



APPLICATION FOR CONTRIBUTION

NAME OF ORGANIZATION: Bicycle Collective donna@bicyclecollective.org

ADDRESS: 2312 South West Temple Street

CITY: Salt Lake City STATE: UT ZIP CODE: 84115

CONTACT PERSON: Donna Matturro McAleer PHONE NUMBER: 801-328-245 EMAIL: donna@bicyclecollective.org

ORGANIZATION OVERVIEW (which could include mission, history, and demographics served):

The Bicycle Collective is a fiscally responsible group of nonprofit bike shops that refurbishes bicycles donated by the thousands each year and puts them into the hands of those in need, focusing on children, newly resettled refugees and immigrants, individuals experiencing homelessness or housing insecurity and income-eligible households. (see attached)

TYPE OF REQUEST: Money \$3500 In-Kind _____

Have you previously requested money from SLCo? Yes

If yes, when and how much (previous three years)? _____ 2019 _____ \$3500

What is the amount of your request? 3500

The amount you are requesting is 0.28 of your annual agency budget.

What is the purpose of the money you are requesting?:

This amount will fund parts and components to rebuild these bikes and for service vouchers to help cover the costs of repairs for those who cannot afford them.

PLEASE ATTACH:

- Copy of organizations nonprofit status.
- Copy of independent audit. If you do not have one, please enclose a copy of current financial statements.

You will be expected to report to the Salt Lake County Mayor on how the money was used and the success of the project.

The undersigned hereby acknowledges that he or she has authority to bind the organization listed in the application. The applicant accepts the following terms and conditions as a condition of receiving and using County funds or the waiver of fees: County funds will be used solely for the purposes approved by the Mayor of Salt Lake County as applied for in this application. Any expenditure for purposes other than those approved will require a return of the entire grant amount and may disqualify the grantee from receiving any additional County funds. It is further understood that no grant fund will be made available to any County officer of employee or in violation of the requirements of the Public Employees Ethics Act (67-16-1 et seq.). No grant funds will be used for political or campaign purposes. As a further condition of the grant, all County funds may be subject to an audit as required by Salt Lake County. The applicant is required to complete the Disbursement of Funds Report Form for contributions more than \$2,500.

Dated this 24 th day of June, 2021.

Applicant



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248230137
Jan. 22, 2021 LTR 4168C 0
81-0569811 000000 00

00010569

BODC: TE

SALT LAKE CITY BICYCLE COLLECTIVE
% BRIAN J PRICE
2312 S WEST TEMPLE
SALT LAKE CTY UT 84115

Employer ID number: 81-0569811
Form 990 required: Yes

Dear Taxpayer:

We're responding to your request dated Jan. 13, 2021, about your tax-exempt status.

We issued you a determination letter in October 2003, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m.,

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Jan. 22, 2021 LTR 4168C 0

81-0569811 000000 00

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SALT LAKE CITY BICYCLE COLLECTIVE
% BRIAN J PRICE
2312 S WEST TEMPLE
SALT LAKE CTY UT 84115

local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely yours,



Warren R. Burton, Operations Mgr
Accounts Management Operations 1



Salt Lake City Bicycle Collective

Financial Statements

And

Independent Auditor's Report

Years Ended December 31, 2020 and 2019



Salt Lake City Bicycle Collective

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Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Salt Lake City Bicycle Collective
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Salt Lake City Bicycle Collective (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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 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 Salt Lake City Bicycle Collective as of December 31, 2020 and 2019, 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.

