



**Via Mobility Services**

Years Ended December 31, 2019 and 2018  
with  
Independent Auditor's Report

## Via Mobility Services

Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### Contents

	Page
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3-4
Statements of Activities	5-6
Statement of Changes in Net Assets	7
Statements of Functional Expenses - Program Services	8
Statements of Functional Expenses - Supporting Services	9
Statements of Cash Flows	10-11
Notes to Financial Statements	12-33
Supplemental Information:	
Independent Auditor's Report on Supplemental Information	34
Schedule of Program Activities for the Year Ended December 31, 2019	35-36
Schedule of Expenditures of Federal Awards	37
Notes to Schedule of Expenditures of Federal Awards	38
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	39-40
Independent Auditor's Report on Compliance for Each Major Federal Program And Report on Internal Control over Compliance Required by the Uniform Guidance	41-42
Schedule of Findings and Questioned Costs	43-44

## Independent Auditor's Report

Board of Directors  
Via Mobility Services  
Boulder, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Via Mobility Services which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, changes in net assets, functional expenses and cash flows for the year 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; 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 have 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 Via Mobility Services as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

## **Other Matter**

Our audit was performed for the purpose of forming an opinion on the financial statements of Via Mobility Services as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and the records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2020, on our consideration of Via Mobility Service's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Via Mobility Services' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Accounting Standards* in considering Via Mobility Services' internal control over financial reporting and compliance.

## **Prior Period Financial Statements**

The financial statements of Via Mobility Services as of December 31, 2018 were audited by Stratagem PC, who merged with Wipfli LLP as of January 1, 2020, and whose report dated April 24, 2019 expressed an unmodified opinion on those financial statements.

Wipfli LLP

April 16, 2020  
Lakewood, Colorado

## Via Mobility Services

Statements of Financial Position  
December 31, 2019 and 2018  
(See Independent Auditor's Report)

Assets	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 1,478,080	\$ 624,334
Accounts receivable:		
Trade	2,439,658	3,903,936
Other	120,583	112,206
Inventory	108,474	78,678
Prepaid expenses and other	254,217	114,286
Total current assets	<u>4,401,012</u>	<u>4,833,440</u>
Investments limited as to use	<u>1,933,520</u>	<u>1,601,812</u>
Property and equipment, at cost:		
Facility	8,773,264	8,661,650
Land	2,501,137	2,501,137
Maintenance equipment	466,872	466,872
Office furniture and equipment	1,893,796	1,877,122
Vehicles	8,858,875	8,582,073
	<u>22,493,944</u>	<u>22,088,854</u>
Accumulated depreciation	<u>10,947,694</u>	<u>9,668,969</u>
Net property and equipment	<u>11,546,250</u>	<u>12,419,885</u>
Other assets:		
Restricted cash	-	57,622
Deposits	11,250	12,888
Investments	3,115,209	2,634,553
Total other assets	<u>3,126,459</u>	<u>2,705,063</u>
Total assets	<u>\$ 21,007,241</u>	<u>\$ 21,560,200</u>

(See Notes to Financial Statements)

## Via Mobility Services

Statements of Financial Position  
December 31, 2019 and 2018  
(See Independent Auditor's Report)

### Liabilities and Net Assets

	2019	2018
Current and total liabilities:		
Note payable, line of credit	\$ -	\$ 250,000
Current portion note payable, other	150,000	-
Current portion of obligation under capital leases	22,876	194,519
Current portion gift annuity payments due	3,850	-
Accounts payable, trade	416,790	346,164
Accrued payroll and vacation	977,108	853,399
Payroll taxes and related liabilities	93,660	134,624
Unearned income	276,220	138,622
	<u>1,940,504</u>	<u>1,917,328</u>
Long-term liabilities, net of current portion:		
Note payable, other	-	150,000
Obligation under capital leases	22,715	45,417
Gift annuity payments due	17,787	21,637
	<u>40,502</u>	<u>217,054</u>
	<u>1,981,006</u>	<u>2,134,382</u>
Net assets:		
Without donor restrictions:		
Operating	5,736,123	5,791,391
Net investment in property and equipment	11,350,659	11,779,949
Board designated - other (Note 9)	1,790,639	1,529,960
Board designated - endowment (Note 8)	142,881	129,474
	<u>19,020,302</u>	<u>19,230,774</u>
	<u>5,933</u>	<u>195,044</u>
	<u>19,026,235</u>	<u>19,425,818</u>
	<u>\$ 21,007,241</u>	<u>\$ 21,560,200</u>

(See Notes to Financial Statements)

## Via Mobility Services

### Statement of Activities Year Ended December 31, 2019 (See Independent Auditor's Report)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Grants:			
Federal	\$ 1,420,354	\$ -	\$ 1,420,354
Other	2,393,301	1,711	2,395,012
Earned income contracts	15,190,088	-	15,190,088
Rider fares	367,106	-	367,106
Fundraising	316,996	-	316,996
In-kind donations	196,605	-	196,605
Interest and dividend income	121,691	1,517	123,208
Other revenue	77,577	-	77,577
Unrealized gain on investments	660,541	18,919	679,460
Net assets released from restriction	211,258	(211,258)	-
Total revenue and other support	20,955,517	(189,111)	20,766,406
Expenses:			
Program services:			
Depreciation	1,192,672	-	1,192,672
Other program services	17,184,715	-	17,184,715
Total program services expense	18,377,387	-	18,377,387
Supporting services:			
General and administrative:			
Depreciation	86,053	-	86,053
Other general and administrative	2,331,720	-	2,331,720
Total supporting services expense	2,417,773	-	2,417,773
Fundraising	370,829	-	370,829
Total expenses	21,165,989	-	21,165,989
Decrease in net assets	\$ (210,472)	\$ (189,111)	\$ (399,583)

(See Notes to Financial Statements)

