

Denver Bike Sharing

2012 ANNUAL REPORT

DENVER **B**cycle





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 2012, the system included 520 bicycles and 52 stations located throughout downtown Denver, surrounding neighborhoods, Cherry Creek and around the University of Denver.

OUR MISSION

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 (the sweet life)
- 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

Denver B-cycle
Founding Funder:



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BOARD OF DIRECTORS

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Public Affairs**

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Patton, Boggs & Blow

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Research, **Department of Health
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Planner, **City and County of Denver**

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MapMyFitness, Inc.

BILL VAN METER, Assistant General
Manager, Planning, **RTD**

TOM WALTON,
The Walton Family Foundation

LETTER FROM THE BOARD CHAIR

Dear Friends,

It's exciting to watch a city change, and it's particularly exciting to watch Denver Bike Sharing as it plays a larger role in our urban landscape.

The bike sharing concept is thriving in a growing number of cities around the country and I have no doubt that our system will become even more integrated in our lifestyle in the coming years. Dare I say commonplace?

The concept works. Denver Bike Sharing is coming off another strong year and is preparing a major expansion this year. By the end of the 2013 season, the number of stations will have increased by more than 58 percent, to 80 in all. That means more options, more routes, more access, more convenience and more riders with a healthy transportation option.

It means more riders finding out how the red bikes can fit into their day-to-day needs and discovering that it's an affordable, convenient, climate-healthy option.

We wouldn't be in this good situation without our many community partners. We can't thank our sponsors and underwriters enough — they are in sync with the vision and possibilities that the shared bike system represents. We could not ask for a more enthusiastic group.

We also wouldn't be in such a strong strategic position without a dedicated — and passionate — staff. They are working hard to bring the system to a street corner near you.

Please take a few minutes to browse the highlights of our annual report. I'm sure you'll find reasons to share my excitement.

Thank you for your ongoing support.

Sincerely,



Peter Coakley

LETTER FROM THE EXECUTIVE DIRECTOR

Bike sharing is a simple, positive idea, which is why it's easy – and pleasing – to see the concept take off around the country and the world. When Denver Bike Sharing launched in 2010, we were among the first in the country, and the first big one. By the end of 2012, there were almost 30 systems nationwide, in all shapes and sizes.

Just as each city's buses, highways and rail evolve to suit the needs and wants of the city, so too, each city's bike-sharing program will grow to match the needs of the people it serves.

While our 2012 growth was not quite as high as we anticipated, it was still a solid year for Denver Bike Sharing, and we have set the stage for a major expansion in 2013. With plenty of new stations coming online, we will be seeing the red bikes in places we haven't seen them before, and in greater numbers.

The system's growth will continue to be organic and cautious, as we work in close concert with each neighborhood and neighborhood organization to make bike sharing available for more of our neighbors. It's our goal to ensure that our network of stations works as well as possible everywhere we expand, so that we meet the needs of all our customers, whether they are citizens or visitors, regular users or occasional riders.

It's our goal to raise the visibility and viability of Denver B-cycle to the point where a ride on a shared bike becomes a first choice for transportation and not an after-thought.

No matter how much new territory we reach, however, what really matters is the ability of the system to meet the needs of each individual rider.

Our members and users value Denver B-cycle for many reasons: to save money, for convenience, because it's a healthy form of transportation that is sustainable and friendly to our environment, or to just have a fun and relaxing way to get around and see the city from a whole new angle.

Any reason is fine. No matter how big we grow, after all, it's not about us.

It's about you.

Thank you for your ongoing support! Here's to a terrific 2013 season.

Parry Burnap



Executive Director



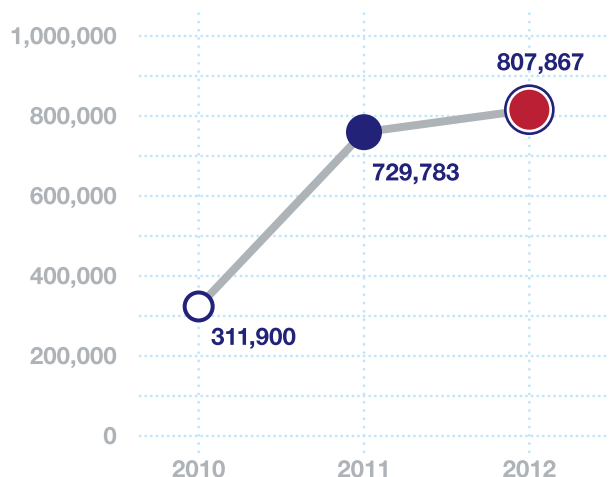
2012 SUCCESSES: IMPROVING OUR COMMUNITY

Denver Bike Sharing riders increased their 2012 B-cycle miles by 2.1 percent over 2011, reducing by 10.7 percent the mass of their commuting contributions to local carbon emissions as well as toxic air pollutants.

