
TRANSPORTATION RIDERS UNITED, INC.

(A MICHIGAN NON-PROFIT CORPORATION)

**Financial Reports
For The Year Ended
December 31, 2022
(With Comparative Totals for 2021)**



certified public accountants

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TRANSPORTATION RIDERS UNITED, INC.
Detroit, Michigan

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Transportation Riders United, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Transportation Riders United, Inc. as of December 31, 2022, and the changes in its net assets 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 audit 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 Transportation Riders United, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Transportation Riders United, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

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 auditors' 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

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 Transportation Riders United, Inc.'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 Transportation Riders United, Inc.'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 matters that we identified during the audit.

Other Matter - Summarized Comparative Information

The 2021 financial statements were reviewed by us and our report thereon, dated November 1, 2022, stated that we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. 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 as a whole. The summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent with the reviewed financial statements from which it has been derived.

Gordon Adkins, P.C.

November 14, 2023

TRANSPORTATION RIDERS UNITED, INC.
Statements of Financial Position

	<u>ASSETS</u>	
	December 31,	
	2022	2021
	Audited	Unaudited
Current Assets		
Cash	\$ 135,601	\$ 88,681
Grants receivable	0	0
Pledges receivable	0	0
Other receivables	1,963	2,073
Prepaid expenses	1,745	1,926
Total Current Assets	<u>139,309</u>	<u>92,680</u>
Property and equipment - At cost:		
Computers and equipment	48,138	48,138
Less: Accumulated depreciation	<u>(48,138)</u>	<u>(42,857)</u>
Total Fixed Assets - At cost,		
Less Accumulated Depreciation	<u>0</u>	<u>5,281</u>
	<u><u>\$ 139,309</u></u>	<u><u>\$ 97,961</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Accrued liabilities	\$ 7,460	\$ 9,864
Net Assets all without donor restrictions	<u>131,849</u>	<u>88,097</u>
	<u><u>\$ 139,309</u></u>	<u><u>\$ 97,961</u></u>

See Independent Auditor's Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.

Statements of Activities

	Year Ended December 31, 2022			2021 Unaudited Total
	Without Donor Restrictions	Audited With Donor Restrictions	Total	
Revenue and Other Support				
Grants	\$ 208,000	\$ 0	\$ 208,000	\$ 62,000
Membership dues and contributions	38,631	0	38,631	40,476
	246,631	0	246,631	102,476
Net assets released from restrictions - Satisfaction of program restrictions	0	0	0	0
Total Revenue and Other Support	<u>246,631</u>	<u>0</u>	<u>246,631</u>	<u>102,476</u>
Expenses				
Program expenses	183,160	0	183,160	109,534
Supporting services - Management and general	7,226	0	7,226	6,239
Fundraising	13,499	0	13,499	13,384
Total Expenses	<u>203,885</u>	<u>0</u>	<u>203,885</u>	<u>129,157</u>
Other Income				
Other income (expense)	1,006	0	1,006	19,325
Total Other Income	<u>1,006</u>	<u>0</u>	<u>1,006</u>	<u>19,325</u>
Change In Net Assets	43,752	0	43,752	(7,356)
Net Assets - Beginning of Year	<u>88,097</u>	<u>0</u>	<u>88,097</u>	<u>95,453</u>
Net Assets - End of Year	<u>\$ 131,849</u>	<u>\$ 0</u>	<u>\$ 131,849</u>	<u>\$ 88,097</u>

See Independent Auditor's Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Statements of Functional Expenses
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	2022				
	Audited				
	Program Services				
	Bus Improvement Advocacy	Climate Advocacy	Community Outreach & Engagement	Funding Advocacy	Total Program Services
Salaries and payroll taxes	\$ 40,609	\$ 27,892	\$ 31,288	\$ 12,472	\$ 112,261
Employee benefit program	3,152	2,163	2,411	964	8,690
Total Compensation	43,761	30,055	33,699	13,436	120,951
Contractual and professional services	13,093	3,669	4,404	1,716	22,882
Occupancy	2,084	1,437	1,595	655	5,771
Telephone	251	172	192	79	694
Printing, postage & supplies	2,233	744	2,714	338	6,029
Meetings and educational material	2,849	369	526	211	3,955
Office expenses and miscellaneous	5,147	2,155	4,364	376	12,042
Transportation	1,233	739	1,220	326	3,518
Insurance	786	541	598	246	2,171
Subtotal	27,676	9,826	15,613	3,947	57,062
Depreciation	335	230	4,478	104	5,147
Total Expenses	\$ 71,772	\$ 40,111	\$ 53,790	\$ 17,487	\$ 183,160