Bountiful Peak Advisors

Bountiful, Utah
April 5, 2021

Salt Lake City Bicycle Collective

Statements of Financial Position

December 31, 2020 and 2019

| ASSETS | <u>12/31/2020</u> | <u>12/31/2019</u> |
|---|---------------------|---------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 1,010,854 | \$ 291,597 |
| Accounts and contributions receivable, current portion | 1,075,347 | 1,101,310 |
| Inventory | 9 | - |
| Deposits | <u>2,000</u> | <u>2,000</u> |
| Total current assets | <u>2,088,210</u> | <u>1,394,907</u> |
| Fixed assets, at cost | | |
| Land | 24,843 | 24,843 |
| Building | 173,070 | 117,999 |
| Vehicles | 11,150 | 8,400 |
| Construction in progress | <u>64,449</u> | <u>31,658</u> |
| | 273,512 | 182,900 |
| Less: accumulated depreciation | <u>(26,893)</u> | <u>(18,360)</u> |
| Net fixed assets | <u>246,619</u> | <u>164,540</u> |
| Accounts and contributions receivable, net of current portion | <u>-</u> | <u>75,000</u> |
| Total assets | <u>\$ 2,334,829</u> | <u>\$ 1,634,447</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable | \$ 13,418 | \$ - |
| Accrued liabilities | 11,190 | 27,200 |
| Current portion of long-term debt | <u>65,044</u> | <u>-</u> |
| Total current liabilities | <u>89,652</u> | <u>27,200</u> |
| Long-term debt, net of current portion | <u>75,673</u> | <u>-</u> |
| Total liabilities | <u>165,325</u> | <u>27,200</u> |
| Net assets | | |
| Without donor restrictions | 866,964 | 307,247 |
| With donor restrictions | <u>1,302,540</u> | <u>1,300,000</u> |
| Total net assets | <u>2,169,504</u> | <u>1,607,247</u> |
| Total liabilities and net assets | <u>\$ 2,334,829</u> | <u>\$ 1,634,447</u> |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Statement of Activities Year Ended December 31, 2020

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---|--|---------------------|
| REVENUES AND SUPPORT | | | |
| Public support | | | |
| Contributions | \$ 647,000 | \$ 227,540 | \$ 874,540 |
| In-kind contributions | 312,780 | - | 312,780 |
| Donated rent | 36,000 | - | 36,000 |
| Government grants | 10,000 | - | 10,000 |
| Fundraising events | 388 | - | 388 |
| Net assets released from restrictions | <u>225,000</u> | <u>(225,000)</u> | <u>-</u> |
| Total public support | <u>1,231,168</u> | <u>2,540</u> | <u>1,233,708</u> |
| Revenues | | | |
| Bike sales | 678,473 | - | 678,473 |
| Interest income | <u>13</u> | <u>-</u> | <u>13</u> |
| Total revenues | <u>678,486</u> | <u>-</u> | <u>678,486</u> |
| Total public support and other revenues | <u>1,909,654</u> | <u>2,540</u> | <u>1,912,194</u> |
| EXPENSES | | | |
| Program services | 1,223,507 | - | 1,223,507 |
| Management and general | 83,337 | - | 83,337 |
| Fundraising | <u>43,093</u> | <u>-</u> | <u>43,093</u> |
| Total expenses | <u>1,349,937</u> | <u>-</u> | <u>1,349,937</u> |
| Change in net assets | 559,717 | 2,540 | 562,257 |
| Net assets, beginning of year | <u>307,247</u> | <u>1,300,000</u> | <u>1,607,247</u> |
| Net assets, end of year | <u>\$ 866,964</u> | <u>\$ 1,302,540</u> | <u>\$ 2,169,504</u> |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Statement of Activities Year Ended December 31, 2019