## Via Mobility Services

### Statement of Activities Year Ended December 31, 2018 (See Independent Auditor's Report)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Grants:			
Federal	\$ 1,288,841	\$ 105,260	\$ 1,394,101
Other	2,164,009	-	2,164,009
Earned income contracts	14,605,559	-	14,605,559
Rider fares	316,644	-	316,644
Fundraising	487,543	1,000	488,543
In-kind donations	151,699	-	151,699
Interest and dividend income	97,383	1,318	98,701
Other revenue	25,067	36,600	61,667
Unrealized loss on investments	(339,228)	(2,318)	(341,546)
Net assets released from restriction	291,616	(291,616)	-
Total revenue and other support	19,089,133	(149,756)	18,939,377
Expenses:			
Program services:			
Depreciation	1,174,851	-	1,174,851
Other program services	16,168,883	-	16,168,883
Total program services expense	17,343,734	-	17,343,734
Supporting services:			
General and administrative:			
Depreciation	72,095	-	72,095
Other general and administrative	2,342,638	-	2,342,638
Total supporting services expense	2,414,733	-	2,414,733
Fundraising	357,365	-	357,365
Total expenses	20,115,832	-	20,115,832
Decrease in net assets	\$ (1,026,699)	\$ (149,756)	\$ (1,176,455)

(See Notes to Financial Statements)

## Via Mobility Services

### Statements of Changes in Net Assets Years Ended December 31, 2019 and 2018 (See Independent Auditor's Report)

	Without Donor Restrictions			With Donor Restrictions	Total
	Unrestricted	Board Designated	Total		
Balance at December 31, 2017	\$ 18,486,857	\$ 1,770,616	\$ 20,257,473	\$ 344,800	\$ 20,602,273
Change in net assets - 2018	<u>(915,517)</u>	<u>(111,182)</u>	<u>(1,026,699)</u>	<u>(149,756)</u>	<u>(1,176,455)</u>
Balance at December 31, 2018	17,571,340	1,659,434	19,230,774	195,044	19,425,818
Change in net assets - 2019	<u>(484,558)</u>	<u>274,086</u>	<u>(210,472)</u>	<u>(189,111)</u>	<u>(399,583)</u>
Balance at December 31, 2019	<u><u>\$ 17,086,782</u></u>	<u><u>\$ 1,933,520</u></u>	<u><u>\$ 19,020,302</u></u>	<u><u>\$ 5,933</u></u>	<u><u>\$ 19,026,235</u></u>

(See Notes to Financial Statements)

## Via Mobility Services

Statements of Functional Expenses - Program Services  
 Years Ended December 31, 2019 and 2018  
 (See Independent Auditor's Report)

	2019		2018	
		Percentage of support without restrictions		Percentage of support without restrictions
Depreciation	\$ 1,192,672	5.7 %	\$ 1,174,851	6.1 %
Fuel and oil	250,583	1.2	258,759	1.3
In-kind goods and services	196,605	0.9	151,699	0.8
Insurance	1,300,960	6.2	1,105,650	5.8
Office supplies	107,085	0.5	127,771	0.7
Outside services	31,340	0.1	31,599	0.2
Purchased transportation	135,796	0.6	144,369	0.8
Rent and leases	221,439	1.1	248,172	1.3
Salaries and related expenses	13,477,848	64.3	12,750,963	66.8
Taxes and licenses	11,917	0.1	11,500	0.1
Telephone	60,058	0.3	53,011	0.3
Travel and meetings	46,696	0.2	64,223	0.3
Utilities	18,788	0.1	13,411	0.1
Vehicle and facility maintenance	1,325,600	6.3	1,207,757	6.3
	\$ 18,377,387	87.6 %	\$ 17,343,734	90.9 %
Percentage of total expenses		86.8 %		86.2 %

(See Notes to Financial Statements)

## Via Mobility Services

Statements of Functional Expenses - Supporting Services  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

	2019		2018	
		Percentage of support without restrictions		Percentage of support without restrictions
General and administrative:				
Depreciation	\$ 86,053	0.4 %	\$ 72,095	0.4 %
Insurance	41,164	0.2	38,313	0.2
Marketing	84,106	0.4	113,283	0.6
Miscellaneous	191,604	0.9	189,050	1.0
Office supplies	107,085	0.5	127,771	0.7
Outside services	15,935	0.1	7,428	-
Professional fees	174,529	0.8	130,194	0.7
Rent and leases	58,164	0.3	44,137	0.2
Salaries and related expense	1,330,643	6.3	1,345,126	7.0
Telephone	54,486	0.3	50,878	0.3
Travel and meetings	46,696	0.2	64,223	0.3
Utilities	141,585	0.7	167,239	0.9
Vehicle and facility maintenance	85,723	0.4	64,997	0.3
	<u>\$ 2,417,773</u>	<u>11.5 %</u>	<u>\$ 2,414,733</u>	<u>12.6 %</u>
Percentage of total expenses		<u>11.4 %</u>		<u>12.0 %</u>
Fundraising:				
Miscellaneous	\$ 24,881	0.1 %	\$ 19,391	0.1 %
Office supplies	5,314	-	7,412	-
Salaries and related expense	337,887	1.6	323,951	1.7
Travel and meetings	2,747	-	6,611	-
	<u>\$ 370,829</u>	<u>1.7 %</u>	<u>\$ 357,365</u>	<u>1.8 %</u>
Percentage of total expenses		<u>1.8 %</u>		<u>1.8 %</u>

(See Notes to Financial Statements)

## Via Mobility Services

### Statements of Cash Flows Years Ended December 31, 2019 and 2018 (See Independent Auditor's Report)

	2019	2018
Cash flows from operating activities:		
Cash received from earned income contracts, grants, donors and customers	\$ 21,360,632	\$ 18,352,222
Cash paid to suppliers and employees	(19,695,511)	(18,413,894)
Interest paid	(11,504)	(18,579)
Interest received	24,924	26,232
Net cash provided (used) by operating activities	1,678,541	(54,019)
Cash flows from investing activities:		
Purchases of property and equipment	(405,090)	(827,956)
Refunds of deposits	1,638	-
Grant payments	(34,620)	-
Net cash used by investing activities	(438,072)	(827,956)
Cash flows from financing activities:		
Note payable, line of credit:		
Proceeds	1,930,000	250,000
Repayments	(2,180,000)	-
Proceeds from note payable, other	-	150,000
Obligation under capital leases:		
Proceeds	-	68,788
Repayments	(194,345)	(204,259)
Net cash provided (used) by financing activities	(444,345)	264,529
Net increase (decrease) in cash and cash equivalents	796,124	(617,446)
Cash and cash equivalents, beginning	681,956	1,299,402
Cash and cash equivalents, ending	\$ 1,478,080	\$ 681,956
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	\$ 1,478,080	\$ 624,334
Restricted cash	-	57,622
Cash and cash equivalents and restricted cash	\$ 1,478,080	\$ 681,956

