
OPERATING EXPENSES

● Depreciation & Amortization	48%
● Operating Payroll	23%
● B-cycle System	15%
● Rent: Warehouse/Office	6%
● Insurance	5%
● Transportation	2%
● Other Operating	1%



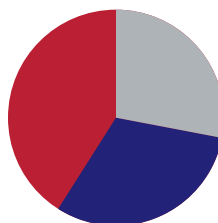
G&A EXPENSES

● G&A Payroll	45%
● Marketing	26%
● Professional Services	12%
● Insurance	5%
● Merchant Fees	5%
● Other G&A	5%
● Office/Communications	2%



CAPITAL VS OPERATING, G&A EXPENSES

● Capital	41%
● Operating	31%
● G&A	28%



LOOKING AHEAD

In 2014, Denver B-cycle will focus its effort on improving system reliability. Here are the steps we plan to take:

CREATE A SEAMLESS USER EXPERIENCE

Our customers want a B-cycle waiting to ride when they need one. They also want an open dock available at their destination when their ride is over. Maintaining a healthy balance of B-cycles and open docks across the system means anticipating where and when each is needed—and having resources available to move B-cycles quickly when equilibrium is skewed. To improve our ability to balance the system, Denver B-cycle is investing in an additional fleet vehicle to move bikes and meet customer needs. We will continue to improve our ability to anticipate customer demands based on day of the week and major events in downtown Denver.

IMPROVE MEMBER SUPPORT

Users with issues or questions should be able to reach a support person on the telephone with little to no wait time. Our goal is to minimize snags at the kiosk and respond quickly if issues do happen. We understand the urgency of getting to work on time, running errands quickly, or arriving on time for a dinner date. To that end, Denver B-cycle will expand in-house call center hours to blanket morning and afternoon rush hours, the times when transportation is most critical to our users.

REACH A MORE DIVERSE CUSTOMER BASE

Through a generous grant from founding funder Kaiser Permanente, we are researching the barriers that may prevent some residents from using the B-cycle system on a regular basis. Our goal is to improve the diversity of our ridership base and to make sure our system is more inclusive of all potential users. By adjusting program elements to meet the needs of different populations and communicating these benefits effectively, we can encourage a more diverse ridership base and build a better bike sharing system.

STATEMENT OF FINANCIAL POSITION

ACCRUAL BASIS
AS OF DECEMBER 31, 2013

ASSETS

Current Assets

Checking/Savings	754,967
Restricted Funds	39,848
Accounts Receivable	220,016
Other Current Assets	11,899
Total Current Assets	1,026,729

Property and Equipment

Bikes	651,419
Events Equipment	1,964
Leasehold Improvements	22,268
Office Equipment	84,693
Shop Equipment	6,305
Stations	2,572,125
Transportation Equipment	74,953
Property & Equipment - Other ¹	(24,345)
Total Property & Equipment	3,389,383
<Less> Accumulated Depreciation	(1,716,061)
Net Property & Equipment	1,673,322

Other Assets	
Security Deposits Asset	4,430
Total Other Assets	4,430

Total Assets **2,704,481**

LIABILITIES & NET ASSETS

Liabilities

Current Liabilities	99,032
Long Term Liabilities	70,600
Total Liabilities	169,632

Net Assets

Temporary Restricted Assets	184,848
Unrestricted Net Assets	1,135,978
Net Income	1,214,023
Total Net Assets	2,534,849

TOTAL LIABILITIES & NET ASSETS **2,704,481**

STATEMENT OF ACTIVITIES

ACCRUAL BASIS
JANUARY THROUGH DECEMBER, 2013

ORDINARY INCOME/EXPENSE INCOME

Capital Resources

Restricted Grants & Contributions	1,181,035
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Operating Resources

Gifts in Kind	174,820
Operating Unrestricted	
Grants/Contrib	432,264
Total Membership Fees	623,577
Sponsorships	523,707
Usage Fees	235,763
Total Operating Resources	1,990,131

Total Income **3,171,165**

EXPENSE

Operating Expenses

B-cycle System	153,347
Depreciation and Amortization	491,008
Insurance	53,182
Operating Payroll	242,536
Rent: Warehouse and Office	57,024
Transportation	21,672
Other	13,772

Total Operating Expenses **1,032,542**

General and Administrative

G&A Payroll	419,919
Insurance	48,375
Marketing	241,072
Merchant Fees	48,981
Office	14,818
Professional Services	110,472
Other	47,324

Total General &

Administrative Expenses	930,962
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Total Expense **1,963,503**

Other Income/Expense	6,361
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Net Income **1,214,023**

1. Represents reduction in cost of Season 1 system.

SPECIAL THANKS

TO OUR PARTNERS & CONTRIBUTORS:

Kaiser Permanente

Frontier Airlines	LiveWell Colorado	RTD
AHEC		Comcast/xfinity
Bicycle Village		The Denver Post
Brownstein Hyatt Farber Shreck		Kentwood City Properties
CBS Outdoor		Noble Energy
Colorado Convention Center		VISIT DENVER
Colorado Rockies		
Anadarko		Suncor
Gates Corporation		US Bank
ClifBar		Riverfront Park
Galvanize		Community Foundation
Highland Park		Way 101.FM
King Soopers		White Wave Foods
		Whole Foods
BP America		IMA Financial Group
Colorado Rapids		Kroenke Sports Enterprises
Elevations Credit Union		RAQC Ozone Aware
Great Divide Brewing		Orange Theory Fitness
Integer		Serendipity Catering

OUR 2013 STATION EXPANSION PARTNERS

AHEC Sustainable Campus Program	Denver Museum of Nature & Science
Colorado Department of Transportation	Denver Housing Authority
Denver Department of Public Works	Denver Zoo



ABOUT KAISER PERMANENTE COLORADO

Kaiser Permanente Colorado is the state's largest nonprofit health plan, proudly working to improve the lives and health of Colorado residents for more than 40 years. Kaiser Permanente Colorado provides comprehensive health care services to more than 538,000 members through 26 medical offices and a network of affiliated hospitals and physicians. The health plan was named "Highest in Member Satisfaction" among Commercial Health Plans by J.D. Power and Associates for the sixth straight year. Kaiser Permanente was recognized by the National Committee for Quality Assurance (NCQA) as the top-ranked commercial health plan in Colorado, number six in the nation and the second ranked Medicare plan in the U.S. Kaiser Permanente was also recently recognized as a 2012 Hypertension Champion by Million Hearts™. In 2011, Kaiser Permanente proudly directed more than \$90 million to community benefit programs to improve the health of all Coloradans. For more Kaiser Permanente news, visit kp.org/newscenter or follow us on twitter @kpcolorado or [facebook.com/kpcolorado](https://www.facebook.com/kpcolorado).

Denver Bike Sharing

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