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---|--|---------------------|
| REVENUES AND SUPPORT | | | |
| Public support | | | |
| In-kind contributions | \$ 337,130 | \$ - | \$ 337,130 |
| Contributions | 199,491 | 1,300,000 | 1,499,491 |
| Donated Rent | 64,185 | - | 64,185 |
| Fundraising | <u>35,753</u> | <u>-</u> | <u>35,753</u> |
| Total public support | <u>636,559</u> | <u>1,300,000</u> | <u>1,936,559</u> |
| Other revenues | | | |
| Bike sales | 581,070 | - | 581,070 |
| Valet bike parking | 21,004 | - | 21,004 |
| Other income | 660 | - | 660 |
| Interest income | <u>6</u> | <u>-</u> | <u>6</u> |
| Total other revenues | <u>602,740</u> | <u>-</u> | <u>602,740</u> |
| Total public support and other revenues | <u>1,239,299</u> | <u>1,300,000</u> | <u>2,539,299</u> |
| EXPENSES | | | |
| Program services | 1,110,449 | - | 1,110,449 |
| Management and general | 73,782 | - | 73,782 |
| Fundraising | <u>79,150</u> | <u>-</u> | <u>79,150</u> |
| Total expenses | <u>1,263,381</u> | <u>-</u> | <u>1,263,381</u> |
| Change in net assets | (24,082) | 1,300,000 | 1,275,918 |
| Net assets, beginning of year | <u>331,329</u> | <u>-</u> | <u>331,329</u> |
| Net assets, end of year | <u>\$ 307,247</u> | <u>\$ 1,300,000</u> | <u>\$ 1,607,247</u> |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Statement of Functional Expenses

Year Ended December 31, 2020

| | Program Services | Management and General | Fundraising | Total |
|--|---------------------|---------------------------|-------------|--------------|
| Salaries and wages | \$ 512,527 | \$ 44,522 | \$ 27,227 | \$ 584,276 |
| Payroll taxes | 37,787 | 3,282 | 2,007 | 43,076 |
| Employee benefits | 65,877 | 5,723 | 3,500 | 75,100 |
| Total salaries, payroll taxes and benefits | 616,191 | 53,527 | 32,734 | 702,452 |
| Bike expense | 313,480 | - | - | 313,480 |
| Distributor supplies | 105,558 | - | - | 105,558 |
| Rent | 74,140 | 1,545 | 1,545 | 77,230 |
| Repairs and maintenance | 27,022 | 563 | 563 | 28,148 |
| Information technology | 18,999 | 396 | 396 | 19,791 |
| Utilities | 16,068 | 335 | 335 | 16,738 |
| Supplies | 15,263 | - | - | 15,263 |
| Professional fees | - | 13,979 | - | 13,979 |
| Insurance | 5,531 | 8,140 | 115 | 13,786 |
| Capital campaign - professional fees | - | - | 6,000 | 6,000 |
| Advertising | 5,478 | 114 | 114 | 5,706 |
| Bank charges | - | 4,094 | - | 4,094 |
| Telephone | 3,858 | 80 | 80 | 4,018 |
| Training | 3,168 | 66 | 66 | 3,300 |
| Auto | 3,157 | - | - | 3,157 |
| Travel | 1,938 | 40 | 40 | 2,018 |
| Dues and subscriptions | 1,724 | 36 | 36 | 1,796 |
| Postage | 1,636 | 34 | 34 | 1,704 |
| Conferences | 988 | 21 | 21 | 1,030 |
| Printing | 702 | 15 | 15 | 732 |
| Fundraising event expenses | - | - | 519 | 519 |
| Licenses and fees | - | 172 | 300 | 472 |
| Interest | 415 | 9 | 9 | 433 |
| Total expenses before depreciation | 1,215,316 | 83,166 | 42,922 | 1,341,404 |
| Depreciation and amortization | 8,191 | 171 | 171 | 8,533 |
| Total expenses | \$ 1,223,507 | \$ 83,337 | \$ 43,093 | \$ 1,349,937 |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Statement of Functional Expenses