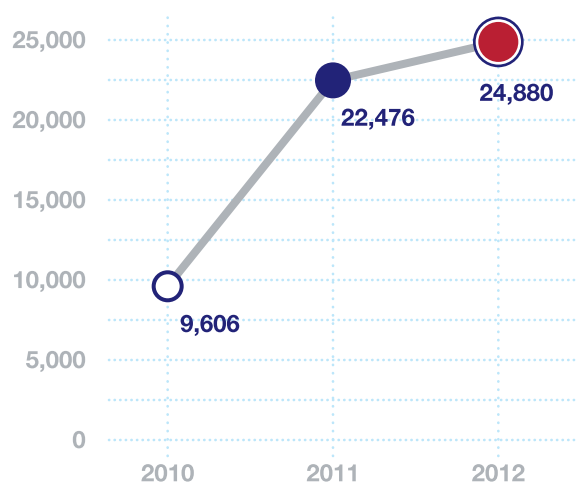
In line with their mileage increases for 2012, Denver Bike Sharing riders burned 2.1 percent more calories and lost 2.1 percent more pounds over the previous year.

Based on a survey of our members, 43 percent of 2010 Denver B-cycle trips replaced car trips. A 2011 survey showed a drop in car-replacement trips to 36 percent, holding steady at 35 percent in 2012. These rates are used to calculate the following estimates.*

