Jack The Bike Man, Inc

Financial Statements

December 31, 2024

With Independent Auditors' Report

JACK THE BIKE MAN, INC

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DISALVO &
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Independent Auditors' Report

To The Board of Directors
Jack the Bike Man Inc.

Opinion
We have audited the financial statements of Jack the Bike Man, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern as of December 31, 2024.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

DiSalvo & Associates, PLLC

DiSalvo & Associates, PLLC
West Palm Beach, FL
May 19, 2025

JACK THE BIKE MAN INC.
Statement of Financial Position
December 31, 2024

Assets	**Unrestricted**	**Restricted**	**Total**
Current assets:			
Cash and cash equivalents	$ 129,549	$ -	$ 129,549
Inventory	76,253	-	76,253
Total current assets	205,802	-	205,802
Property and equipment, net	2,020,574	-	2,020,574
Other assets:			
Building improvements - in process	492,574	-	492,574
Security deposits	8,500	-	8,500
Prepaid expenses	3,721	-	3,721
Total other assets	504,795	-	504,795
Total assets	$ 2,731,171	$ -	$ 2,731,171
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	$ 1,415	$ -	$ 1,415
Credit card payable	4,633	-	4,633
Accrued expenses	17,285	-	17,285
Accrued payroll	4,746	-	4,746
Note payable - current	18,355	-	18,355
Mortgage payable - current	50,347	-	50,347
SBA loan - current	3,751	-	3,751
Total current liabilities	100,532	-	100,532
Long-term liabilities:			
Mortgage payable - long-term	272,163	-	272,163
Note payable - long-term	60,185		60,185
SBA loan - long-term	141,268	-	141,268
Total long-term liabilities	473,616	-	473,616
Net assets			
Without Donor Restrictions	2,157,023	-	2,157,023
With Donor Restrictions	-	-	-
Total Net Assets	2,157,023	-	2,157,023
Total liabilities and net assets	$ 2,731,171	$ -	$ 2,731,171

The accompanying notes are an integral part of these financial statements

JACK THE BIKE MAN INC.
Statement of Activities and Changes in Fund Balance
Year ended December 31, 2024

	Unrestricted	Restricted	Total
Revenue, gains and other support:			
Contributions	$ 223,602	$ 80,000	$ 303,602
Bike shop sales, net	34,873	-	34,873
In-kind contributions - bikes	158,550	-	158,550
Fundraising income	21	-	21
Misc income	3,410	-	3,410
Total revenue	420,456	80,000	500,456
Net assets released from restrictions	80,000	(80,000)	-
Total revenues, gains and other support	500,456	-	500,456
Expenses:			
Program services	510,688	-	510,688
General and administrative	61,396	-	61,396
Fundraising	-	-	-
Total expenses	572,084	-	572,084
Other Income:			
Other income	225,000	-	225,000
Total other income	225,000	-	225,000
Change in net assets	153,372	-	153,372
Net assets, beginning of year	2,003,651	-	2,003,651
Net assets, end of year	$ 2,157,023	$ -	$ 2,157,023

JACK THE BIKE MAN INC.
Statement of Functional Expenses
Year Ended December 31, 2024

	Program	General and Administrative	Fundraising	Total
Donations - In-kind	$ 121,750	$ -	$ -	$ 121,750
Professional & Consultant Fees	72,495	35,700	-	108,195
Officer payroll	72,000	18,000	-	90,000
Payroll expense	66,297	-	-	66,297
Rent	40,304	2,121	-	42,425
Interest expense	33,629	1,770	-	35,399
Insurance	19,465	1,024	-	20,489
Payroll tax expense	18,430	1,414	-	19,844
Depreciation	11,948	-	-	11,948
Computer expense	10,963	-	-	10,963
Utilities	8,038	423	-	8,461
Fees, Licenses & Taxes	7,560	-	-	7,560
Office expense	6,282	460	-	6,742
Bank & Merchant Fees	5,882	-	-	5,882
Repair & Maintenance	4,848	-	-	4,848
Payroll processing expense	4,653	357	-	5,010
Telephone and internet expense	2,416	127	-	2,543
Auto	2,004	-	-	2,004
Advertising and promotion	1,724	-	-	1,724
Fundraising Expense	-	-	-	-
	$ 510,688	$ 61,396	$ -	$ 572,084

