

Denver Bike Sharing

2014 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 2014, the system included 700 bicycles and 84 stations located throughout downtown Denver, the Uptown, Highlands, 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 commuters 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,

Now beginning the sixth year of operation, the Denver B-cycle system has reached a new level of maturity as a viable transportation option.

Even *The New York Times* took note. In a travel story published in January 2015 (“36 Hours in Denver”), the newspaper declared Denver a “bastion of progressive urban policies.”

The recognition of a leading newspaper is a testament to our shared bicycle system integrating into Denver’s urban fabric. Ridership numbers in 2014 were up — way up. The total number of trips jumped by 43 percent, and total membership was up 29 percent.

Those are healthy increases by any measure, and they happened in a year when the number of stations held steady. The increased ridership and membership are positive indicators that the shared bicycle concept works and is meeting the needs of a growing customer base.

One of the critical ways Denver is changing is the enormous influx of people living in or near the urban core. As the *Wall Street Journal* and other publications have noted, millennials are rejecting the suburban lifestyle in favor of downtown living. In Denver, support for B-cycle suggests strong interest in the ability to access multi-modal transportation options as part of that shift.

Denver is already a healthy, sunny place to live, and Denver B-cycle is proving attractive to those seeking affordable and flexible transportation options. In many ways, it’s a natural fit.

Denver B-cycle’s financial health is widely cited as one of the best in the country. That would not be the case, however, if it not for two things.

First, the growing number of enthusiastic cyclists who use our system, and are spreading the word about its reliability, convenience, and flexibility.

Second, our many loyal community and business partners who underwrite our operations, and who are helping us improve bicycle infrastructure across the city.

Please take a few minutes to review the highlights of our annual report. I’m sure you’ll be convinced – as I am – that the Denver B-cycle system has hit a comfortable gear and is really starting to cruise.

Thank you to our faithful customers and to all our many partners.

Sincerely,



Adam DeVoe

BOARD OF DIRECTORS

Jock Bickert, *Retired*

Peter Coakley, *Senior Vice President / General Manager, Opus Development Company, LLC*

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

Adam DeVoe, *Attorney, Lewis Roca Rothgerber, LLP*

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

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

Michael Fahndrich, *President, 3 Points Accounting*

Crissy Fanganello, *Director of Transportation, Denver Public Works*

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*

Christopher Smith, *Senior Program Officer - Healthy Living, Colorado Health Foundation*

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



LETTER FROM THE EXECUTIVE DIRECTOR

Dear Friends,

In my second year as Executive Director, and sixth year with Denver B-cycle, one thing has become apparent: people love riding B-cycles. With more than 377,000 trips, nearly 75,000 users covered an estimated 800,000 miles in 2014.

That is the essence of what we do — putting more people on B-cycles more frequently. All the positive downstream effects flow from there, whether you are talking about a healthier community, reduced carbon emissions, or lowered traffic congestion.

The numbers in this report speak for themselves. All signs point to a system that is as healthy as its riders.

2014 was the first year we operated year-round, a full 365-day calendar. The experiment paid off. After all, winter months in Denver can be just as beautiful as May or September.

For key indicators of the system's increased health, look no further than our annual members. They averaged 53 trips per member in 2014, the most active annual member base we've ever seen.

Looking forward, we have a couple new stations slated to be installed in 2015. However, we have come to realize that "growth" means more than new B-cycle stations. Growth means more riders, more trips, more B-cycles in the right places at the right times.

Growth also means a focus on the user experience, with nothing more mission critical than available B-cycles and open docks when and where our users need them.

Bicycle metaphors are always hard to avoid when talking about an operation like our shared bike system, but I think there can be little doubt that, in Denver, the idea of bike sharing is really gaining traction.

Please enjoy the information in this annual report, support our partners and sponsors whenever you get a chance, and let us know if you have any questions or suggestions.

Sincerely,



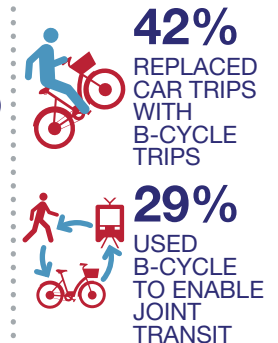
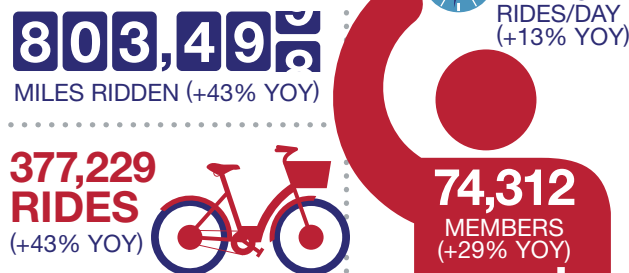
Nick Bohnenkamp
Executive Director

2014 SUCCESSES

OPERATIONS



USE & USERS



LOOKING AHEAD

2015 begins the sixth year of Denver B-cycle. We've learned a lot about what it takes to operate a reliable transportation service, but our system continues to evolve. As a result, we continue to learn. Moving forward, our efforts will focus on:

TECHNOLOGY

Bike sharing is not only about the bikes. Reliable, well-maintained bikes are important. However, our system depends on software that makes it click. To that end, we launched a mobile-friendly website that we believe will make our service easier to understand and easier to access on-the-fly.

