
TRANSPORTATION RIDERS UNITED, INC.

(A MICHIGAN NON-PROFIT CORPORATION)

**Financial Reports
For The Year Ended
December 31, 2018
(With Comparative Totals for 2017)**



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, 2018, 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 2017 Financial Statements

The 2017 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated November 14, 2018. 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. 2017 financial statements, and our report dated November 14, 2018, 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, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gordon Advisors, P.C.

August 22, 2019

TRANSPORTATION RIDERS UNITED, INC.
Statements of Financial Position

ASSETS

	December 31,	
	2018 Unaudited	2017 Audited
Current Assets		
Cash	\$ 85,180	\$ 65,095
Grants receivable	4,250	0
Prepaid expense	343	1,632
Total Current Assets	89,773	66,727
Property and equipment - At cost:		
Computers and equipment	44,232	43,385
Less: Accumulated depreciation	(20,863)	(14,839)
Total Fixed Assets - At cost, Less Accumulated Depreciation	23,369	28,546
	\$ 113,142	\$ 95,273

LIABILITIES AND NET ASSETS

Liabilities		
Accrued liabilities	\$ 7,430	\$ 10,466
Total Liabilities	7,430	10,466
Net Assets		
Without donor restrictions	105,712	84,807
With donor restrictions	0	0
Total Net Assets	105,712	84,807
	\$ 113,142	\$ 95,273

TRANSPORTATION RIDERS UNITED, INC.
Statements of Activities
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	2018			2017 Audited Total
	Without Donor Restrictions	Unaudited With Donor Restrictions	Total	
Revenue and Other Support				
Grants	\$ 128,500	\$ 0	\$ 128,500	\$ 75,000
Membership dues and contributions	31,483	0	31,483	43,630
Special events	11,655	0	11,655	18,780
In-kind donations	1,275	0	1,275	30,000
	<u>172,913</u>	<u>0</u>	<u>172,913</u>	<u>167,410</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>172,913</u>	<u>0</u>	<u>172,913</u>	<u>167,410</u>
Expenses				
Program expenses	110,403	0	110,403	78,611
Supporting services - Management and general	20,076	0	20,076	24,807
Fundraising	21,758	0	21,758	42,686
Total Expenses	<u>152,237</u>	<u>0</u>	<u>152,237</u>	<u>146,104</u>
Other Income				
Other income	<u>229</u>	<u>0</u>	<u>229</u>	<u>2,490</u>
Total Other Income	<u>229</u>	<u>0</u>	<u>229</u>	<u>2,490</u>
Change In Net Assets	<u>20,905</u>	<u>0</u>	<u>20,905</u>	<u>23,796</u>
Net Assets - Beginning of Year	<u>84,807</u>	<u>0</u>	<u>84,807</u>	<u>61,011</u>
Net Assets - End of Year	<u><u>\$ 105,712</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 105,712</u></u>	<u><u>\$ 84,807</u></u>

See Independent Accountants' Review Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Statements of Functional Expenses
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	2018					
	Unaudited					
	Program Services					
	Bus Improvement Advocacy	Regional Transit Advocacy	Transportation Advocacy	Transit Education Project	Community Outreach & Engagement	Total Program Services
Salaries	\$ 4,769	\$ 10,125	\$ 2,870	\$ 5,307	\$ 14,526	\$ 37,597
Payroll taxes	371	871	213	436	1,151	3,042
Employee benefit program	648	1,368	432	720	2,088	5,256
Total Compensation	5,788	12,364	3,515	6,463	17,765	45,895
Contractual and professional services	77	1,037	251	688	2,462	4,515
Occupancy	270	570	180	300	870	2,190
Sub-grantee services	0	18,000	0	0	18,000	36,000
Telephone	60	126	40	67	193	486
Printing, postage & supplies	2	7	15	3	746	773
Meetings and educational material	375	698	85	142	4,109	5,409
Office expenses and miscellaneous	83	3,051	155	132	4,075	7,496
Event expense	0	0	0	0	0	0
Transportation	183	419	488	23	502	1,615
Insurance						0
Subtotal	1,050	23,908	1,214	1,355	30,957	58,484
Depreciation					6,024	6,024
Total Expenses	\$ 6,838	\$ 36,272	\$ 4,729	\$ 7,818	\$ 54,746	\$ 110,403