The accompanying notes are an integral part of these financial statements

JACK THE BIKE MAN INC.
Statement of Cash Flows
Year Ended December 31, 2024

Cash flows from operating activities:		
Change in net assets	$	153,372
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		11,948
(Increase) decrease in:		
Inventory		30,731
Prepaid expenses		1,396
Promise to give receivable		18,332
Increase (decrease) in:		
Accounts payable		(1,658)
Credit card payable		1,717
Accrued expenses		15,781
Net cash provided (used) by operating activities		231,619
Cash flows from investing activities:		
Fixed assets added		(231)
Net cash provided (used) by investing activities		(231)
Cash flows from financing activities:		
Line of credit repayments		(94,240)
Mortgage principal repayments		(48,461)
Note payable principal payments		(15,093)
SBA Loan principal repayments		(3,627)
Net cash provided (used) by financing activities		(161,421)
Net increase (decrease) in cash and cash equivalents		69,967
Cash and cash equivalents, beginning of year		59,582
Cash and cash equivalents, end of year	$	129,549

Supplemental disclosures of cash flow information

Interest paid during the year	$	35,399
Interest received during the year	$	-

Note A – Organization

Jack The Bike Man, Inc. (the "Organization") was organized on July 19, 2007 as a not-for-profit organization in the State of Florida. The Organization's primary mission is to strengthen the community through bicycle education and safety programs and to create a community of healthy active individuals by providing hope to the less fortunate through support, training and access to bicycles.

Samuel H. "Jack" Hairston III, the founder of Jack the Bike Man, Inc., passed away in 2023. His leadership and dedication were instrumental in shaping the mission and growth of the Organization. The Board of Directors and officers remain committed to continuing his legacy and advancing the Organization's mission.

Significant Programs:

Wheels of Hope Program: This program provides free refurbished bicycles to individuals and families in need in underserved communities throughout Palm Beach County. By addressing the critical gap in transportation needs, this program offers reliable transportation to school, jobs, and doctor appointments by fostering self-reliance. This program provides bikes through these initiatives:

Earn a Bike Project: This program provides a pathway to exchange work for a bicycle and is available to both adults and children over 14 years old. Participants volunteer for a set number of hours at the bike shop to earn a free bicycle.

Gotta-Get-a-Bike: This program is an after-school program for middle-schoolers that is designed to teach bicycle repair and bicycle safety in a 4-week program that meets twice per week. The Organization promotes bicycle riding to instill healthy physical fitness habits at a young age. Participants earn a bicycle, helmet, lock, light, bell and tool kit at the end of the program.

Joyful Giving: The Organization gives away free refurbished bicycles and helmets to children from economically challenged families in Palm Beach County throughout the year.

Community Service Hours: In a partnership with the Drug Court of the Fifteenth Judicial Circuit of Florida and the Palm Beach Probation Office, the Organization offers participants a chance to earn community service hours in exchange for their volunteer services. This program is also offered to students and anyone else needing community service hours.

Character Counts: Through a partnership with local elementary schools in the School District of Palm Beach County, the Organization provides a free bicycle and helmet to students chosen by their teachers and administrators for exemplifying great character.

Note B – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein are classified and reported as follows:

> Net Assets without Donor Restrictions - Net assets received that are not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources.
>
> Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Fair Value Measurement

Fair value measurement does not apply to non-public companies and not-for-profit organizations.

Contributions

The organization records contributions received as restricted or unrestricted support depending on the existence or nature of any donor restrictions. Contributions are recorded as income at the time of receipt from the donors.

Inventory

Inventory is reported at the lower of average cost or market and is principally comprised of bikes and bike related items such as helmets, bike locks, bike racks, and bike parts. Management reviews inventory periodically for obsolescence and has determined that, as of December 31, 2024, a reserve for inventory obsolescence was not deemed necessary.

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 that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using 3.79%, which is the interest rate utilized on the Organization's other debts. Amortization of the discounts are included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. The promise to give receivable balance at December 31, 2024 was $0.

Donated Materials, Services and Facilities

Contributions of materials and services are reflected in the financial statements at the fair value of the property contributed. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization recorded in-kind income and an in-kind expense for services requiring specialized skills in the amount of $0 for the year ended December 31, 2024. The Organization received donations of 3,171 bicycles valued at $158,550 for the year ended December 31, 2024.

The Organization does not account for the value of non-specialized services provided by volunteers or court ordered community services. For the fiscal year ended, December 31, 2024, volunteer hours were 5,394 service hours.

Fixed Assets

The Organization capitalizes expenditures of $1,000 or more for equipment and building improvements at cost. The fair value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. The Organization's income tax filings are subject to audit by various taxing authorities. The Organization's open audit periods are 2021 through 2024.

