
TRANSPORTATION RIDERS UNITED, INC.

(A MICHIGAN NON-PROFIT CORPORATION)

**Financial Reports
For The Year Ended
December 31, 2017
(With Comparative Totals for 2016)**



certified public accountants

1301 WEST LONG LAKE ROAD, SUITE 200, TROY MI 48098

PH: 248-952-0200 • FAX: 248-952-0290

TRANSPORTATION RIDERS UNITED, INC.
Detroit, Michigan

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1301 W. Long Lake Rd., Ste. 200
Troy, MI 48098-6319
t 248.952.0200 f 248.952.0290

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Transportation Riders United, Inc.
Detroit, Michigan

We have audited the accompanying financial statements of Transportation Riders United, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant'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 of America. 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 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 Transportation Riders United, Inc. as of December 31, 2017, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information from 2016 Reviewed Financial Statements

The 2016 financial statements were reviewed by us and our report thereon, dated August 10, 2017 stated that we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

Gordon Advisors, P.C.

November 14, 2018

TRANSPORTATION RIDERS UNITED, INC.
Statements of Financial Position

ASSETS

	December 31,	
	2017 Audited	2016 Unaudited
Cash	\$ 65,095	\$ 34,811
Accounts receivable	0	4,931
Grants receivable	0	30,000
Prepaid expense	1,632	2,011
Total Current Assets	66,727	71,753
Security deposits	0	900
Property and equipment - At cost:		
Computers and equipment	43,385	20,340
Less: Accumulated depreciation	(14,839)	(17,916)
Total Fixed Assets - At cost, less accumulated depreciation	28,546	2,424
	\$ 95,273	\$ 75,077

LIABILITIES AND NET ASSETS

Liabilities

Accrued liabilities	\$ 10,466	\$ 14,066
Total Liabilities	10,466	14,066

Net Assets

Unrestricted	84,807	61,011
Temporarily restricted	0	0
Total Net Assets	84,807	61,011
	\$ 95,273	\$ 75,077

TRANSPORTATION RIDERS UNITED, INC.
Statements of Activities
For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	2017			2016
	Unrestricted	Audited Temporarily Restricted	Total	
Revenue and Other Support				
Grants	\$ 75,000	\$ 0	\$ 75,000	\$ 110,500
Membership dues and contributions	43,630	0	43,630	46,430
Special events	18,780	0	18,780	23,599
In-kind donations	30,000	0	30,000	4,227
	<u>167,410</u>	<u>0</u>	<u>167,410</u>	<u>184,756</u>
Net assets released from restrictions - Satisfaction of program restrictions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue and Other Support	<u>167,410</u>	<u>0</u>	<u>167,410</u>	<u>184,756</u>
Expenses				
Program expenses	78,611	0	78,611	111,998
Supporting services - Management and general	24,807	0	24,807	39,544
Fundraising	42,686	0	42,686	43,149
Total Expenses	<u>146,104</u>	<u>0</u>	<u>146,104</u>	<u>194,691</u>
Other Income				
Other income	<u>2,490</u>	<u>0</u>	<u>2,490</u>	<u>18,683</u>
Total Other Income	<u>2,490</u>	<u>0</u>	<u>2,490</u>	<u>18,683</u>
Change In Net Assets	23,796	0	23,796	8,748
Net Assets -				
Beginning of Year	<u>61,011</u>	<u>0</u>	<u>61,011</u>	<u>52,263</u>
Net Assets -				
End of Year	<u>\$ 84,807</u>	<u>\$ 0</u>	<u>\$ 84,807</u>	<u>\$ 61,011</u>