TRANSPORTATION RIDERS UNITED, INC.
Statements of Functional Expenses (continued)
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	<u>2018</u>		<u>2018</u> <u>Unaudited</u> <u>Total</u>	<u>2017</u> <u>Audited</u> <u>Total</u>
	<u>Unaudited</u>			
	<u>Supporting Services</u>			
	<u>Management & General</u>	<u>Fundraising</u>		
Salaries	\$ 1,725	\$ 11,907	\$ 51,229	\$ 70,375
Payroll taxes	211	980	4,233	6,227
Employee benefit program	216	1,728	7,200	13,676
Total Compensation	2,152	14,615	62,662	90,278
Contractual and professional services	13,559	1,652	19,726	11,622
Occupancy	90	720	3,000	11,635
Sub-grantee services	0	0	36,000	0
Telephone	466	160	1,112	2,190
Printing, postage & supplies	95	443	1,311	3,492
Meetings and educational material	621	3,004	9,034	6,936
Office expenses and miscellaneous	1,119	986	9,601	4,590
Event expense	0	0	0	7,174
Transportation	130	178	1,923	3,235
Insurance	1,844		1,844	2,807
Subtotal	17,924	7,143	83,551	53,681
Depreciation			6,024	2,145
Total Expenses	\$ 20,076	\$ 21,758	\$ 152,237	\$ 146,104

TRANSPORTATION RIDERS UNITED, INC.
Statements of Cash Flows

	For the Years Ended December 31,	
	2018	2017
	Unaudited	Audited
Operating Activities		
Change in net assets	\$ 20,905	\$ 23,796
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,024	2,145
Donated investment securities	(5,433)	0
Loss on disposal of fixed assets	0	43
(Increase) Decrease in operating assets:		
Grant receivable	(4,250)	0
Security deposits	0	900
Accounts receivable	0	4,931
Prepaid expenses	1,289	379
Increase (Decrease) in operating liabilities:		
Increase in accounts payable	(3,036)	(3,600)
Net Cash Used In Operating Activities	15,499	28,594
Investing Activities		
Purchase of equipment	(847)	0
Proceeds from sale of assets	5,433	1,690
Net cash provided by (used in) investing activities	4,586	1,690
Net Decrease in Cash	20,085	30,284
Cash		
Beginning of Year	65,095	34,811
End of Year	\$ 85,180	\$ 65,095

See Independent Accountants' Review Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements
For the Year Ended December 31, 2018 and 2017

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.

Transit Education Project – 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 without donor restrictions and with donor restrictions 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 net assets with donor restrictions. Earnings, gains and losses on net assets with donor restrictions 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, 2018 and 2017

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 with donor restrictions or without donor restrictions, 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, donor 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 22, 2019, 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, 2018, no liability for unrecognized tax benefits was recorded.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018 and 2017

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

Expenditures incurred in connection with the Organization's operations are summarized on both a functional basis and using natural expense categories in the statement of activities to segregate program service expenses from administrative and fundraising costs.

The costs of providing programs, fundraising, and supporting services are reported in the statement of functional expenses. Indirect costs have been allocated between the various programs, supporting services, and fundraising based on estimates by management.

5. Unconditional Promises to Give

There were no unconditional promises to give as of December 31, 2018.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions 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, 2018, there was \$0 in temporarily restricted net assets.

7. 2017 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, 2017.

8. 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, 2018 and 2017

NOTE

8. 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, 2018.

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, 2018 and 2017 are considered to be Level 1 inputs.

9. Office Rental Agreement

The Organization leases from TechOne for its operations. The agreement calls for monthly payments of \$250 and the lease can be terminated at any time.

10. Liquidity Management

The Organization has \$85,180 of cash assets available within one year of the balance sheet date to meet cash needs for general expenditures. None of the cash is subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Organization has a goal to maintain enough cash to meet all anticipated operating expenses throughout the year.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018 and 2017

NOTE

11. Adoption of Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and available resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The new standard is effective for the Organization's year ending December 31, 2018 and thereafter and must be applied on a retrospective basis. The Organization adopted the ASU effective January 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements to net assets or changes in net assets.