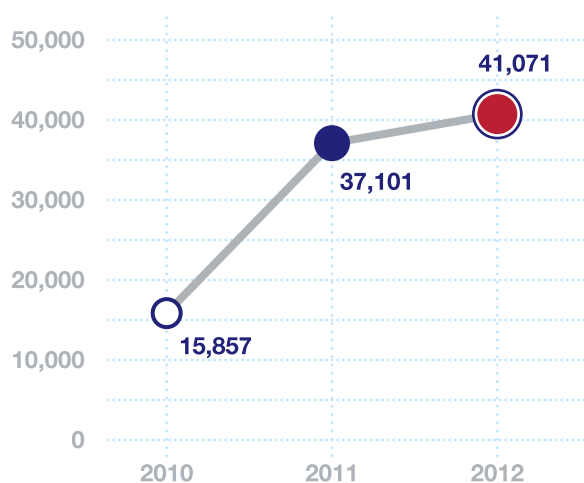
POUNDS OF CARBON EMISSIONS AVOIDED



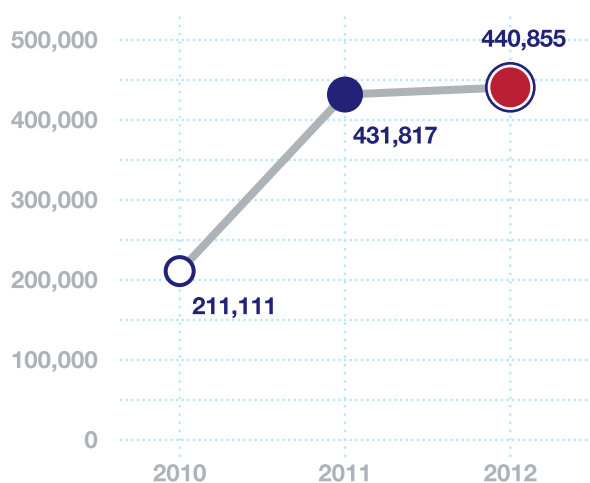
POUNDS OF TOXIC AIR POLLUTANTS AVOIDED



GALLONS OF GASOLINE SAVED

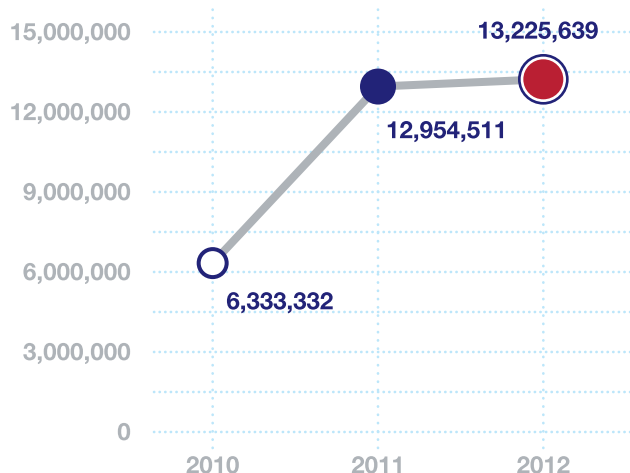


B-CYCLE MILES RIDDEN

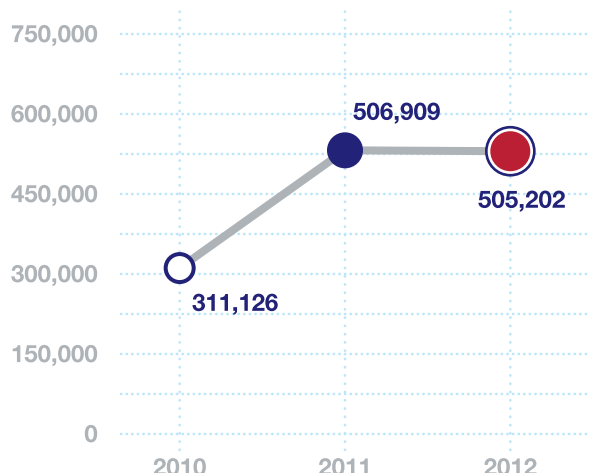


2012 SUCCESSIONS CONTINUED

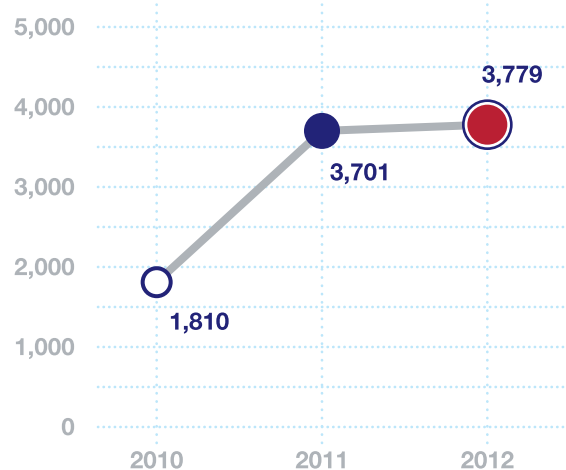
CALORIES BURNED



DOLLARS SAVED ON CAR PARKING



POUNDS LOST



*Survey data gathered and interpreted by Andy Duvall, DBS Director Research, Assistant Professor, University of Colorado Denver.



SUCCESSSES IN USE:

Denver Bike Sharing continues to progress as a successful non-profit organization with an increasing number of users. The 2012 system – comprised of 53 stations – operated for 278 days from mid-March to early December. Our successes are in our numbers.

AVERAGE CHECKOUTS PER DAY:

2012: 744.5 checkouts
 2011: 748 checkouts
 2010: 453 checkouts
 Δ 2011 - 2012: -0.005%

CHECKOUTS LASTING 2 MINUTES OR LONGER:

2012: 206,974 checkouts
 2011: 202,731 checkouts
 2010: 102,981 checkouts
 Δ 2011 - 2012: +0.020%

SHORT-TERM MEMBERSHIPS (INCLUDING 24-HOUR, 7-DAY AND 30-DAY MEMBERSHIPS):

2012: 39,706 memberships
 2011: 42,320 memberships
 2010: 32,922 memberships
 Δ 2011 - 2012: -0.060%

ANNUAL MEMBERSHIPS PURCHASED:

2012: 2,734 memberships
 2011: 2,675 memberships
 2010: 1,784 memberships
 Δ 2011 - 2012: +0.020%

SYSTEM & STATION PLANNING

Denver Bike Sharing observed a slight increase in system use in 2012, despite fewer 24-hour members and a membership price increase.

Funding from the Denver Housing Authority was used to purchase a new station at West 9th Avenue and Santa Fe Drive.

Additionally, Union Station B-station was relocated to the intersection of 17th and Blake streets and the station at the University of Denver's Nagel Hall was relocated to the intersection of Louisiana & Franklin streets.

Checkouts were strong in March, April, May, and June of 2012, but fell below 2011 levels for July, Sept, October, and November. Some of this can be attributed to a warm spring followed by an extremely hot summer. The station at the intersection of 14th Street and Champa was our most popular station in 2012, with 9,005 checkouts.