Year Ended December 31, 2019

| | Program Services | Management and General | Fundraising | Total |
|--|---------------------|---------------------------|-------------|--------------|
| Salaries and wages | \$ 477,398 | \$ 31,209 | \$ 20,365 | \$ 528,972 |
| Payroll taxes | 40,217 | 2,629 | 1,716 | 44,562 |
| Employee benefits | 15,409 | 1,007 | 657 | 17,073 |
| Total salaries, payroll taxes and benefits | 533,024 | 34,845 | 22,738 | 590,607 |
| Bike expense | 337,130 | - | - | 337,130 |
| Rent | 96,971 | 2,020 | 2,020 | 101,011 |
| Distributor supplies | 80,785 | - | - | 80,785 |
| Professional fees | 4,900 | 21,031 | 39,200 | 65,131 |
| Insurance | 3,355 | 12,959 | 70 | 16,384 |
| Utilities | 13,777 | 287 | 287 | 14,351 |
| Fundraising events | - | - | 14,107 | 14,107 |
| Supplies | 11,563 | - | - | 11,563 |
| Information technology | 4,812 | 100 | 100 | 5,012 |
| Advertising | 4,442 | 93 | 93 | 4,628 |
| Telephone | 3,727 | 78 | 78 | 3,883 |
| Repairs and maintenance | 3,019 | 63 | 63 | 3,145 |
| Auto | 2,794 | - | - | 2,794 |
| Bank charges | - | 1,967 | - | 1,967 |
| Dues and subscriptions | 1,634 | 34 | 34 | 1,702 |
| Conferences | 1,603 | 33 | 33 | 1,669 |
| Travel | 712 | 15 | 15 | 742 |
| Postage | 440 | 9 | 9 | 458 |
| Printing | 420 | 9 | 9 | 438 |
| Interest | 333 | 7 | 7 | 347 |
| Licenses and fees | - | 128 | 183 | 311 |
| Miscellaneous | 216 | 4 | 4 | 224 |
| Total expenses before depreciation and | 1,105,657 | 73,682 | 79,050 | 1,258,389 |
| Depreciation and amortization | 4,792 | 100 | 100 | 4,992 |
| | \$ 1,110,449 | \$ 73,782 | \$ 79,150 | \$ 1,263,381 |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Statements of Cash Flows Years Ended December 31, 2020 and 2019

| | <u>12/31/2020</u> | <u>12/31/2019</u> |
|--|---------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 562,257 | \$ 1,275,918 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation | 8,533 | 4,992 |
| Changes in current assets and liabilities: | | |
| Accounts and contributions receivable | 100,963 | (1,167,766) |
| Inventory | (9) | - |
| Deposits | - | - |
| Accounts payable | 13,418 | - |
| Accrued liabilities | <u>(16,010)</u> | <u>(9,742)</u> |
| Net cash provided by operating activities | <u>669,152</u> | <u>103,402</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash purchases of fixed assets | <u>(90,612)</u> | <u>(31,657)</u> |
| Net cash used in investing activities | <u>(90,612)</u> | <u>(31,657)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance from long-term debt | <u>140,717</u> | <u>-</u> |
| Net cash provided by financing activities | <u>140,717</u> | <u>-</u> |
| Net change in cash and cash equivalents | 719,257 | 71,745 |
| Cash and cash equivalents, beginning of year | <u>291,597</u> | <u>219,852</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,010,854</u> | <u>\$ 291,597</u> |

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

| | | |
|----------------------------|---------------|---------------|
| Cash paid for interest | <u>\$ 434</u> | <u>\$ 347</u> |
| Cash paid for income taxes | <u>\$ -</u> | <u>\$ -</u> |

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES

The Organization received in-kind donations totaling \$312,780 and \$337,130 for the years ended December 31, 2020 and 2019, respectively. The Organization also received donated rent for the years ended December 31, 2020 and 2019 in the amount of \$36,000 and \$64,185, respectively.

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Notes to Financial Statements

December 31, 2020 and 2019

1. ORGANIZATION HISTORY

Salt Lake City Bicycle Collective (the “Organization”) was incorporated under the laws of the State of Utah as a nonprofit corporation on April 25, 2002. The Organization received its tax-exempt designation from the IRS in October 2003. The mission of the Organization is to promote cycling as an effective and sustainable form of transportation, recreation, and as a cornerstone of a cleaner, healthier, and safer society. The Organization provides refurbished bicycles and educational program to the community, focusing on children and lower income households. The Organization has locations in Salt Lake, Ogden, Provo, and St. George, Utah.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared on the accrual basis. The Organization follows the provisions of Accounting Standards Codification (ASC) 958, Not-for Profit Entities. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Date of Management’s Review

Subsequent events were evaluated through April 5, 2021, which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.