At the same time, we continue to study data in every way possible to gain better information about ridership patterns and needs, and also better understand what our customers expect from our service.

Behind every good technology platform is the people who support it. To that end we are once again increasing our in-house customer service hours to cover even more of the weekend, so we can assist those riders who are more likely to be first time users, and provide the best experience possible.

PARTNERSHIPS WITH DEVELOPERS

With high density and commercial development booming, developers are realizing the benefits of funding a B-cycle station adjacent to their projects. Tenants view B-cycle as a transportation amenity. Developers see it as a way to mitigate parking concerns. And we see it as a way to expand our network, attract new riders, and give existing riders more destinations. B-cycle stations are a win-win for everyone involved; and we aim to spur new partnerships with forward-thinking developers who are able to include us in their project budgets.

EXPANDING OUR SUBSIDIZED ANNUAL ACCESS PASS AND MINORITY OUTREACH

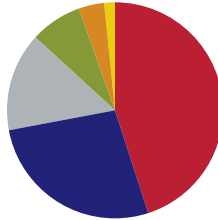
With generous support from our Founding Funder Kaiser Permanente, we are taking steps to grow two important areas of our user base; low income and minority populations. Using our current Denver Housing Authority pass program as a template, we have opened our Subsidized Annual Access Pass Program to qualified applicants city-wide in 2015. The pass is \$10 to qualifying recipients with the goal of providing a more inclusive service for those who need it most.

With Denver's growing ethnic population base, we realize we have to reduce barriers to entry and broaden our product offerings and communication. With the launch of our new website in 2015, we will for the first time have a fully-operating Spanish language website and have developed products that align with purchasing preference and drivers. The goal is to start small, learn from the results and continue to grow the program in the future. We deeply appreciate Kaiser Permanente's shared vision on this important initiative.

2014 FINANCIAL SUMMARY

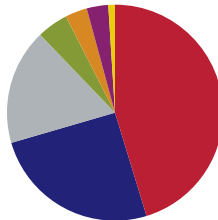
RESOURCES

● Membership Fees	45%
● Sponsorships	27%
● Usage Fees	15%
● Capital Grants & Contributions	8%
● Grants & Contributions	4%
● Gifts in-kind	1%



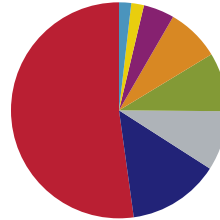
OPERATING EXPENSES

● Depreciation & Amortization	45%
● Operating Payroll	25%
● B-cycle System	18%
● Rent: Office/Warehouse	5%
● Insurance	3%
● Transportation	3%
● Other	1%



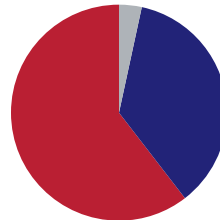
G & A EXPENSES

● G & A Payroll	52%
● Marketing	14%
● Professional Services	9%
● Employee Benefits	9%
● Merchant Fees	8%
● Other	4%
● Office	2%
● Insurance	2%



CAPITAL VS OPERATING, G&A EXPENSES

● Operating	61%
● G&A	36%
● Capital	3%



PROGRESS

Memberships Purchased Or Redeemed	2010	2011	2012	2013	2014
Annual	1,784	2,675	2,734	4,023	3,980
30 Day	262	139	242	514	450
7 Day	268	215	281	417	500
24-HR	32,392	41,966	39,183	52,609	69,382
Total Memberships	34,706	44,995	42,440	57,563	74,312

Trips By Membership Type	2010	2011	2012	2013	2014
Annual	52,829	121,781	131,176	165,897	242,770
30 Day	555	1,314	3,179	5,640	6,094
7 Day	931	1,080	1,938	2,554	3,890
24-HR	47,844	78,556	70,681	89,019	124,475
Total Trips	102,159	202,731	206,974	263,110	377,229

Distance and Health (Estimates)	2010	2011	2012	2013	2014
Miles Ridden	211,111	431,817	440,855	560,424	803,498
Estimated calories burned	6,333,332	12,954,511	13,225,639	16,812,729	24,104,933
Pounds of body weight equivalent to estimated calories burned	1,810	3,701	3,779	4,804	6,887