Thanks to the support of the Denver Housing Authority, in 2012, Denver Bike Sharing was able to install a new station at West 9th Avenue and Santa Fe Drive. At the end of the season, the system included 53 active stations and 746 bicycle docks.

LOOKING AHEAD

With success comes expansion, and our system will grow in 2013.

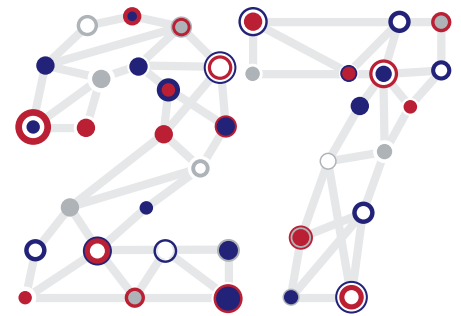
Thanks to our partnership with Denver Public Works and local matching funds received from the Gates Family Foundation and the Anschutz Foundation, DBS was awarded a total of \$1.1 million in capital funding through two grants: Transportation, Community, and System Preservation

Program (TCSP) awarded by the Federal Highway Administration; and Funding Advancements for Surface Transportation and Economic Recovery (FASTER) awarded by the Colorado Department of Transportation. Our grant funding will be used to purchase 27 new B-stations and 150 bikes.

Additional funding will be provided by Auraria, the Denver Zoo, and Denver Museum of Nature and Science for 3 stations and 29 bikes, rounding out 2013's expansion to 30 new stations.

To complement Denver's existing public transportation system, Denver Bike Sharing will expand its network of B-stations into the following neighborhoods: City Park, City Park West, Congress Park, Cheesman Park, Capitol Hill, Five Points, North Capitol Hill, Union Station, Lincoln Park, Auraria, Jefferson Park, Highland, West Highland, Baker, and Speer. Some locations also will be added to the Central Business District, to handle the numerical growth of inbound commuters.

We are pleased to bring bike sharing to new high-density, mixed-residential/commercial, transit-oriented neighborhoods. With this expansion, we will continue to change transportation behavior in Denver by getting more people on B-cycles, increasing membership levels, increasing multi-modal transportation in new areas, and increasing the number of destinations.



Using \$1.1 million in federal and state grants, Denver Bike Sharing will purchase 27 new B-stations in the next year.



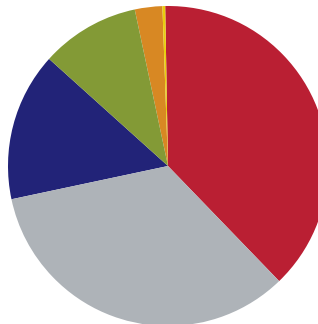
2012 FINANCIAL SUMMARY

STRENGTHS

Denver Bike Sharing's (DBS) business model relies on grant and gift income to finance capital acquisitions while recurring sponsorship revenue, memberships and usage fees continue to cover operating, and general and administrative expenses. Offset by our beginning cash balance, DBS anticipated a net deficit of \$119,424 for 2012. Ending the year with a net surplus of \$116,545 and an ending cash balance of \$702,712, DBS entered 2013 in a very stable cash position.

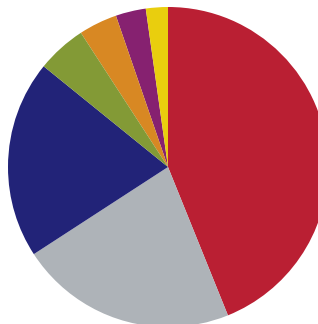
2013 + BEYOND

DBS plans to break ground in early spring 2013 for a 30-station system expansion. Generous contributions from TCSP and FASTER public grants, the Gates Family Foundation, and the Anschutz Foundation will make 27 stations possible, while the other 3 stations will be built with important contributions by the Walton Family Foundation, Hickenlooper for Mayor, Piton Foundation, EnCana, Denver Zoological Foundation, Denver Museum of Nature and Science, and Auraria Higher Education Center.