(See Notes to Financial Statements)

## Via Mobility Services

Statements of Cash Flows (continued)  
 Years Ended December 31, 2019 and 2018  
 (See Independent Auditor's Report)

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (399,583)	\$ (1,176,455)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Unrealized (gain) loss on investments	(679,460)	341,546
Investment fees deducted from fund balance	13,591	13,372
Reinvested interest and dividends	(111,875)	(85,841)
Loss on disposal of property and equipment	-	1,928
Depreciation	1,278,725	1,246,948
(Increase) decrease in:		
Accounts receivable:		
Trade	1,464,278	(1,094,224)
Other	(8,377)	470,803
Pledges receivable	-	55,500
Inventory	(29,796)	(20,361)
Prepaid expenses and other	(139,931)	212,704
Increase (decrease) in:		
Accounts payable, trade	70,626	93,998
Accrued payroll and vacation	123,709	(38,572)
Payroll taxes and related liabilities	(40,964)	35,015
Unearned income	137,598	(110,380)
Net cash provided (used) by operating activities	\$ 1,678,541	\$ (54,019)

(See Notes to Financial Statements)

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 1. Nature of Operations and Summary of Significant Accounting Policies

#### Nature of operations

Via Mobility Services (the "Organization"), which has been granted not-for-profit status under Internal Revenue Code Section 501(c)(3), provides transportation services for the elderly, disabled, low income, rural and general public residents of the City and County of Boulder, Colorado as well as surrounding Colorado cities and/or counties. Funding is received from federal, state and local governments, donations from individuals and local businesses and organizations and transportation contracts with various governmental and non-governmental entities.

The core programs offered by the Organization include the following:

- Via Paratransit Services: Mission based service established in 1979, is a wheelchair-accessible door-through-door, driver assisted, demand responsive service serving those with lower incomes, older adults and individuals with disabilities. Additional services added in 2012 include regularly scheduled bus service serving communities in western Boulder County
- Mobility Program: Added to mission based services in 2004, offers individual and group travel training to help people navigate fixed-route bus service and connects individuals with other transportation programs provided by public, non-profit and/or volunteer organizations
- Access-a-Ride Program: Under a contract agreement with the Regional Transportation District (RTD), the Organization operates this paratransit program for individuals with disabilities that prevent them from using general public fixed route transit
- FlexRide Program: Under a contract agreement with RTD, the Organization offers this hybrid demand responsive service to residents living in specific communities where fixed routes are generally not cost effective
- HOP Services: Under a contract agreement with the City of Boulder and the University of Colorado-Boulder, the Organization operates this innovative, high frequency shuttle that connects the major retail, business and educational centers in the congested core of the City

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

#### Basis of presentation

The financial statements are prepared using the accrual method of accounting under accounting principles generally accepted in the United States of America ("U.S. GAAP") whereby income is reported as earned and expenses reported as incurred.

The financial statements of the Organization have been prepared in accordance with U.S. GAAP, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in carrying on the operations of the Organization in accordance with the limitations of its charter and bylaws. These net assets may be used at the discretion of the Organization's management and the Board of Directors. Decreases in net assets without donor restrictions generally result from expenses incurred for program and supporting services conducted by the Organization. The Organization has \$142,881 and \$129,474 held in perpetuity as a result of a board designated endowment as of December 31, 2019 and 2018, respectively. See further discussion in Note 8.
- Net assets with donor restrictions: Net assets subject to stipulation 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 the funds be maintained in perpetuity. The Organization has no donor funds held in perpetuity as of December 31, 2019 and 2018, respectively.

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 statements of activities. Donor restricted contributions whose restrictions are met within the same year as received are reported as net assets without donor restrictions.

#### Use of estimates in the preparation of financial statements

The preparation of financial statements in the conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

#### Cash and cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains cash in bank deposit accounts at various financial institutions in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC").

The operating accounts of the Organization are held at institutions that are provided insurance up to \$250,000 per FDIC-insured depository institution. Topic 825 of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC"), *Financial Instruments*, identifies such accounts as a concentration of credit risk requiring disclosure regardless of the degree of risk.

Risk related to deposits held outside of institutions participating in the above program is managed by maintaining deposits with high quality financial institutions and monitoring cash such that balances are rarely, if ever, in excess of any applicable FDIC insurance limits that may be in place. In addition, management does not believe that the Organization is exposed to any significant risk related to cash and cash equivalents.

#### Restricted cash

Restricted cash as of December 31, 2018 consisted of un-invested funds donated toward the Lenna Kottke Rider Support Fund, which is a Board designated fund where expenditures are directed by the Board for specific purposes. The restricted cash amounts were transferred into the Lenna Kottke Rider Support Fund during 2019. See further discussion in Note 9.

#### Investments

Investments are comprised of cash, money market accounts and mutual funds. Donated investments, when received, are recorded as contributions at market value upon date of receipt.

#### Investments limited as to use

The balances of \$1,933,520 and \$1,601,812 as of December 31, 2019 and 2018, respectively, include funds designated by the board as well as from donors. The amounts are included in the investment portfolio maintained by the Organization and include board designated funds held in perpetuity of \$142,881 and \$129,474 as of December 31, 2019 and 2018, respectively.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

#### Accounts receivable

Accounts receivable, trade primarily includes amounts invoiced to contracted agencies for services performed by the Organization.

The Organization uses the allowance method to record uncollectible accounts. The allowance is based on past experience and on specific analysis of the collectability of individual account balances. As of December 31, 2019 and 2018, management determined that no allowance was necessary.

Accounts receivable, other primarily includes federal grant funds and other funds that have been awarded to the Organization but have yet to be invoiced by the Organization. As of December 31, 2019, accounts receivable, other includes funds granted to the Organization of approximately \$120,600 for operational support.