See Independent Auditors' Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Statements of Functional Expenses
For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	2017					
	Audited					
	Program Services					
	Bus Improvement Advocacy	Regional Transit Advocacy	Transportation Advocacy	Regional Transit Campaign	Community Outreach & Engagement	Total Program Services
Salaries	\$ 4,576	\$ 7,913	\$ 2,577	\$	\$ 22,891	\$ 37,957
Payroll taxes	411	763	221		1,975	3,370
Employee benefit program	889	1,538	501		4,448	7,376
Total Compensation	5,876	10,214	3,299	0	29,314	48,703
Contractual and professional services	366	5,633	206		832	7,037
Occupancy	637	1,101	358		3,185	5,281
Telephone	121	208	68		450	847
Printing, postage & supplies			19		2,550	2,569
Meetings and educational material	107	547	49		2,944	3,647
Office expenses and miscellaneous	32	215			1,588	1,835
Event expense					3,587	3,587
Transportation	97	170	229		1,896	2,392
Insurance	155	268	87		567	1,077
Subtotal	1,515	8,142	1,016	0	17,599	28,272
Depreciation	36	62	20		1,518	1,636
Total Expenses	\$ 7,427	\$ 18,418	\$ 4,335	\$ 0	\$ 48,431	\$ 78,611

2017			
Audited			
Supporting Services			
Management & General	Fundraising	2017 Audited Total	2016 Unaudited Total
\$ 9,963	\$ 22,455	\$ 70,375	\$ 95,990
902	1,955	6,227	8,634
1,936	4,364	13,676	20,343
<u>12,801</u>	<u>28,774</u>	<u>90,278</u>	<u>124,967</u>
3,282	1,303	11,622	14,572
3,229	3,125	11,635	13,093
914	429	2,190	3,878
99	824	3,492	9,660
714	2,575	6,936	2,515
1,487	1,268	4,590	2,599
	3,587	7,174	13,489
722	121	3,235	3,104
1,177	553	2,807	2,944
<u>11,624</u>	<u>13,785</u>	<u>53,681</u>	<u>65,854</u>
<u>382</u>	<u>127</u>	<u>2,145</u>	<u>3,870</u>
<u>\$ 24,807</u>	<u>\$ 42,686</u>	<u>\$ 146,104</u>	<u>\$ 194,691</u>

See Independent Auditor's Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Statements of Cash Flows

	For the Years Ended December 31,	
	2017	2016
	Audited	Unaudited
Operating Activities		
Change in net assets	\$ 23,796	\$ 8,748
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,145	3,870
Loss on disposal of fixed assets	43	0
(Increase) Decrease in operating assets:		
Grant receivable		(30,000)
Security deposits	900	
Accounts receivable	4,931	(4,836)
Prepaid expenses	379	1,860
Increase (Decrease) in operating liabilities:		
Increase in accounts payable	(3,600)	(3,660)
Net Cash Used In Operating Activities	28,594	(24,018)
Investing Activities		
Proceeds from sale of assets	1,690	0
Net Decrease in Cash	30,284	(24,018)
Cash		
Beginning of Year	34,811	58,829
End of Year	\$ 65,095	\$ 34,811
Non-cash investing activities		
Data-base rollout	\$ 30,000	\$

See Independent Auditors' Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements
For the Year Ended December 31, 2017 and 2016

NOTE**1. Organization and Purpose**

Description of Organization – Transportation Riders United, Inc. “the Organization” is a nonprofit corporation organized under the laws of the State of Michigan. The Organization’s mission is to improve and promote public transit throughout greater Detroit in order to restore urban vitality, ensure transportation equity, and improve quality of life.

Program Services:

Bus Improvement Advocacy – Monitoring, promoting, and advocating for improvements in existing bus service and funding, and seeking to provide bus riders a voice in transit decisions.

Regional Transit Advocacy – Monitoring, supporting, and advising the Regional Transit Authority (RTA) and otherwise advocating for improved transit throughout southeast Michigan with and through the RTA.

Transportation Advocacy (Other) – Monitoring and seeking to improve non-bus and non-RTA transportation projects including M-1 Rail streetcar and highway expansion proposals.

Regional Transit Campaign – Educating voters about and making the case to support the Regional Transit funding ballot measure to invest in transit expansion.