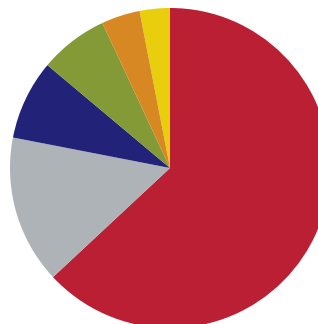
TOTAL RESOURCES

● Sponsorships	38%
● Membership Fees	34%
● Usage Fees	15%
● Capital Grants + Contributions	10%
● Miscellaneous	3%
● Operating Grants + Contributions	0%



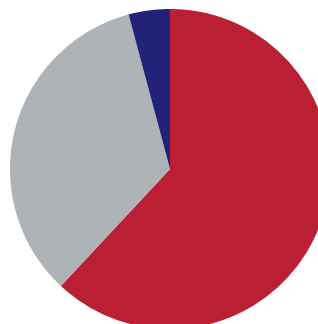
OPERATING EXPENSES

● Depreciation + Amortization	44%
● B-cycle System	22%
● Operating Payroll	20%
● Warehouse + Office Rents	5%
● Merchant Account Fees	4%
● Insurance	3%
● Other Operating	2%



G&A EXPENSES

● G&A Payroll	63%
● Professional Services	15%
● Insurance	8%
● Marketing	7%
● Office/Communications	4%
● Other G&A	3%



CAPITAL VS OPERATING, G&A EXPENSES

● Operating	38%
● G&A	34%
● Capital	15%

STATEMENT OF FINANCIAL POSITION

ACCRUAL BASIS
AS OF DECEMBER 31, 2012

ASSETS

Current Assets

Checking/Savings	499,021
Restricted Funds	203,030
Accounts Receivable	61,539
Other Current Assets	47,258
Total Current Assets	810,848

Property and Equipment

Bikes	451,310
Events Equipment	1,964
Leasehold Improvements	22,268
Office Equipment	67,707
Shop Equipment	4,814
Stations	1,402,831
Transportation Equipment	73,547
Property & Equipment, Other ¹	(36,745)
Total Property & Equipment	1,987,697
<Less> Accumulated Depreciation	(1,216,651)
Net Property & Equipment	771,046
Total Other Assets	4,430

Total Assets **1,586,320**

LIABILITIES & NET ASSETS

Liabilities

Current Liabilities	175,498
Long Term Liabilities	90,000
Total Liabilities	265,498

Net Assets

Temporarily Restricted Assets	259,506
Unrestricted Net Assets	1,061,317
Total Net Assets	1,320,823

Total Liabilities & Net Assets **1,586,320**

STATEMENT OF ACTIVITIES

ACCRUAL BASIS
JANUARY THROUGH DECEMBER, 2012

INCOME

Capital Resources

Restricted Grants & Contributions	144,917
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Operating Resources

Gifts in Kind	36,297
Operating Grants & Contributions	4,328
Total Membership Fees	428,998
Sponsorships	544,820
Usage Fees	213,506

Total Operating Resources **1,227,949**

Total Income **1,372,866**

EXPENSE

Operating Expenses

B-cycle System	247,306
Depreciation & Amortization	461,457
Insurance	30,607
Merchant Account Fees	39,003
Operating Payroll	214,699
Rent: Warehouse & Office	48,934
Other	7,434

Total Operating Expense **1,049,441**

General & Administrative

G&A Payroll	358,738
Insurance	43,858
Marketing	39,599
Office	11,102
Professional Services	88,309
Other	28,248

Total General & Administrative **569,852**

Total Expense **1,619,294**

Other Income/Expense **4,947**

Net Income **(241,480)**

1. Represents reduction in cost of Season 1 system.

Financial reports audited by JDS Professional Group.

SPECIAL THANKS

TO OUR GENEROUS SPONSORS:

Kaiser Permanente	Riverfront Park
RTD	Community Foundation
LiveWell Colorado	Fehr & Peers
Governor's Energy Office	Outdoor Promotions
Smashburger	Clif bar
CBS Outdoor	EveryBlock
Colorado Convention	Pricewaterhouse Coopers
Center & VISIT DENVER	Wells Fargo
Colorado Rockies	Primal
Comcast/xFinity	Colorado State University
The Denver Post	Westword
Kentwood City Properties	BKD CPA's & Advisors IMA
Patton Boggs LLP	Financial Group
Pear Workplace Solutions	DaVita
Bicycle Village	Elevated Third
BP America	Honest Tea
Brownstein Hyatt	IMA Financial Group
Farber Schreck	RAQC Ozone Aware
White Wave Foods	Whole Foods Market
Gates Corporation	Clif Bar
CBIZ	Integer
New Belgium Brewing	Serendipity Catering
Orange Barrel	Q Advisors
Suncor	Red Point
US Bank	Yogurtini
Elevations Credit Union	



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](https://twitter.com/kpcolorado) or facebook.com/kpcolorado.



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