See Independent Auditor's Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Statements of Functional Expenses (Continued)
For The Year ended December 31 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	2022			
	Audited			
	Supporting Services			
	Management & General	Fundraising	2022 Audited Total	2021 Unaudited Total
Salaries and payroll taxes	\$ 4,552	\$ 9,295	\$ 126,108	\$ 82,415
Employee benefit program	530	721	9,941	6,067
Total Compensation	5,082	10,016	136,049	88,482
Contractual and professional services	915	1,453	25,250	15,769
Occupancy	353	492	6,616	3,782
Telephone	42	46	782	741
Printing, postage & supplies	181	315	6,525	1,967
Meetings and educational material	82	124	4,161	2,270
Office expenses and miscellaneous	202	561	12,805	5,702
Transportation	181	237	3,936	383
Insurance	132	177	2,480	2,478
Subtotal	2,088	3,405	62,555	33,091
Depreciation	56	78	5,281	7,584
Total Expenses	\$ 7,226	\$ 13,499	\$ 203,885	\$ 129,157

See Independent Auditor's Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Statements of Cash Flows

	Years Ended December 31,	
	2022	2021
	Audited	Unaudited
Operating Activities		
Change in net assets	\$ 43,752	\$ (7,356)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,281	7,584
(Increase) Decrease in operating assets:		
Pledges receivable	0	295
Other receivables	110	(1,494)
Prepaid expenses	181	1,817
Increase (Decrease) in operating liabilities:		
Accrued liabilities	(2,404)	6,000
Net Cash Provided By (Used In) Operating Activities	<u>46,920</u>	<u>6,846</u>
Net Increase (Decrease) In Cash	46,920	6,846
Cash		
Beginning of Year	<u>88,681</u>	<u>81,835</u>
End of Year	<u><u>\$ 135,601</u></u>	<u><u>\$ 88,681</u></u>

See Independent Auditor's Report and Accompanying Footnotes.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements
For the Year Ended December 31, 2022 and 2021

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: Transportation Riders United, Inc. believes everyone should be able to get where they need to go. We educate, mobilize, and advocate for more and better public transit and other affordable mobility options throughout Metro Detroit.

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.

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.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2022 and 2021

NOTE

2. Summary of Significant Accounting Policies (Continued)

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 November 14, 2023, 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, 2022, no liability for unrecognized tax benefits was recorded.

Uncertainty from Pandemic – The coronavirus pandemic has caused considerable uncertainty from the resultant disruptions to economy-wide supply chains and other shifts in business practices that have led to inflation and other economic concerns going forward. Therefore, management cannot reasonably estimate how this matter will affect the future results of operations and financial position of the Organization.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2022 and 2021

NOTE

2. Summary of Significant Accounting Policies (Continued)

Comparative Financial Information – The financial information presented for comparative purposes for the year ended December 31, 2021 is not intended to be a complete financial statement presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the 2021 financial statements from which the summarized information was derived.

Reclassification – Certain amount for the year ended December 31, 2021 have been reclassified to conform to the financial statement presentation used for the year ended December 31, 2022.

3. New Accounting Standard – Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective January 1, 2022, and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021, are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for existing operating leases as operating leases, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. They did not have any operating leases that met the criteria to be recognized as a long-term lease.

4. 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.

5. 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.

6. Unconditional Promises to Give

There were no unconditional promises to give as of December 31, 2022.

TRANSPORTATION RIDERS UNITED, INC.
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2022 and 2021

NOTE

7. 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, 2022, there was \$0 in net assets with donor restrictions.

8. Liquidity Management

The Organization has \$135,601 of cash assets and accounts receivable of \$1,963 available within one year of the balance sheet date to meet cash needs for general expenditures. None of the cash or receivables 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.

9. Leases

The Organization has a month-to-month lease on office space with an unrelated party, for monthly rent of \$395. Lease expenses was \$6,617 and \$3,782 for December 31, 2022 and 2021, respectfully.

The Organization has elected to apply the short-term lease exemption to one of the Organization's classes of underlying assets: building leases. In 2022, the Organization had only a small number of leases within this class of underlying asset that qualify for the exemption. The short-term lease cost recognized and disclosed for those leases in 2022 is \$6,617.