As of December 31, 2018, accounts receivable, other includes funds granted to the Organization of approximately \$22,400 for the purchase of vehicles and approximately \$53,200 for operational support. In addition, the accounts receivable, other includes \$36,600 from the City toward the payment of the capital lease obligation.

#### Property and equipment

Property and equipment are recorded at acquisition cost with donated property and equipment recorded at estimated fair market value. When items are disposed, the cost and related depreciation are removed from the accounts, with gains or losses on disposal recorded. Depreciation is computed by the straight-line method, over the estimated useful lives of the assets ranging from three to twelve years for equipment and vehicles and 39 years for the building.

All assets with a useful life of more than one year and a cost of more than \$5,000 are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Total depreciation expense was approximately \$1,278,700 and \$1,246,900 for the years ended December 31, 2019 and 2018, respectively.

#### Inventory

Inventory, consisting of parts and materials used in the maintenance of vehicles, is valued at the lower of cost or net realizable value using the first-in-first-out method.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

#### Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

#### Revenue Recognition

Grant awards that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award and Topic 958. Revenue is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as grant funds received in advance.

Grant awards that are exchange transactions are typically reimbursed based on a predetermined rate for services performed in accordance with the terms of the award and FASB ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). The revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There were no grant awards that were considered exchange transactions during the years ended December 31, 2019 and 2018.

Earned income contracts and rider fares are either recorded as contribution or exchange transactions based on the criteria contained in the grant award:

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

- Earned income contracts and rider fares that are contributions – Earned income contracts and rider fares that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the agreement and Topic 958. Revenue is recognized in the accounting period when the related allowable expenses are incurred.
- Earned income contracts and rider fares that are exchange transactions – Exchange transactions typically reimburse based on a predetermined rate for services performed in accordance with the terms of the agreement and Topic 606. The revenue is recognized when control of the promised services is transferred to the customer in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. There was earned income contract revenue of approximately \$15,190,000 considered to be exchange transactions during 2019. There was rider fares revenue of approximately \$225,000 considered to be exchange transactions during 2019.

The earned income contract agreements contains two performance obligations for variable and fixed fee components, which are both satisfied over time on a monthly basis. The transaction price for the variable fees is based on the approved rate in the agreement for each trip taken during the month. The transaction price for fixed fees is a set price that will be paid and is not dependent on trips taken during the month. Amounts are billed monthly for monthly services provided, with a December 31<sup>st</sup> cutoff of services provided, and payments being received 30 days from the invoice date. The Organization rarely has unsatisfied or partially unsatisfied performance obligations at year-end as all monthly contracted services have been completed at the end of the year. There are no warranties, financing options, rebates, discounts, refunds, or concessions for additional consideration under Topic 606.

Rider fares revenue represents a single performance obligation that is satisfied at a point in time when the service is performed. Payment is received simultaneously with the services provided.

The key factor affecting the amount, timing and uncertainty of the Organization's revenue is its concentration of revenue with the Federal Government and the State of Colorado.

#### In-kind contributions

The Organization has recorded in-kind contributions for professional services and contributed supplies in the statements of activities in accordance with a financial accounting standard that requires that only contributions of service received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. A number of unpaid volunteers have made contributions of their time to the Organization's programs, principally in support services and fund-raising efforts. The value of this contributed time is not reflected in these financial statements since these services do not meet criteria for recognition as described in the above definition.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

#### Marketing costs

Marketing costs are charged to operations when incurred. Marketing expense related to employee recruitment and branding efforts for the years ended December 31, 2019 and 2018 was approximately \$84,100 and \$113,300, respectively.

#### Fundraising expenses

Fundraising expenses reflected in the financial statements include salary expense for employees of the Organization who share other functional responsibilities outside of fundraising activities. Such additional responsibilities include communications, media and government relations and website administration. Fundraising expenses also includes other supporting expenses for the communication and development departments of the Organization that are not necessarily associated with outright fundraising efforts.

#### Functional allocation of expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefitted. 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 are allocated on the basis of use and time, as well as the basis of estimates of time and effort for personnel costs and related benefits. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

#### Income taxes

No provision for taxes on earnings has been made in the financial statements as the Organization has qualified as a nonprofit organization under Section 501(c) (3) of the Internal Revenue Code; there was no unrelated business income during 2019 and 2018.

#### New accounting pronouncement

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases* (Topic 842). When this standard is adopted, the primary accounting change will require lessees to recognize right of use assets and lease obligations for most operating leases, as well as finance leases. This new standard based on a proposed extension, is effective for financial statements issued for annual periods beginning after December 15, 2020. The Organization is evaluating what impact this new standard will have on its financial statements.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

#### Change in accounting principle

During 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. This ASU, as amended, provides guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB ASC Topic 605, *Revenue Recognition*, and most industry-specific guidance. This framework is intended to result in less complex guidance in application while providing a consistent and comparable methodology for revenue recognition. The core principle of this guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the amendments require expanded disclosures to enable the users of the financial statements to understand the nature, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Management has adopted the guidance on a modified retrospective basis to all periods presented and feels this method is most appropriate. There was no cumulative effect on beginning net assets of applying the new standard and its amendments for the year ended December 31, 2019.

In June 2018, the FASB issued ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to Accounting Standards Codification 606 and determining whether a transaction is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The Organization has applied the amendments in this ASU on a retrospective basis as of January 1, 2019. There was no change in opening balances of net assets and no prior period results were restated.

During 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows*, to provide guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. The accounting guidance is effective for fiscal years beginning after December 15, 2018. The guidance is to be applied using a retrospective transition method to each period presented. The Organization believes the new accounting guidance improves the information provided in the financial statements and related disclosures for the primary users of the financial statements. There was no change in opening balances of net assets and no prior period results were restated.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 2. Availability and Liquidity

The following represents financial assets at December 31, 2019 and 2018:

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 1,478,080	\$ 624,334
Accounts receivable	2,560,241	4,016,142
Investments	5,048,729	4,236,365
Total financial assets	<u>9,087,050</u>	<u>8,876,841</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	5,933	195,044
Board designated net assets	<u>1,933,520</u>	<u>1,659,434</u>
	<u>1,939,453</u>	<u>1,854,478</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 7,147,597</u>	<u>\$ 7,022,363</u>

The Organization's goal is generally to maintain financial assets to meet four to six months of operating expenses (approximately \$7,000,000 to \$10,000,000). As part of its liquidity plan, excess cash is invested in short-term investments, including cash and money market accounts.

