

**BICYCLE COLORADO**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

**BICYCLE COLORADO**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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# TAYLORROTH

*Certified Public Accountants*

WORKING EXCLUSIVELY WITH NONPROFITS

November 21, 2022

## Independent Auditors' Report

Board of Directors  
Bicycle Colorado  
Denver, Colorado

### ***Opinion***

We have audited the accompanying financial statements of **Bicycle Colorado** (a Colorado nonprofit corporation) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bicycle Colorado as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bicycle Colorado and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bicycle Colorado's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that,

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

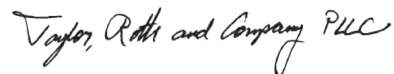
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bicycle Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bicycle Colorado's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Summarized Comparative Information***

We previously audited Bicycle Colorado's 2021 financial statements, and expressed an unmodified opinion on those audited financial statements in our report dated June 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



TAYLOR, ROTH AND COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS  
DENVER, COLORADO

**BICYCLE COLORADO**  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 621,685	\$ 511,068
Accounts receivable (Note 3)	117,252	139,996
Foundation award receivable (Note 4)	150,000	10,000
Prepaid expenses and deposits	7,825	6,753
Investments (Note 5)	26,293	23,209
Property and equipment (Note 6)	<u>-</u>	<u>-</u>
Total assets	<u>\$ 923,055</u>	<u>\$ 691,026</u>
 <u>Liabilities and net assets</u>		
Accounts payable	\$ 15,044	\$ 74,426
Payroll liabilities	9,105	13,860
Commitments (Note 7)	<u>-</u>	<u>-</u>
Total liabilities	<u>24,149</u>	<u>88,286</u>
 Net assets		
Without donor restrictions	473,906	457,213
With donor restrictions (Note 8)	<u>425,000</u>	<u>145,527</u>
Total net assets	<u>898,906</u>	<u>602,740</u>
Total liabilities and net assets	<u>\$ 923,055</u>	<u>\$ 691,026</u>

The accompanying notes are an integral part of these financial statements

**BICYCLE COLORADO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Contributions	\$ 759,336	\$ 769,736	\$ 1,529,072	\$ 634,506
Program contracts	354,463	-	354,463	518,034
Membership dues	330,102	-	330,102	288,940
Event revenue	101,492	-	101,492	117,161
Licensing and royalties	12,490	-	12,490	8,750
Sales of program merchandise	29,444	-	29,444	44,254
less cost of goods sold	(23,571)	-	(23,571)	(21,599)
Interest	34	-	34	1,268
PPP loan forgiveness income	-	-	-	153,800
Other	3,219	-	3,219	355
In-kind donations (Note 9)	18,170	-	18,170	18,275
Net assets released from restrictions (Note 10)	490,263	(490,263)	-	-
Total revenue and other support	<u>2,075,442</u>	<u>279,473</u>	<u>2,354,915</u>	<u>1,763,744</u>
<u>Expense</u>				
Program	1,725,039	-	1,725,039	1,492,408
Supporting services				
Management and general	156,413	-	156,413	134,886
Fund-raising	177,297	-	177,297	176,622
Total expense	<u>2,058,749</u>	<u>-</u>	<u>2,058,749</u>	<u>1,803,916</u>
Change in net assets	16,693	279,473	296,166	(40,172)
Net assets, beginning of year	<u>457,213</u>	<u>145,527</u>	<u>602,740</u>	<u>642,912</u>
Net assets, end of year	<u>\$ 473,906</u>	<u>\$ 425,000</u>	<u>\$ 898,906</u>	<u>\$ 602,740</u>

