
TRANSPORTATION RIDERS UNITED, INC.

(A MICHIGAN NON-PROFIT CORPORATION)

**Financial Reports
For The Year Ended
December 31, 2016
(With Comparative Totals for 2015)**



certified public accountants

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TRANSPORTATION RIDERS UNITED, INC.
Detroit, Michigan

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying financial statements of Transportation Riders United, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2015 Financial Statements

The 2015 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated June 1, 2016. We have not performed any auditing procedures since that date.

Report on Summarized Comparative Information

As described in the preceding paragraph of this report, we have previously audited the Transportation Riders United, Inc. 2015 financial statements, and our report dated June 1, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gordon Advisors, P.C.

August 10, 2017

TRANSPORTATION RIDERS UNITED, INC.
Statements of Financial Position

ASSETS

	December 31,	
	2016 Unaudited	2015 Audited
Cash	\$ 34,811	\$ 58,829
Accounts receivable	4,931	96
Grants receivable	30,000	0
Prepaid expense	2,011	3,870
Total Current Assets	71,753	62,795
Security deposits	900	900
Property and equipment - At cost:		
Computers and equipment	20,340	20,340
Less: Accumulated depreciation	(17,916)	(14,046)
Total Fixed Assets - At cost, less accumulated depreciation	2,424	6,294
	\$ 75,077	\$ 69,989

LIABILITIES AND NET ASSETS

Liabilities

Accrued liabilities	\$ 14,066	\$ 17,726
Total Liabilities	14,066	17,726

Net Assets

Unrestricted	61,011	40,373
Temporarily restricted	0	11,890
Total Net Assets	61,011	52,263
	\$ 75,077	\$ 69,989

TRANSPORTATION RIDERS UNITED, INC.
Statements of Activities
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	2016			2015 Audited Total
	Unrestricted	Unaudited Temporarily Restricted	Total	
Revenue and Other Support				
Grants	\$ 110,500	\$ 0	\$ 110,500	\$ 111,750
Membership dues and contributions	46,430	0	46,430	34,454
Special events	23,599	0	23,599	14,780
In-kind donations	4,227	0	4,227	6,050
	<u>184,756</u>	<u>0</u>	<u>184,756</u>	<u>167,034</u>
Net assets released from restrictions - Satisfaction of program restrictions	<u>11,890</u>	<u>(11,890)</u>	<u>0</u>	<u>0</u>
Total Revenue and Other Support	<u>196,646</u>	<u>(11,890)</u>	<u>184,756</u>	<u>167,034</u>
Expenses				
Program expenses	111,998	0	111,998	142,943
Supporting services - Management and general	39,544	0	39,544	31,002
Fundraising	43,149	0	43,149	32,716
Total Expenses	<u>194,691</u>	<u>0</u>	<u>194,691</u>	<u>206,661</u>
Other Income				
Other income	<u>18,683</u>	<u>0</u>	<u>18,683</u>	<u>2,471</u>
Total Other Income	<u>18,683</u>	<u>0</u>	<u>18,683</u>	<u>2,471</u>
Change In Net Assets	20,638	(11,890)	8,748	(37,156)
Net Assets -				
Beginning of Year	<u>40,373</u>	<u>11,890</u>	<u>52,263</u>	<u>89,419</u>
Net Assets -				
End of Year	<u>\$ 61,011</u>	<u>\$ 0</u>	<u>\$ 61,011</u>	<u>\$ 52,263</u>

See Independent Auditors' Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Statements of Functional Expenses
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	2016					
	Unaudited					
	Program Services					
	Bus Improvement Advocacy	Regional Transit Advocacy	Transportation Advocacy	Regional Transit Campaign	Community Outreach & Engagement	Total Program Services
Salaries	\$ 4,680	\$ 35,659	\$ 1,214	\$ 12,297	\$ 10,112	\$ 63,962
Payroll taxes	330	2,421	80	824	697	4,352
Employee benefit program	974	7,016	252	2,551	2,102	12,895
Total Compensation	5,984	45,096	1,546	15,672	12,911	81,209
Contractual and professional services	650	4,681	168	567	1,902	7,968
Occupancy	627	4,516	162	1,642	1,353	8,300
Telephone	0	923	0	200	0	1,123
Printing, postage & supplies	4	1,631	0	63	2,280	3,978
Meetings and educational material	49	486	67	135	669	1,406
Office expenses and miscellaneous	95	749	25	268	275	1,412
Event expense	0	0	0	0	0	0
Transportation	98	1,692	25	257	211	2,283
Insurance	141	1,016	36	369	304	1,866
Subtotal	1,664	15,694	483	3,501	6,994	28,336
Depreciation	185	1,335	48	485	400	2,453
Total Expenses	\$ 7,833	\$ 62,125	\$ 2,077	\$ 19,658	\$ 20,305	\$ 111,998