### 3. Investments

#### Fair value measurements

The Organization accounts for investments according to FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("Topic 820"). Topic 820 establishes a single authoritative definition of fair value and sets a hierarchy for measuring fair value. The hierarchy for measuring fair value prioritizes the inputs to valuation techniques used to measure fair value and gives the highest priority to unadjusted quoted prices for securities traded in active markets (level 1) and the lowest priority to unobservable inputs (level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The hierarchies for measuring fair value under Topic 820 are as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 3. Investments (continued)

#### Fair value measurements (continued)

Level 2 – Inputs to the valuation methodology include a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in inactive markets; c) inputs other than quoted prices that are observable for the asset or liability; and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As required by Topic 820, the Organization's managed investments were classified as follows on a recurring basis, based on the lowest level of input that is significant to the fair value measurement as of December 31, 2019:

Description	Level 1	Level 2	Level 3	Total
Managed investments:				
Cash and money market funds	\$ 305,727	\$ -	\$ -	\$ 305,727
Mortgage-backed securities	593	-	-	593
Equities:				
Held in mutual funds	4,521,000	-	-	4,521,000
Other	-	221,409	-	221,409
	<u>\$ 4,827,320</u>	<u>\$ 221,409</u>	<u>\$ -</u>	<u>\$ 5,048,729</u>

As required by Topic 820, the Organization's managed investments were classified as follows on a recurring basis, based on the lowest level of input that is significant to the fair value measurement as of December 31, 2018:

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 3. Investments (continued)

#### Fair value measurements (continued)

Description	Level 1	Level 2	Level 3	Total
Managed investments:				
Cash and money market funds	\$ 239,001	\$ -	\$ -	\$ 239,001
Bond investments	42,854	-	-	42,854
Mortgage-backed securities	692	-	-	692
Equities:				
Held in mutual funds	3,755,196	-	-	3,755,196
Other	-	198,622	-	198,622
	<u>\$ 4,037,743</u>	<u>\$ 198,622</u>	<u>\$ -</u>	<u>\$ 4,236,365</u>

Valuation techniques used to measure assets at fair value are based on the closing prices reported on the active markets in which securities held by the Organization are traded. There were no changes to the valuation methodology in 2019.

Investments as reflected on the statements of financial position as of December 31, 2019 and 2018 are summarized as follows:

	2019	2018
Investments, at cost:		
Limited as to use:		
Board designated	\$ 1,548,840	\$ 1,572,438
Board designated - endowment	125,486	138,508
	<u>1,674,326</u>	<u>1,710,946</u>
Without restrictions	<u>2,708,536</u>	<u>2,851,737</u>
Total investments	<u>\$ 4,382,862</u>	<u>\$ 4,562,683</u>
Market value:		
Limited as to use:		
Board designated	\$ 1,790,639	\$ 1,472,338
Board designated - endowment	142,881	129,474
	<u>1,933,520</u>	<u>1,601,812</u>
Without restrictions	<u>3,115,209</u>	<u>2,634,553</u>
Total market value	<u>\$ 5,048,729</u>	<u>\$ 4,236,365</u>

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 3. Investments (continued)

#### Fair value measurements (continued)

The Board designated funds as detailed in Note 8, on which there was no donor restrictions, have been invested in quasi-endowment funds by the board of directors.

### 4. Note Payable, Line of Credit

The Organization has a line of credit agreement with a lender, providing maximum borrowing of \$1,250,000. Outstanding balances bear interest at the prime rate as defined in the agreement, with a floor of 4.0%, which was 4.75% at December 31, 2019. The line, as amended, matures in February 2020, is secured by substantially all assets of the Organization and is not subject to covenants. Subsequent to year-end, the line was renewed for an additional year. As of December 31, 2019 and 2018, there was \$0 and \$250,000 outstanding on the line of credit, respectively.

### 5. Note Payable, Other

In April 2018, the Organization entered into a \$150,000 promissory note agreement for beta testing on a bus to convert it to electric power. The note matures after 24 months and does not bear interest. At maturity, the entire balance will either be forgiven, based on circumstances disclosed in the agreement, or due in full. In March 2020, the entire balance of the note was forgiven.

### 6. Obligation Under Capital Leases

In May 2016, the Organization entered into a capital lease agreement for two buses used for HOP services, which was paid in full during 2019. The lease included an option of \$103,330 to purchase the buses at the end of the lease term representing 15% of the original fair value of the buses, which was utilized. The interest rate on the lease was 6.2%, which represents the lessee's incremental borrowing rate.

In December 2018, the Organization entered into a capital lease agreement for a bus used for HOP services requiring monthly payments of \$2,153 through November 2021. The lease includes a \$1 bargain purchase option to purchase the bus at the end of the lease term. The interest rate on the lease is 8.4%, which represents the lessee's incremental borrowing rate.

The assets and liabilities under capital leases are recorded at the lower of present value of the minimum lease payments or the fair value of the leased assets. The assets are depreciated over the lower of the related lease term or its estimated usable life. Vehicles under capital lease amounted to \$757,658, with accumulated depreciation of \$518,929 and \$367,397, as of December 31, 2019 and 2018, respectively. Depreciation of the assets under capital leases is included in depreciation expense at December 31, 2019 and 2018.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 6. Obligation Under Capital Leases (continued)

Future minimum payments under the remaining lease, including the present value of such payments, for years ending after December 31, 2019 are as follows:

Year Ended December 31,	
2020	\$ 25,830
2021	<u>23,677</u>
	49,507
Less amount representing interest	<u>3,916</u>
Present value of minimum lease payments	45,591
Less current portion	<u>22,876</u>
	<u><u>\$ 22,715</u></u>

### 7. Donor Restricted Net Assets

The Organization receives funds from the State of Colorado to assist in the purchase of vehicles. The State retains an 80% interest and holds the title for those vehicles purchased with State funds within the past five years.