Estimates in the Financial Statements

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Classes of Net Assets

Net assets, revenues and gains are classified based on the presence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- a. ***Net Assets Without Donor Restrictions*** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- b. ***Net Assets With Donor Restrictions*** – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectible amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts has not been established because management believes that all accounts receivable will be fully collectible.

Fixed Assets and Long-Lived Assets

Fixed assets are recorded at acquisition cost, or if donated, at the fair market value at the date donated. The Organization capitalizes additions that exceed \$1,000. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets, which range from five to twenty years. Depreciation expense for the years ended December 31, 2020 and 2019 was \$8,533 and \$4,992, respectively.

The Organization reviews long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, as measured by a comparison of estimated future cash flows (undiscounted and without interest charges) to the carrying value of the asset. Assets held for sale are written down to their fair value, less cost to sell.

Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amount of such assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

Contributions

Contributions are recognized when cash or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. An allowance for uncollectible promises has not been established at December 31, 2020 because management believes that all promises to give will be fully collectible.

In-Kind Contributions

In-kind contributions are recorded as support at their estimated fair market value at the date of gift. These contributions are considered to be without donor restrictions unless restricted by the donor. Assets donated with donor-imposed restrictions regarding their use are considered net assets with donor restrictions until the asset is placed in service. In-kind contributions received during the years ended December 31, 2020 and 2019 consisted of the following:

| | <u>12/31/2020</u> | <u>12/31/2019</u> |
|--------------------|-------------------|-------------------|
| Donated goods | | |
| Bicycles and parts | \$ 312,780 | \$ 313,560 |
| Parts | <u>0</u> | <u>23,570</u> |
| | <u>\$ 312,780</u> | <u>\$ 337,130</u> |

In accordance with FASB ASC 958-605-25-16, *Contributed Services*, the Organization recognizes contributed services only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Revenue and Revenue Recognition

Program service revenue consists of bike, related parts sales, and fees for valet parking. Program service revenue is recognized when earned. Payments received in advance, if any, are deferred to the applicable period in which the related goods or services are provided.

Functional Allocation of Expenses

The cost of providing programs and supporting services 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, professional fees, occupancy, and depreciation, which are allocated on the basis of estimated time and effort.

Income Taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3), qualifying for the charitable contribution deduction under section 170(b)(1)(A)(vi) and has been determined not to be a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) and is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax. Management believes that the Organization has appropriate support for any tax positions taken in its annual filing and does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990 are no longer subject to tax examination for years before 2017.

Fair Value of Financial Instruments

The Organization has some financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2020 and 2019, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position.

Concentrations of Credit Risks

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At December 31, 2020 and 2019, the Organization had \$522,468 and \$41,075, respectively, of uninsured bank deposits. The Organization has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and securities.

For the year ended December 31, 2020, the Organization received approximately 21% of its total revenue from one donor.

In addition, at December 31, 2020, approximately 100% of the accounts receivable was from one donor.

Reclassifications

Certain items from December 31, 2019 have been reclassified to conform to the December 31, 2020 presentation.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date consisted of the following:

| | |
|---|--------------------|
| Cash and cash equivalents | \$ 1,010,854 |
| Accounts receivable | <u>1,075,347</u> |
| Current financial assets, at year end | 2,086,201 |
| Less those unavailable for general expenditure within one year, due to donor-imposed time or purpose restrictions | <u>(1,302,540)</u> |
| Current financial assets, at year-end | <u>\$ 783,661</u> |

As part of its liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also invests cash in excess of daily requirements in savings and money market funds.

4. ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

Accounts and contributions receivable consist primarily of pledges as of December 31, 2020 and 2019:

| | <u>12/31/2020</u> | <u>12/31/2019</u> |
|--|--------------------|--------------------|
| Accounts receivable | | |
| Amounts expected to be collected in: | | |
| Less than one year | \$ 347 | \$ 1,310 |
| Contributions receivable | | |
| Amounts expected to be collected in: | | |
| Less than one year | 1,075,000 | 1,100,000 |
| One to five years | - | 75,000 |
| More than five years | <u>-</u> | <u>-</u> |
| Total accounts and contributions receivable | 1,075,347 | 1,176,310 |
| Less: current portion of accounts and contributions receivable | <u>(1,075,347)</u> | <u>(1,101,310)</u> |
| Total long-term accounts and contributions receivable, net | <u>\$ -</u> | <u>\$ 75,000</u> |

5. LONG-TERM DEBT

Long-term debt consists of the following at September 30, 2020:

| | |
|---|------------------|
| Note payable to a financial institution (through the Paycheck Protection Program); the note bears interest At 1% and is due and payable on April 6, 2022. Interest and payments are deferred until six months after receiving the loan. This loan is eligible for forgiveness if the Organization meets certain criteria. The Organization expects to meet the criteria for the forgiveness. The note is unsecured. | \$ 125,717 |
| Note payable to a government agency (Governor's Office Of Economic Development); the note bears no interest And requires monthly payments of \$312.50 beginning in May 2021 and will mature in April 2025. The note is unsecured. | <u>15,000</u> |
| Total long-term debt | 140,717 |
| Less amounts due within one year | <u>(65,044)</u> |
| | <u>\$ 75,673</u> |

Future maturities of long-term debt are as follows:

| | |
|--------------------------------|-------------------|
| <u>Year Ended December 31,</u> | |
| 2021 | \$ 65,044 |
| 2022 | 66,923 |
| 2023 | 3,750 |
| 2024 | 3,750 |
| 2025 | <u>1,250</u> |
| | <u>\$ 140,717</u> |

Interest expense for the year ended December 31, 2020 was \$0.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2020:

| | |
|---|---------------------|
| Subject to expenditure for specified purpose: | |
| Capital campaign | \$ 227,540 |
| Promises to give | |
| Capital campaign | 1,000,000 |
| Capacity building | <u>75,000</u> |
| | <u>\$ 1,302,540</u> |

Notes (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as following for the year ended December 31, 2020:

| | |
|---|-------------------|
| Satisfaction of purpose restrictions: | |
| Capacity building | \$ 225,000 |
| Total net assets released from restrictions | <u>\$ 225,000</u> |

7. OPERATING LEASES

The Organization has two long-term leases for the Provo and St. George locations. The lease for Provo expires in May 2022 and requires monthly payments of \$1,400 (that escalate annually each year in June). The lease for the St. George location expires in December 2026 and requires an annual payment of \$1. The Organization owns its Ogden location and its rents is Salt Lake location on a month-to-month basis. Future minimum lease payments under operating leases are as follows:

| <u>Year Ending December 31,</u> | |
|---------------------------------|------------------|
| 2021 | 20,601 |
| 2022 | 9,001 |
| 2023 | 1 |
| 2024 | 1 |
| 2025 | 1 |
| Thereafter | <u>1</u> |
| Total | <u>\$ 29,606</u> |

Rent expense for the years ended December 31, 2020 and 2019 was \$77,230 and \$101,011 (\$36,000 and \$64,185 of which was donated related to the St. George location), respectively.

8. COMMITMENTS AND CONTINGENCIES

The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have had and are likely to continue to have a negative impact on the Organization. Certain activities the Organization typically uses to accomplish its mission have been disrupted. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The related financial impact cannot be reasonably estimated at this time.

9. SUBSEQUENT EVENTS

Subsequent to year end (on March 17, 2021), the Organization received total forgiveness of its PPP loan in the amount of \$125,717 from the U.S. Small Business Administration and the financial institution that held the loan.