System	2010	2011	2012	2013	2014
Number of Stations	50	52	53	82	84
Number of Bikes	500	520	530	709	709
Operating Days	227	271	278	288	365

Environmental and Economic Benefits (Estimates)	2010	2011	2012	2013	2014
Pounds of CO2 emissions avoided	311,900	729,783	807,867	1,028,836	1,486,288
Gallons of gasoline not used	15,857	37,101	41,071	52,305	75,561
Gasoline cost savings	\$41,227	\$120,579	\$139,642	\$180,452	\$238,018
Parking cost savings	\$311,126	\$506,909	\$505,203	\$770,412	\$1,110,638

STATEMENT OF FINANCIAL POSITION

ACCRUAL BASIS
AS OF DECEMBER 31, 2014

ASSETS

Current Assets

Checking/Savings	440,805
Restricted Funds	69,030
Investment Account	514,233
Accounts Receivable	63,360
Other Current Assets	1,598
Total Current Assets	1,089,025

Property and Equipment

Bikes	619,072
Events Equipment	3,687
Leasehold Improvements	22,268
Office Equipment	89,253
Shop Equipment	6,305
Stations	2,646,166
Transportation Equipment	87,529
Property & Equipment - Other ¹	(11,945)
Total Property & Equipment	3,462,336
<Less> Accumulated Depreciation	(2,287,426)
Net Property & Equipment	1,174,910
Other Assets	
Security Deposits Asset	4,430
Total Other Assets	4,430

Total Assets 2,268,365

LIABILITIES & NET ASSETS

Liabilities

Current Liabilities	88,619
Long Term Liabilities	0
Total Liabilities	88,619

Net Assets

Temporary Restricted Assets	69,030
Unrestricted Net Assets	2,382,635
Net Income	(271,918)
Total Net Assets	2,179,747

TOTAL LIABILITIES & NET ASSETS 2,268,365

STATEMENT OF ACTIVITIES

ACCRUAL BASIS
JANUARY THROUGH DECEMBER, 2014

ORDINARY INCOME/EXPENSE INCOME

Capital Resources

Restricted Grants & Contributions	139,208
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Operating Resources

Gifts in Kind	28,954
Grants & Contributions	68,790
Membership Fees	808,660
Sponsorships	485,337
Usage Fees	265,264
Total Operating Resources	1,657,005

Total Income 1,796,213

EXPENSE

Operating Expenses

B-cycle System	226,594
Depreciation	591,709
Insurance	43,010
Operating Payroll	329,458
Rent: Warehouse and Office	61,006
Transportation	42,092
Other	12,737

Total Operating Expenses 1,306,605

General and Administrative

G&A Payroll	407,800
Employee Benefits	68,796
Insurance	14,071
Marketing	107,366
Merchant Fees	62,394
Office	14,853
Professional Services	69,851
Other	36,240

Total General &

Administrative Expenses	781,371
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Total Expense 2,087,976

Other Income/Expense	19,844
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Net Income (271,918)

¹Represents reduction in cost of Season 1 system.

SPECIAL THANKS

TO OUR 2014 PARTNERS & CONTRIBUTORS:

Kaiser Permanente

RTD

Frontier Airlines

Brownstein Hyatt Farber Shreck	LiveWell Colorado
CBS Outdoor	Noble Energy
Colorado Convention Center	VISIT DENVER
Colorado Rockies	Bicycle Village
Comcast/xFinity	Kentwood City Properties
The Denver Post	DHA

Anadarko	Suncor
Gates Corporation	US Bank
goodnessknows	

ClifBar	Wells Fargo
Colorado Rapids	Highland Park
White Wave Foods	FluentStream Technologies
King Soopers	Riverfront Park Community Foundation
Encana	
Galvanize	

Geeks Who Drink	Cricket
IMA Financial Group	RAQC Ozone Aware

CHFA	Integer
Great Divide Brewing	Whole Foods



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 45 years. Kaiser Permanente Colorado provides comprehensive health care services to 625,000 members through 29 medical offices and a network of affiliated hospitals and physicians.

Kaiser Permanente was recognized by the National Committee for Quality Assurance (NCQA) as the top- ranked commercial health plan in Colorado and the sixth ranked Medicare plan in the nation for 2014-15. Kaiser Permanente was also recognized as a 2012 Hypertension Champion by Million Hearts™. In 2014, Kaiser Permanente proudly directed \$100 million to community benefit programs to improve the health of all Coloradans.

For more Kaiser Permanente news, visit kp.org/share, or follow us on Twitter @kpcolorado or [facebook.com/kpcolorado](https://www.facebook.com/kpcolorado).



Denver Bike Sharing

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