During 2018, the Organization received federal funds under Section 5310 of the Federal Transit Administration (FTA) for the purchase of two buses. During 2019, the Organization used these federal funds to purchase two buses.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 7. Donor Restricted Net Assets (continued)

Donor restricted net assets are available for the following purposes as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Section 5310 funds for replacement buses	\$ -	\$ 105,260
Section 5339 funds for energy improvements to facility	5,933	53,184
Funds from City of Boulder for reimbursement of vehicle lease payments	<u>-</u>	<u>36,600</u>
Total donor restricted net assets	<u>\$ 5,933</u>	<u>\$ 195,044</u>

### 8. Board Designated Net Assets in Perpetuity - Endowment

In 1999, the Organization established an endowment with a Foundation in the City of Boulder, Colorado and funds the endowment with available net assets without donor restrictions, which are included in Board Designated Net Assets. As part of the agreement, the Foundation sets aside internal funds to be utilized for the benefit of the Organization. In addition, the Organization and the Foundation seek support from the general public.

In 2001, the Organization entered into a similar agreement with a Foundation in the City of Longmont, Colorado. However, as of December 31, 2019, no funds have been received from the Foundation. The Organization and the Foundation seek support from the general public.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 8. Board Designated Net Assets in Perpetuity – Endowment (continued)

The balance of board designated net assets is comprised of the following as of December 31, 2019 and 2018:

	2019	2018
Boulder Foundation:		
General public donations:		
2017 and prior	\$ 44,301	\$ 44,301
2018 - Receipts	1,000	1,000
2019 - Receipts	-	-
	45,301	45,301
Appreciation and investment income, net of grants issued	22,456	15,107
Total general public donations	67,757	60,408
Foundation donations:		
2017 and prior	50,000	50,000
2018 - Receipts	-	-
2019 - Receipts	-	-
	50,000	50,000
Appreciation and investment income, net of grants issued	23,199	17,141
Total foundation donations	73,199	67,141
Total Boulder Foundation	140,956	127,549
Longmont Foundation:		
General public donations:		
2017 and prior	1,925	1,925
2018 - Receipts	-	-
2019 - Receipts	-	-
	1,925	1,925
Total Longmont Foundation	1,925	1,925
Total from all sources	\$ 142,881	\$ 129,474

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 9. Board Designated Net Assets

As discussed in Note 8, the Organization has established endowments with two Foundations and funds these endowments with available net assets without donor restrictions. In addition, the Board established a quasi-endowment fund during 2004 and transferred available net assets without donor restrictions of \$225,000. It is the intent of the Board that the principal of the quasi-endowment fund shall not be invaded until the principal value of the fund reaches a minimum of one million dollars, and any or all income earned in the quasi-endowment may be distributed for purposes of the Organization as approved by the Board.

During 2016, the Organization established the Lenna Kottke Rider Support Fund (the Fund) to honor the tenure of the Organization's former executive director. It is the intent of the Board to use proceeds from the Fund toward ongoing philanthropic support for trips for low-income riders. The Fund is supported by individual pledges.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 9. Board Designated Net Assets (continued)

The balance of board designated net assets is comprised of the following as of December 31, 2019 and 2018:

	2019	2018
Boulder Foundation:		
Contributions: 2010 and prior	\$ 35,000	\$ 35,000
Appreciation and investment income, net of grants issued	17,377	12,395
Total to Boulder Foundation	52,377	47,395
Longmont Foundation:		
Contributions: 2010 and prior	12,600	12,600
Appreciation and investment income	13,551	9,174
Total to Longmont Foundation	26,151	21,774
Quasi-Endowment:		
Contributions:		
2017 and prior	694,286	694,286
2018	-	-
2019	-	-
	694,286	694,286
Appreciation and investment income	845,299	586,503
Total to Quasi-Endowment	1,539,585	1,280,789
Lenna Kottke Rider Support Fund:		
Contributions:		
2017 and prior	199,400	199,400
2018	2,122	2,122
2019	-	-
	201,522	201,522
Depreciation, net of investment income and grants issued	(28,996)	(21,520)
Total Lenna Kottke Rider Support Fund	172,526	180,002
Total board designated funds	\$ 1,790,639	\$ 1,529,960

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 10. Net Assets Released from Donor or Board Restrictions

Net assets released from restrictions for the year ended December 31, 2019 represent funds released for the purchase of two buses and payment of the capital lease on the two HOP vehicles.

Net assets released from restrictions for the year ended December 31, 2018 represent funds released for the energy resiliency project of the headquarter facility and payment of the capital lease on the two HOP vehicles.

### 11. Retirement Plan

The Organization has a Trusteed Internal Revenue Code 403(b) Plan covering substantially all employees who meet specified service requirements. The Plan allows for employee contributions up to the maximum allowable by the Internal Revenue Code. Contributions by the Organization are up to 3% of gross eligible salary and totaled approximately \$159,300 and \$152,700 for the years ended December 31, 2019 and 2018, respectively.

### 12. Concentrations

The Organization has been contracted by RTD to provide services under the Americans with Disabilities Act for their Access-a-Ride program as well as services under the Organization's FlexRide program. The revenue from this contract for the two programs was approximately 58% and 59% of the Organization's total revenue for the years ended December 31, 2019 and 2018, respectively. The expenditures to support this contract were approximately 54% and 52% of the total unrestricted expenses for the years ended December 31, 2019 and 2018, respectively. The current contract with RTD covers a three year period through October 2020, with options for two one-year extension periods.

The Organization has been contracted by the city of Boulder, Colorado along with the University of Colorado to provide transit services through the Organization's HOP program. The revenue from these related contracts was approximately 17% of the Organization's total revenue for both years ended December 31, 2019 and 2018, respectively. The expenditures to support this contract were approximately 18% and 17% of the total expenses for the years ended December 31, 2019 and 2018, respectively.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 12. Concentrations (continued)

#### Concentration of Source of Supply Labor

Certain drivers for the Organization associated with services related to the Access-a-Ride and FlexRide programs contracted through RTD (representing approximately 63% of the overall drivers of the Organization) are members of the United Service Workers Union, Local #455 and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, Local #8031-13. Both union contracts expire in March 2022.

### 13. Commitments

#### Office, storage and equipment leases

The Organization leases vehicle storage and office space in Denver, Colorado under two lease agreements which expire in September 2020 and April 2022 requiring monthly rental payments of approximately \$4,000 and \$8,000, respectively.

