

WESTFAIR RIDES, INC.

**Financial Statements
Year Ended June 30, 2021
With Comparative Financial Information
as of June 30, 2020
With Independent Auditors' Report**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
WestFair Rides, Inc.
Mount Kisco, New York

We have audited the accompanying financial statements of WestFair Rides, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2021, and the related statements of activities and change in net assets, 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.

Auditor'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 of 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 the 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 WestFair Rides, Inc. as of June 30, 2021, 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.

Prior Period Financial Statements

The financial statements of WestFair Rides, Inc. as of June 30, 2020, were audited by other auditors whose report, dated December 17, 2020, expressed an unmodified opinion on those statements.

Emphasis of Matter

During 2020, the World Health Organization declared a global pandemic due to the novel strain of the Coronavirus (COVID-19). The Organization's operations and financial performance were not significantly affected by the recent COVID-19 pandemic, which has adversely affected economic conditions throughout the world. The future financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is unmodified with respect to this matter.

Tobin & Company
Certified Public Accountants, PC

Purchase, New York
January 31, 2022

WestFair Rides, Inc.

Statements of Financial Position

| <i>As of June 30,</i> | 2021 | 2020 | |
|---|-------------------|-------------------|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 16,499 | \$ 73,880 | |
| Grant receivable (Note 4) | 154,711 | 31,078 | |
| Prepaid expenses | 14,511 | 5,893 | |
| Total Assets | \$ 185,721 | \$ 110,851 | |
| LIABILITIES AND NET ASSETS | | | |
| Accounts payable | \$ 17,241 | \$ 12,509 | |
| Accrued expenses | 32,413 | 28,416 | |
| Line of credit | 30,000 | - | |
| Total liabilities | 79,654 | 40,925 | |
| Net assets: | | | |
| Without donor restrictions | 106,067 | 69,926 | |
| Total net assets | 106,067 | 69,926 | |
| Total Liabilities and Net Assets | \$ 185,721 | \$ 110,851 | |

The accompanying notes are an integral part of these financial statements.

WestFair Rides, Inc.

Statement of Activities and Change in Net Assets
(With summarized financial information for year ended June 30, 2020)

| <i>For the year ended June 30,</i> | Without Donor Restrictions | With Donor Restrictions | 2021 Total | 2020 Total |
|---------------------------------------|---|--|-----------------------|-----------------------|
| Support and revenue: | | | | |
| Contributions | \$ 22,859 | \$ 25,763 | \$ 48,622 | \$ 36,486 |
| Government grants | - | 379,200 | 379,200 | 295,450 |
| SBA Paycheck Protection Program Loan | - | 56,700 | 56,700 | 53,400 |
| Fundraiser, net | 15,187 | - | 15,187 | - |
| Donated services | 99,171 | - | 99,171 | 105,022 |
| Interest | - | - | - | 91 |
| Net assets released from restrictions | 461,663 | (461,663) | - | - |
| Total support and revenue | 598,880 | - | 598,880 | 490,449 |
| Expenses: | | | | |
| Program expenses | 504,053 | - | 504,053 | 422,810 |
| Supporting services | 48,476 | - | 48,476 | 25,122 |
| Fundraising | 10,210 | - | 10,210 | 34,727 |
| Total expenses | 562,739 | - | 562,739 | 482,659 |
| | | | | |
| Increase in net assets | 36,141 | - | 36,141 | 7,790 |
| | | | | |
| Net assets, beginning of the year | 69,926 | - | 69,926 | 62,136 |
| | | | | |
| Net assets, end of the year | \$ 106,067 | \$ - | \$ 106,067 | \$ 69,926 |

The accompanying notes are an integral part of these financial statements.

WestFair Rides, Inc.