Community Outreach and Engagement – Informing and engaging transit stakeholders and the broader public about transit news, events and opportunities for involvement.

Management and General – This includes the functions necessary to maintain an adequate working environment, provide proper administrative support of the Organization’s programs, planning, and manage the financial and budgeting responsibilities of the Organization.

Fundraising – This provides the structure necessary to encourage and secure support from individuals, foundations, corporations, and government agencies.

2. Summary of Significant Accounting Policies

The following are accounting principles and policies followed by the Organization:

Basis of Accounting – The accrual basis of accounting has been adopted for purposes of financial reporting.

Classification of Net Assets – Net assets of the Organization are classified as permanently restricted, temporarily restricted or unrestricted depending on the presence and characteristics of donor-imposed restrictions limiting the Organization’s ability to use or dispose of contributed assets or the economic benefits embodied in these assets. Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Cash Equivalents – The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments – Purchased and donated securities are valued at fair market value.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2017 and 2016

NOTE

2. Summary of Significant Accounting Policies (Continued)

Allowance for Doubtful Accounts – The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Management has determined that no allowance is necessary as all amounts are expected to be received.

Property and Equipment – It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

Contributed Support – Contributions of cash and other assets, including unconditional promises to give in the future, are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

The Organization records various types of in-kind support. The Organization records the value of donated goods or services when there is an objective basis available to measure their value. Contributions of tangible assets are recognized at estimated fair values when received. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization.

Also a number of volunteers donated significant amounts of their time in the Organization's program services. The value of these services is not disclosed since no objective basis is available to measure the value of such services.

Estimates in the Financial Statements – 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. Actual results could differ from those estimates.

Concentrations of Credit Risk – The Organization maintains its checking and savings accounts at a financial institution whose balances are insured up to limits established by the Federal Deposit Insurance Corporation. The Organization at times maintains balances in excess of federally insured limits. Management does not believe the Organization is exposed to any unusual credit risk on uninsured balances.

Subsequent Events – The Organization has evaluated events and transactions that occurred through November 14, 2018, which is the date the financial statements were available for issue.

Advertising – Advertising costs are expensed as incurred.

Uncertain Tax Positions – Management evaluates, at least annually, whether any tax positions reported on a tax return are more likely than not to be sustained if challenged. Management believes no such positions exist that would have a significant impact on the Organization's financial position and statement of activities. As of December 31, 2017 and 2016, no liability for unrecognized tax benefits was recorded.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2017 and 2016

NOTE

3. Federal Income Taxes

The Organization has applied to the Internal Revenue Service and has received a favorable determination letter for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Therefore, a provision for federal income taxes is not required. In addition, the Organization has been determined not to be a private foundation within the meaning of Section 509(A) of the code.

4. Functional Allocation of Expenses

The costs of providing programs have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services.

5. Unconditional Promises to Give

There were no unconditional promises to give as of December 31, 2017 and 2016.

6. Temporarily Restricted Net Assets

Temporarily restricted net assets represent certain grants and contributions that have been received that are either time restricted or purpose restricted for a particular Organization project. As of December 31, 2017 and 2016, there was \$0 in temporarily restricted net assets.

7. 2016 Financial Data

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Transportation Riders United, Inc.'s financial statements for the year ended December 31, 2016.

8. Net Assets Released From Restrictions

Net assets were released from donor and time restrictions by incurring expenses satisfying the restricted purposes. Restricted amounts released amounted to \$-0- and \$11,890 during the year ended December 31, 2017 and 2016, respectively

9. Office Rental Agreement

The Organization leased from Charter County of Wayne office facilities in Detroit, Michigan for its operations. The agreement began October 1, 2012 and called for monthly payments of \$900 through September 30, 2018. During 2017, the Organization reached an agreement to terminate the lease in exchange for a settlement of \$3,000. Beginning July 1, 2017, the Organization is leasing from TechOne for its operations. The agreement calls for monthly payments of \$250 and the lease can be terminated at any time.