The following is a summary of the minimum annual commitments under the terms of the leases for years ending after December 31, 2019:

<u>Year Ended December 31,</u>		
2020	\$	135,075
2021		97,755
2022		<u>24,600</u>
	\$	<u><u>257,430</u></u>

Lease expense for the years ended December 31, 2019 and 2018 was approximately \$200,000 and \$178,100, respectively.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 13. Commitments (continued)

#### Solar panel lease

In December 2010, the Organization entered into an agreement with an outside party to lease 7,500 square feet of space located on the roof of the Organization's newly constructed headquarters facility for the outside party to construct and maintain a solar photovoltaic power generation system (the "System") on the roof to provide solar generated power to the Organization. The agreement provided for one five-year renewal period and the option for the Organization to purchase the System on the sixth anniversary of commercial operation of the System. During 2016, the Organization exercised the option to purchase the system for \$85,835. As part of the purchase, the Organization entered into an agreement with the local utility and the seller where any amounts paid to the Organization by the local utility for renewable energy credits by the System will be remitted to the seller for the remainder of the 20 year term of the original agreement with the utility. The Organization is also obligated to true up payments to the seller for the remainder of the 20 year term in the event of any under production of power as defined per the agreement as a result of lack of upkeep on the System.

The purchase of the System was funded by a grant of federal funds through the City of Boulder, Colorado, where, for the remainder of the original 20 year term of the 2010 agreement, the Organization would be in default of the grant if the headquarters facility ceased being used by the Organization, or the Organization ceases to exist as an entity. Based on the likelihood of a default under the term of the grant being highly remote, the grant amount was reflected as federal grant revenue in 2016.

For the years ended December 31, 2019 and 2018, the Organization paid approximately \$9,000 and \$12,400, respectively.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 14. Contingency

During 2010 and 2009, the County of Boulder, Colorado granted the Organization \$200,000 and \$500,000, respectively, with an additional \$50,000 granted to the Organization from *Go Boulder* during 2010. All funds were used for their stipulated purpose toward the purchase of land and construction of the organization's headquarters facility in Boulder, Colorado. The term of the grants from the County of Boulder is twenty-five years, during which if the Organization defaults under the terms of the grants, the amount, adjusted for market fluctuations relative to the value of the land, may be due to the County upon the option of the County. The Organization entered into a promissory note and deed of trust with the County that would be enforced in the event of default. Default provisions under the agreement include the Organization selling the headquarters property without the County's consent, filing for bankruptcy, the dissolution or, the failure to use the property for its operations and intended purpose for sixty or more consecutive days. During 2013, the grant agreement with the County of Boulder was amended to remove the requirement for the repayment of any adjustments to the original grant amount for market fluctuations of the land. The grant from *Go Boulder* contains a thirty-year term with similar default provisions as the County of Boulder grants. Based on the likelihood of a default under the terms of the grants being highly remote based on the above provisions, the grant amounts were reflected as capital contributions in the respective years.

### 15. Income Taxes

The Organization accounts for uncertain income tax positions in accordance with applicable guidance, utilizing a "more likely than not" threshold related to tax return filing positions to be sustained upon examination based on the technical merits of the positions. An identified tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized. Tax positions which previously would have failed to meet the more-likely-than-not recognition threshold are recognized in the first subsequent financial reporting period in which the threshold is met. Conversely, previously recognized tax positions which no longer meet the more-likely-than-not recognition are derecognized in the first subsequent financial reporting period in which the threshold is no longer met. Accrued interest related to tax positions deemed to meet the more-likely-than-not threshold is recognized in interest expense, and any applicable penalties related to such tax positions is recognized as an operating expense of the Organization.

The Organization files tax returns in the U.S. federal jurisdiction. The Organization is no longer subject to U.S. federal examinations by tax authorities for years before 2016. No authorities have commenced income tax examinations as of the date of this report. Based on prior examinations of contractual arrangements of the Organization and correspondence received from the Internal Revenue Service, management believes there to be no potential income tax positions that would result in related tax liability for the Organization. Management will continue to evaluate any future contractual arrangements with respect to potential income tax positions under this guidance.

## Via Mobility Services

Notes to Financial Statements  
Years Ended December 31, 2019 and 2018  
(See Independent Auditor's Report)

### 16. Split Interest Agreement

In 2015, the Organization entered into a deferred gift annuity agreement with a donor. A gift annuity provides for the payment of distributions to the grantor or other designated beneficiaries over the annuity's term, usually the designated beneficiary's lifetime. At the end of the annuity's term, the remaining assets are available for the Organization's use. The portion of the annuity attributable to the present value of the future benefits to be received by the Organization is recorded in the Statement of Activities as an unrestricted contribution in the period the annuity is established.

During 2015, a cash gift with a fair market value of \$50,000 was donated to the Organization. At the time of the gift, the contribution value was determined to be approximately \$28,400 with the gift annuity liability, which represents the present value of the projected annuity obligation of the Organization, determined to be approximately \$21,600. The agreement calls for annual payments of \$3,850 beginning on December 1, 2020. The assumptions used to calculate the contribution and liability amount are as follows:

Calculated donor life expectancy	14 years
Discount rate	9.3%
Guaranteed interest rate	7.7%

### 17. Presentation

Certain 2018 amounts have been reclassified to conform with the 2019 presentation. There was no effect on net assets or change in net assets as a result of the reclassifications.

### 18. Subsequent Events

In March 2020, the \$150,000 promissory note agreement was forgiven in its entirety (Note 5).

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the Organization had not yet suffered material adverse impact from the CV19 Crisis. The future impact of the CV19 Crisis on the Organization cannot be reasonably estimated at this time.

The Organization has evaluated subsequent events through the report date, the date which the financial statements were available to be issued.