Statement of Functional Expenses (With summarized financial information for year ended June 30, 2020)

| | Program Services | Supporting Services | Fundraising | 2021 Total | 2020 Total |
|----------------------------|---------------------|------------------------|------------------|-------------------|-------------------|
| Payroll | \$ 236,983 | \$ 13,790 | \$ - | \$ 250,773 | \$ 236,581 |
| Donated goods and services | 97,070 | 2,101 | - | 99,171 | 105,022 |
| Professional fees | 45,055 | 12,700 | - | 57,755 | 16,435 |
| Office expense | 27,938 | 8,708 | - | 36,646 | 9,629 |
| Ride hailing expense | 28,659 | - | - | 28,659 | 773 |
| Payroll taxes | 21,073 | 1,226 | - | 22,299 | 19,636 |
| Health Insurance | 21,029 | 1,224 | - | 22,253 | 22,305 |
| Grantwriter | - | - | 9,463 | 9,463 | 13,208 |
| Audit fee | - | 7,500 | - | 7,500 | 4,900 |
| Insurance | 7,024 | 409 | - | 7,433 | 5,455 |
| Retirement contribution | 6,804 | 396 | - | 7,200 | 6,279 |
| Travel | 3,814 | 203 | - | 4,017 | 16,553 |
| Telephone | 3,718 | 216 | - | 3,934 | 3,053 |
| Printing | 2,109 | - | - | 2,109 | 5,814 |
| Dues and subscriptions | 1,984 | - | - | 1,984 | 526 |
| Postage | 747 | - | 747 | 1,494 | 2,520 |
| Interest | 46 | 3 | - | 49 | - |
| Special event fundraising | - | - | - | - | 12,178 |
| Other fundraising | - | - | - | - | 1,047 |
| Volunteers | - | - | - | - | 745 |
| Total Expenses | \$ 504,053 | \$ 48,476 | \$ 10,210 | \$ 562,739 | \$ 482,659 |

The accompanying notes are an integral part of these financial statements.

WestFair Rides, Inc.

Statements of Cash Flows

| <i>For the years ended June 30,</i> | 2021 | 2020 |
|--|------------------|------------------|
| Cash flows from operating activities: | | |
| Increase in net assets | \$ 36,141 | \$ 7,790 |
| Adjustments to reconcile Increase in net assets to Net cash provided by operating activities: | | |
| Forgiveness of debt - PPP | (56,700) | |
| Changes in assets and liabilities: | | |
| (Increase) Decrease in grant receivable | (123,633) | 38,786 |
| (Increase) Decrease in prepaid expenses | (8,618) | (69) |
| Increase in accounts payable and accrued expenses | 8,729 | 3,542 |
| Net cash provided by (used in) operating activities | (144,081) | 50,049 |
| Cash flows from financing activities: | | |
| Loan proceeds-PPP loan | 56,700 | |
| Line of credit | 30,000 | - |
| Net cash provided by financing activities | 86,700 | - |
| Net increase (decrease) in cash and cash equivalents | (57,381) | 50,049 |
| Cash and cash equivalents at beginning of year | 73,880 | 23,831 |
| Cash and cash equivalents at end of year | \$ 16,499 | \$ 73,880 |
| Supplemental disclosures | | |
| Interest paid | \$ 49 | \$ - |

The accompanying notes are an integral part of these financial statements.

Note 1 - Organization

Established in 2011, WestFair Rides, Inc. (“WFR”) manages a collaborative mobility management network that serves older residents aged 60+ and visually impaired adults. Carefully screened WFR volunteers drive older adults and adults with vision impairments to medical appointments across Westchester County, NY, helping to ensure that they receive the care they need. WFR also maintains a call center and a central directory of transportation resources for Westchester County, NY and Fairfield County, CT, which it makes available to community partners online and to the general public by phone. To reduce costs and provide backup rides when needed, WFR shares its online volunteer management information systems with three Aging in Place organizations (At Home on the Sound, SPRYE, and New Rochelle Cares). WFR participates in collaborative networks with Westchester County Livable Communities, individual aging in place programs and other nonprofit organizations and ride providers. In 2018, WFR partnered with GoGoGrandparent.com to offer additional monitored transportation options using such ride-hailing services as Uber and Lyft.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Organization prepares its financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Pledges Receivable and Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

Note 2 - Summary of Significant Accounting Policies (continued)

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

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.

Tax Status

The Organization is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

The Organization has evaluated the recognition requirements for uncertain income tax positions as required by accounting principles generally accepted in the United States of America, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions on June 30, 2021 and 2020.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments, that potentially subject the Organization to concentrations of credit risk, consist of cash and cash equivalents. At times during the year such investments may be in excess of Federal Deposit Insurance Corporation (FDIC) limits.