The accompanying notes are an integral part of these financial statements

**BICYCLE COLORADO**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	2022			2021	
	<u>Supporting Services</u>				
	<u>Program</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>	<u>Total</u>
Salaries	\$ 779,682	\$ 57,050	\$ 114,100	\$ 950,832	\$ 977,935
Payroll taxes and benefits	127,043	9,296	18,592	154,931	143,400
Professional services - subgrantee	175,000	-	-	175,000	45,000
Denver sidewalk	129,000	-	-	129,000	-
Sub-contractors - program delivery	124,236	-	-	124,236	183,768
Professional services	62,006	28,185	22,548	112,739	17,346
Rent	62,171	14,347	3,189	79,707	77,183
Equipment rental	59,099	11,081	3,694	73,874	108,639
Marketing	32,910	1,586	5,155	39,651	42,145
IT services	26,726	5,011	1,671	33,408	42,000
Printing	24,578	1,581	2,587	28,746	27,975
Lobbying	24,000	-	-	24,000	24,000
Equipment and software	16,111	3,021	1,007	20,139	21,911
Food and catering	16,330	917	1,101	18,348	7,894
Advocacy academy	15,000	-	-	15,000	15,200
Credit card fees	11,822	2,217	739	14,778	9,713
Accounting	-	12,082	-	12,082	12,192
Travel	9,365	801	125	10,291	1,816
Postage	6,650	496	1,115	8,261	16,335
Insurance	1,472	5,151	735	7,358	9,616
Utilities	4,256	841	157	5,254	2,937
Subscriptions and dues	2,949	553	184	3,686	2,261
Website	2,901	544	181	3,626	1,664
Supplies	2,836	532	177	3,545	3,126
Telephone	2,496	468	156	3,120	3,445
Training and conference	2,647	294	-	2,941	2,632
Internet	1,246	234	77	1,557	1,580
Bad debts	1,250	-	-	1,250	-
Other	1,257	125	7	1,389	2,203
<b>Total</b>	<b><u>\$1,725,039</u></b>	<b><u>\$ 156,413</u></b>	<b><u>\$ 177,297</u></b>	<b><u>\$ 2,058,749</u></b>	<b><u>\$1,803,916</u></b>

The accompanying notes are an integral part of these financial statements

**BICYCLE COLORADO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	2022	2021
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 296,166	\$ (40,172)
Adjustments to reconcile change in net assets to net cash provided(used) by operating activities		
PPP loan forgiveness income	-	(153,800)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts receivable	22,744	(109,347)
(Increase)decrease in foundation award receivable	(140,000)	115,000
(Increase)decrease in prepaid expenses and deposits	(1,072)	1,072
(Decrease)increase in accounts payable	(59,382)	42,383
Increase in payroll liabilities	(4,755)	-
Increase(decrease) in fiscal sponsor liabilities	-	(125,000)
Net cash (used) by operating activities	113,701	(269,864)
<u>Cash flows from investing activities</u>		
(Purchase) of investments	(3,084)	(23,209)
Net (decrease)increase in cash and cash equivalents	110,617	(293,073)
Cash and cash equivalents, beginning of year	511,068	804,141
Cash and cash equivalents, end of year	\$ 621,685	\$ 511,068

The accompanying notes are an integral part of these financial statements



## BICYCLE COLORADO

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 1 - NATURE OF ACTIVITIES

Bicycle Colorado (the Organization) was incorporated as a nonprofit corporation in the state of Colorado in 1992. The Organization's mission is to promote and encourage bicycling, improve conditions, increase safety and provide a voice for cyclists in Colorado. Program services include:

- Support and collaborate on key cycling projects
- Collaborate with local, state and national agencies
- Establish and continue mutually beneficial ties with state policy decision makers
- Serve as an effective and efficient information clearinghouse
- Strengthen lobbying efforts and raise the profile of bicycling

The Organization is primarily supported by contributions, program contracts and member dues.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

##### 1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

##### 2. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to the following two classes of net assets:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

**Net assets with donor restrictions:** Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

4. Capitalization and Depreciation

The Organization follows a practice of capitalizing all applicable expenditures in excess of \$2,000. The fair value of donated assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

5. Fair Value Measurement

The Organization is subject to the provisions of the Fair Value Measurements and Disclosures accounting standard. This standard requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

6. Estimates

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

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended June 30, 2022, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Salaries, taxes and employee benefits, are allocated on a time and effort basis. Rent is allocated based on square footage. All other expenses are allocated based on the program or supporting services benefited.

9. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

10. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

11. Lease Standard

New Accounting Pronouncement ASU 2016-2 - The FASB issued ASU No. 2016-02, leases, which will supersede the current requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expenses recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses on the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending June 30, 2023 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year adoption. The new lease standard is expected to have a significant effect on the Organization's financial statements.

12. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

13. Subsequent Events

Management has evaluated subsequent events through November 21, 2022, the date the financial statements were available to be issued.

NOTE 3 - ACCOUNTS RECEIVABLE

At year-end, accounts receivable consists almost entirely of contracts receivable. Management has evaluated the receivables and does not believe that an allowance is needed. Management expects to collect these receivables in fiscal year 2023.

NOTE 4 - FOUNDATION AWARD RECEIVABLE

At year-end, there is a foundation award receivable of \$150,000. Management has evaluated the receivables and does not believe that an allowance is needed. Management has also determined that any present value discount would be immaterial to these financial statements. Management expects to collect the award as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 75,000
2024	<u>75,000</u>
Total	<u>\$ 150,000</u>

NOTE 5 - INVESTMENTS

At year-end, investments are reported on the basis of quoted market prices (level one inputs), and consist of:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	<u>\$ 26,292</u>

During the fiscal year, the Organization earned \$ 34 of interest income on its investments and its operating cash accounts.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Vehicle	\$ 24,366
Less: accumulated depreciation	<u>(24,366)</u>
Net property and equipment	<u>\$ -</u>

Depreciation expense for the year was \$0.

NOTE 7 - COMMITMENTS

The Organization has entered into a lease agreement for office space in Denver, Colorado. The future minimum lease payments are as follows:

<u>Period</u>	<u>Amount</u>
July 2022 – June 2023	<u>\$ 69,000</u>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

At year-end, net assets with donor restrictions were available for the following purposes:

<u>Description</u>	<u>Amount</u>
Denver Streets Partnership	\$ 240,000
Communications	<u>185,000</u>
Total	<u>\$ 425,000</u>

NOTE 9 - IN-KIND DONATIONS

Donated goods and services are reflected in the accompanying financial statements at their estimated value at date of receipt. In-kind donations reflected in the financial statements for the year consisted of:

<u>Description</u>	<u>Amount</u>
Membership database services (annual membership fee)	\$ 15,000
Bike and Build for raffle	2,000
Supplies	670
Beer for Gala and Summit	<u>500</u>
Total	<u>\$ 18,170</u>

NOTE 10 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, expenditures were made satisfying donor restrictions as follows:

<u>Description</u>	<u>Amount</u>
Denver Streets Partnership	\$ 418,263
Communications	40,000
Education programs	<u>32,000</u>
Total	<u>\$ 490,263</u>

NOTE 11 - EMPLOYEE RETIREMENT PLAN

The Organization has a SIMPLE-IRA retirement plan (the Plan). The Plan covers all eligible employees. Employees may elect to make contributions to the plan up to the maximum amount permitted. The Organization matches the first 3% of employee contributions to the plan. Total employer contributions to this plan in 2022 were \$12,912.

NOTE 12 - CONCENTRATION OF CREDIT RISK

The Organization places all of its operating cash with one financial institution. Amounts in excess of \$250,000 are not insured by the FDIC or a related entity. At year-end, the Organization's checking and savings account balances total approximately \$641,000. Management has evaluated its banking needs and the strength of the financial institution and believes that it is in the best long-term interest of the Organization to continue its existing relationship.

NOTE 13 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general operating expenditures within one year at June 30, 2022:

Financial assets at year-end:	<u>Amount</u>
Cash and cash equivalents	\$ 621,685
Accounts and foundation award receivable	267,252
Investments	<u>26,293</u>
	<u>915,230</u>
Less: amounts not available for one year due to:	
Donor purpose restrictions	(50,000)
Foundation award receivable payment in 2024	<u>(75,000)</u>
	(125,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 790,230</u>

The Organization's goal is generally to maintain financial assets to meet six months of operating expenses. Management considers donor restricted contributions that will be used within one year as part of its ordinary operations, as being available for general expenditures.