Accompanying Supplemental Information  
(See Auditor's Report on Supplemental Information)

Board of Directors  
Via Mobility Services  
Boulder, Colorado

Independent Auditor's Report on Supplemental Information

We have audited the financial statements of Via Mobility Services as of and for the year ended December 31, 2019, and our report thereon dated April 16, 2020, which expressed an unmodified opinion on those financial statements, appears on pages one and two. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program activities for the year ended December 31, 2019 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

April 16, 2020  
Lakewood, Colorado

## Via Mobility Services

Schedule of Program Activities  
Year Ended December 31, 2019  
(See Independent Auditor's Report on Supplemental Information)

	<u>Mission Services</u>		<u>Earned Income Contracts</u>	
	<u>Via Paratransit Services</u>	<u>Mobility Program</u>	<u>Access-a-Ride Program</u>	<u>FlexRide Program</u>
Revenue and other support:				
Grants:				
Federal	\$ 975,480	\$ 444,874	\$ -	\$ -
Other	2,393,301	-	-	-
Contracted agencies	309,903	107,940	8,905,744	2,449,820
Rider fares	188,865	-	98,637	35,789
Fundraising	308,663	8,333	-	-
In-kind donations	196,605	-	-	-
Interest and dividend income	85,862	-	-	-
Other revenue	77,577	-	-	-
	<u>4,536,256</u>	<u>561,147</u>	<u>9,004,381</u>	<u>2,485,609</u>
Total revenue and other support				
Expenses:				
Program services:				
Depreciation	412,700	12,719	35,517	40,557
Other program services	3,441,673	386,208	8,521,518	1,949,002
Supporting services:				
General and administrative:				
Depreciation	29,777	918	2,563	2,926
Other general and administrative	1,165,147	150,562	508,688	302,708
Fundraising	370,829	-	-	-
	<u>5,420,126</u>	<u>550,407</u>	<u>9,068,286</u>	<u>2,295,193</u>
Total expenses				
Income (loss) from activities	<u>\$ (883,870)</u>	<u>\$ 10,740</u>	<u>\$ (63,905)</u>	<u>\$ 190,416</u>

## Via Mobility Services

Schedule of Program Activities (continued)

Year Ended December 31, 2019

(See Independent Auditor's Report on Supplemental Information)

	<b>Earned Income Contracts</b>		<b>Capital revenues and expenses</b>	
	<b>HOP Services</b>			<b>Total</b>
Revenue and other support:				
Grants:				
Federal	\$ -		\$ -	\$ 1,420,354
Other	-		1,711	2,395,012
Contracted agencies	3,416,681		-	15,190,088
Rider fares	43,815		-	367,106
Fundraising	-		-	316,996
In-kind donations	-		-	196,605
Interest and dividend income	-		-	85,862
Other revenue	-		-	77,577
	<u>3,460,496</u>		<u>1,711</u>	<u>20,049,600</u>
Total revenue and other support				
Expenses:				
Program services:				
Depreciation	691,178		-	1,192,672
Other program services	2,886,315		-	17,184,715
Supporting services:				
General and administrative:				
Depreciation	49,870		-	86,053
Other general and administrative	196,251		8,363	2,331,720
Fundraising	-		-	370,829
	<u>3,823,614</u>		<u>8,363</u>	<u>21,165,989</u>
Total expenses				
Income (loss) from activities	<u>\$ (363,118)</u>		<u>\$ (6,652)</u>	<u>\$ (1,116,389)</u>

## Via Mobility Services

### Schedule of Expenditures of Federal Awards Year Ended December 31, 2019

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Transportation:</b>				
(Passed through State of Colorado)				
Transit Services Program Cluster:				
Section 5310 of the Federal Transit Administration	20.513	PO 491001844	\$ 72,000	\$ 918,260
Federal Transit Cluster:				
Section 5339 of the Federal Transit Administration	20.526	None provided	-	47,251
Section 5311 of the Federal Transit Administration	20.509	None provided	-	312,249 *
<b>Total U.S. Department of Transportation</b>			<u>\$ 72,000</u>	<u>\$ 1,277,760</u>
<b>U.S. Department of Health and Human Services:</b>				
Aging Cluster:				
(Passed through Boulder County Aging Services Division)				
Title III of the Older Americans Act	93.044	None provided	-	232,214 *
(Passed through Larimer County Aging Services Division)				
Title III of the Older Americans Act	93.044	None provided	-	63,883 *
<b>Total U.S. Department of Health and Human Services Aging Cluster</b>			<u>\$ -</u>	<u>\$ 296,097</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 72,000</u>	<u>\$ 1,573,857</u>

\* Major Program

(See Notes to Schedule of Expenditures of Federal Awards)

## Via Mobility Services

### Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2019

#### **1. Basis of Presentation**

The schedule of expenditures of federal awards (the "Schedule") has been prepared on an accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and also presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization. Therefore, some amounts presented in this schedule may differ from amounts in or used in the preparation of basic financial statements.

#### **2. Summary of Significant Accounting Policies**

The Schedule has been prepared on an accrual basis of accounting. The information presented on the Schedule is presented in accordance with the requirements of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements or reports to federal agencies and pass-through grantors.

#### **3. Indirect Cost Rate**

The Organization elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Board of Directors  
Via Mobility Services  
Boulder, Colorado

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Via Mobility Services (the "Organization"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 16, 2020.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose as described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Via Mobility Services' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

April 16, 2020  
Lakewood, Colorado

Board of Directors  
Via Mobility Services  
Boulder, Colorado

Independent Auditor's Report on Compliance for  
Each Major Federal Program and on Internal Control  
Over Compliance Required by the Uniform Guidance

### Report on Compliance for Each Major Federal Program

We have audited Via Mobility Services' compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Via Mobility Services' major federal programs for the year ended December 31, 2019. Via Mobility Services' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Via Mobility Services' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Via Mobility Services' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Via Mobility Services' compliance.

## Opinion on Each Major Federal Program

In our opinion, Via Mobility Services complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

## Report on Internal Control over Compliance

The management of Via Mobility Services is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Via Mobility Services' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Via Mobility Services' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

April 16, 2020  
Lakewood, Colorado

**Via Mobility Services**

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2019

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiencies identified? \_\_\_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiencies identified? \_\_\_\_\_ Yes  X  None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes  X  No

Identification of major programs:

Name of federal program or cluster:	CFDA Number:
Section 5311 of the Federal Transit Administration	20.509
Title III of the Older Americans Act	93.044

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

**Via Mobility Services**

Schedule of Findings and Questioned Costs (continued)  
Year Ended December 31, 2019

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None

**SECTION IV - SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

None