Recent Pronouncements

In February 2016, the Financial Accounting and Standards Board (FASB) issued ASU 2016-02, Leases (842). The new guidance requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and a lease liability on the statement of financial position at the

Note 2 - Summary of Significant Accounting Policies (continued)

date of lease commencement. The pattern of expense recognition in the statement of activities will depend on the lease's classification. For not-for-profit operations, the standard takes effect for years beginning after December 31, 2021. The Organization is currently evaluating the impact that this standard may have on its financial statements. As of June 30, 2021, the Organization did not have leases.

In 2018, the FASB issued ASU 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e. an exchange transaction) or nonreciprocal (i.e. a contribution) and for distinguishing between conditional and unconditional contributions. The new standard is effective for WestFair Rides, Inc. 2021 financial statements.

In 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU establishes principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers, particularly, that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization adopted the standard and it did not affect the timing of revenue recognition.

Note 3 – Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. Volunteers also provided driving services throughout the year that are recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 was met.

Donated services in 2021 and 2020 consisted primarily of volunteer drivers and a dispatcher and the cost-free use of office facilities. The value of volunteer hours is set by a study conducted by the Independent Sector and was \$33.17 per hour for 2021 and \$31.29 per hour for 2020. WFR uses those values. The value of the donated facilities is based on comparable rental space in the area.

Note 4 – Grant Receivable

Since 2013, WFR has been funded by Mobility Management grants from the Federal Transit Administration (FTA) administered through the New York State Department of Transportation. The grants are used to improve communications with older adults and their adult children regarding opportunities that ensure access to scheduled medical appointments. The current two-year grant that commenced June 2019 was awarded under Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities in the amount of \$829,951. The grant funds eighty percent of approved expenses with twenty percent paid by a local match.

All grants awarded under the Mobility Management Program are subject to audit by the FTA on a three-year cycle. WFR has been audited through 2020 with no changes to expenses funded.

Note 5 – Line of Credit

The Organization secured a line of credit with Tompkins Mahopac Bank for \$100,000 on September 30, 2020. The interest rate on advanced funds will be approximately 2% above the bank's prime rate. As of June 30, 2021, the interest rate was 5.25% and the Organization had \$30,000 drawn on this line of credit.

Note 6 – Liquidity

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

| | |
|------------------------|-------------------|
| Cash and equivalents | \$ 16,499 |
| Grant receivable | 154,711 |
| <u>Total available</u> | <u>\$ 171,210</u> |

WFR was awarded funding through June 30, 2021 from the Federal Transit Administration (Note 4). Management intends to apply for continued funding through available grants. Liquidity is also available on a temporary basis through borrowing on the line of credit (Note 5).

Note 7 - Functional Allocation of Expenses

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

Note 8 – SBA Paycheck Protection Program Loan (PPP)

In February 2021, the Organization received funding in the amount of \$56,700 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The PPP Loan has a two-year term and bears interest at a rate of 1% per annum. The PPP loan may be prepaid at any time prior to maturity with no prepayment penalties. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

During the year ended June 30, 2021, the Organization used substantially all of its loan proceeds to subsidize direct payroll, benefits, and utilities expenses. The Organization met PPP's eligibility criteria and the loan was forgiven.

Note 9 – Retirement Plan

In 2020, the Organization established a 401(k) retirement plan (“the Plan”) for all eligible employees. Participants are immediately eligible for salary deferral contributions and can receive company matching contributions up to 3% of their annual income. The Plan has been adopted by the Organization for the purpose of rewarding long and loyal service employees with additional security at retirement. The Organization’s 401(K) matching expense for the years ended June 30, 2021 and 2020 was \$7,200 and \$6,279 respectively.

Note 10 – Reclassification

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Note 11 – Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (Covid-19) a global pandemic. The Organization’s future operations and financial performance may be affected by the recent pandemic which has adversely affected economic conditions throughout the world. The Organization may experience a disruption in operations, decline in support revenue, as well as a decline in fair value of its assets as a result of this pandemic. At the date of this report, Management has not quantified the effects of this pandemic, but will monitor the matter closely. Depending on the duration of this pandemic, the outlook of the Organization’s financial conditions and results of operations cannot be determined.

Note 12 – Subsequent Events

The Organization has evaluated subsequent events through January 31, 2022, which is the date the financial statements were available to be issued.