2016			
Unaudited			
Supporting Services			
Management & General	Fundraising	2016 Unaudited Total	2015 Audited Total
\$ 16,387	\$ 15,641	\$ 95,990	\$ 103,507
3,260	1,022	8,634	9,496
4,208	3,240	20,343	18,288
<u>23,855</u>	<u>19,903</u>	<u>124,967</u>	<u>131,291</u>
4,442	2,162	14,572	15,266
2,708	2,085	13,093	12,528
2,590	165	3,878	3,687
2,473	3,209	9,660	12,453
701	408	2,515	5,390
870	317	2,599	4,052
0	13,489	13,489	11,968
495	326	3,104	2,791
609	469	2,944	3,145
<u>14,888</u>	<u>22,630</u>	<u>65,854</u>	<u>71,280</u>
<u>801</u>	<u>616</u>	<u>3,870</u>	<u>4,090</u>
<u>\$ 39,544</u>	<u>\$ 43,149</u>	<u>\$ 194,691</u>	<u>\$ 206,661</u>

See Independent Auditor's Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Statements of Cash Flows

	For the Years Ended December 31,	
	2016	2015
	Unaudited	Audited
Operating Activities		
Change in net assets	\$ 8,748	\$ (37,156)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,870	4,090
Donated investment securities	0	9,497
(Increase) Decrease in operating assets:		
Grant receivable	(30,000)	0
Accounts receivable	(4,836)	3,646
Prepaid expenses	1,860	(2,098)
Increase (Decrease) in operating liabilities:		
Increase in accounts payable	(3,660)	186
Net Cash Used In Operating Activities	<u>(24,018)</u>	<u>(21,835)</u>
Net Decrease in Cash	(24,018)	(21,835)
Cash		
Beginning of Year	<u>58,829</u>	<u>80,664</u>
End of Year	<u>\$ 34,811</u>	<u>\$ 58,829</u>

See Independent Auditors' Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements
For the Year Ended December 31, 2016 and 2015

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, 2016 and 2015

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 August 10, 2017, 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, 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, 2016 and 2015

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. 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 \$11,890 and \$7,360 during the year ended December 31, 2016 and 2015, respectively.

5. 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.

6. Unconditional Promises to Give

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

7. 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, 2016, there was \$0 in temporarily restricted net assets.

8. 2015 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, 2015.

9. Fair Value Measurements

The Organization uses fair value measurements in the preparation of its financial statements, which utilize various inputs, including those that can be readily observable, corroborated, or are generally unobservable. The Organization utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Organization applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable input (Level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described 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.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016 and 2015

NOTE**9. Fair Value Measurements (Continued)**

Level 2 Inputs to the valuation methodology include: 1) quoted prices for similar assets or liabilities in active markets, 2) quoted prices for identical or similar assets or liabilities in inactive markets, 3) inputs other than quoted prices that are observable for the asset or liability, 4) 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016.

Investment Valuation and Income Recognition: The Organization's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices that represent the net asset value of shares held by the Organization at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net investment earnings include unrealized appreciation and depreciation, realized gains and losses, and dividends and interest income.

The preceding method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The investment balances of \$-0- and \$-0- as of December 31, 2016 and 2015 are considered to be Level 1 inputs.

10. Office Rental Agreement

The Organization leases from Charter County of Wayne office facilities in Detroit, Michigan for its operations. The agreement began October 1, 2012 and calls for monthly payments of \$900 through September 30, 2018. During June 2017, the monthly payment was increased to \$922 to include shared building expenses. The rent expense was \$10,932 with a security deposit listed as prepaid for December 31, 2016.

Future minimum annual payments required under this lease are approximately:

2017	\$ 11,064
2018	<u>9,220</u>
Total	\$ 20,284

The Organization subleases portions of its facilities in Detroit, Michigan to Hands & Associates. The sublease requires monthly payments of \$200 and will remain in effect until terminated. The agreement may be terminated with 60 day notice by either party with a written notice to the other party.