Use of Estimates

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

Concentrations of Credit Risk and Uncertainties

Cash – The Organization maintains its bank accounts at financial institutions and their balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per institution. Cash in the form of checking and money market accounts at various banking institutions as of December 31, 2024 were not in excess of the Federal Deposit Insurance Corporation limits of $250,000. The Organization believes there is no credit risk relative to its cash and cash equivalents.

Contributions – The Organization had contributions representing 28.8% of all revenue from its top five donors for the year ended December 31, 2024.

Functional Allocation of Expenses

The Organization allocates expenses on a functional basis among the various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on management's monitoring of the expenses and the functions to which the expenses relate.

Note C – Cash and Cash Equivalents

Cash and cash equivalents totaled $129,549 for the year ended December 31, 2024.

Note D – Inventory

The Organization records the receipt of donated bikes and equipment at estimated fair value. The Organization does not account for spare parts that result from donated bikes that cannot be resold or donated. As of December 31, 2024, inventory consisted of the following:

Beginning Inventory	$ 106,984
Purchases	18,942
Bikes Donated In	158,550
Labor Costs	93,813
Less: Bikes donated out	(121,750)
Less: Cost of Goods Sold	(180,286)
Ending Inventory	$ 76,253

Note E – Property and Equipment

Property and equipment are summarized by major classifications as follows:

	Estimated useful lives (Years)	
Vehicles	5	$ 80,895
Office furniture	7	27,347
Rental Bikes	7	9,750
Building Improvements	15	15,227
Building	39	2,008,528
Total		2,141,515
Accumulated depreciation		(121,173)
Net fixed assets		$ 2,020,574

Depreciation expense was $11,948 for the year ended December 31, 2024.

There is no depreciation expense for the building in 2024 as it has not yet been placed in service. See Note J for more information.

Note F – Debt

The Organization is party to four loan agreements. The loans bear interest at rates ranging from 2.75 to 12.20% with maturities from 2024 to 2052. One of the loans with a balance of $322,511 is secured by a building owned by the Organization. Following is schedule of principal payments due over the next five years

Year	Principal Payments
2025	$72,452
2026	$76,674
2027	$81,266
2028	$75,915
2029	$61,903
After 2029	$177,859

Total interest paid in 2024 was $35,399

Note G – Net Assets with Donor Restrictions

There were $80,000 in restricted contributions received during the year ended December 31, 2024 for use in the Wheels of Hope program. Management has confirmed that the funds were utilized in this program and were released from donor restrictions as of December 31, 2024.

Note H – Other Income

In March 2024, the Organization entered into a sales contract for the sale of its building. The contract was extended multiple times throughout the year and was cancelled in December 2024. The buyer gave a deposit of $225,000 which was non-refundable. Since the contract was cancelled, the Organization was able to keep the non-refundable deposit and recorded it as other income for 2025.

Note I – Net Bike Shop Sales

Net bike shop sales are calculated as follows:

Bike Shop Sales	$ 215,159
Cost of Goods Sold	(180,286)
Net bike shop sales	$ 34,873

Note J - Commitments

Lease commitments

The Organization entered into a lease agreement for a temporary warehouse location on a month-to-month basis beginning February 1, 2023. The Organization is not required to record a lease right-of-use asset or liability due to the short-term nature of the lease. In March 2024, the Organization received rent concessions in the form of rent abatement for the period of April 2024 through December 2024. These concessions have been accounted for as a reduction in rent expense over the period of abatement. The effect of these concessions on the financial statements is that the Organization's rent expense was reduced by $112,500 for the year ending December 31, 2024.

Sale of Building

In March 2024, the Organization entered into a contract for the sale of the building which contained a clause that allowed the Organization to stay in its current facilities without paying rent until the time of closing. The closing date was postponed several times and ultimately cancelled in December 2024.

In December 2024, the Organization entered into a new contract for the sale of the building with a planned closing in July 2025. This contract also contained a clause allowing the Organization to stay in its current facilities rent-free until closing. Due to the pending sale of the building, the building improvement costs and the cost of the building were not depreciated as they were never placed in service.

Note K – Related Party Transactions

Management has reviewed all transactions of the Organization for the year and has determined that there are no material related party transactions that require disclosure.

Note L – Subsequent Events

Management has evaluated events and transactions subsequent to the date of the financial statements and through the date of the audit report and has determined to report the following:

The Organization is under contract and expecting to close on the sale of its building in July 2025. The Organization is currently searching for a replacement facility that will become the future headquarters for the Organization.

The Organization has continued to receive rent concessions in the form of rent abatement for the period of January 2025 through the date of closing. The Organization is accounting for the rent abatement by