

WESTFAIR RIDES, INC. d/b/a TRA

**Financial Statements
Year Ended June 30, 2022
With Comparative Financial Information
as of June 30, 2021
With Independent Auditors' Report**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
WestFair Rides, Inc. d/b/a TRA
Mount Kisco, New York

Opinion

We have audited the accompanying financial statements of WestFair Rides, Inc. d/b/a TRA (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022, and the related statement 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WestFair Rides, Inc. d/b/a TRA as of June 30, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements sections of our report. We are required to be independent of WestFair Rides, Inc. d/b/a TRA and to meet our other responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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.

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 WestFair Rides, Inc. d/b/a TRA's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 auditor's 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 WestFair Rides, Inc. d/b/a TRA'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 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 WestFair Rides, Inc. d/b/a TRA'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.

Report on Summarized Comparative Information

We have previously audited WestFair Rides, Inc. d/b/a TRA's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Tobin & Company
Certified Public

Purchase, New York
December 27, 2022

WestFair Rides, Inc. d/b/a TRA

Statements of Financial Position

<i>As of June 30,</i>	2022	2021
ASSETS		
Cash and cash equivalents	\$ 18,065	\$ 16,499
Grants receivable (Note 4)	339,824	154,711
Prepaid expenses and other	29,033	14,511
Property, Plant, and Equipment, Net	65,628	-
Total Assets	\$ 452,550	\$ 185,721
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 18,115	\$ 17,241
Accrued expenses	30,541	32,413
Line of credit	120,000	30,000
Loan payable	60,000	-
Total liabilities	228,656	79,654
Net assets:		
Without donor restrictions	187,981	106,067
With donor restrictions	35,914	-
Total net assets	223,894	106,067
Total Liabilities and Net Assets	\$ 452,550	\$ 185,721

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

WestFair Rides, Inc. d/b/a TRA

Statements of Activities and Changes in Net Assets (With summarized financial information for year ended June 30, 2021)

<i>For the year ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Support and revenue:				
Contributions	\$ 47,610	\$ 35,000	\$ 82,610	\$ 48,622
Government grants	692,042	38,731	730,773	379,200
Donated services	141,333	-	141,333	99,171
SBA Paycheck Protection Program Loan	-	-	-	56,700
Fundraiser, net	-	-	-	15,187
Net assets released from restrictions	37,817	(37,817)	-	-
Total support and revenue	918,802	35,914	954,716	598,880
Expenses:				
Program expenses	740,430	-	740,430	504,053
Fundraising	56,029	-	56,029	10,210
Supporting services	40,429	-	40,429	48,476
Total expenses	836,888	-	836,888	562,739
Increase in net assets	81,914	35,914	117,827	36,141
Net assets, beginning of the year	106,067	-	106,067	69,926
Net assets, end of the year	\$ 187,981	\$ 35,914	\$ 223,894	\$ 106,067

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

WestFair Rides, Inc. d/b/a TRA

Statement of Functional Expenses (With summarized financial information for year ended June 30, 2021)

	Program Services	Supporting Services	Fundraising	2022 Total	2021 Total
Payroll	\$ 296,811	\$ 11,537	\$ 40,340	\$ 348,688	\$ 250,773
Professional fees	142,310	18,474	-	160,784	74,718
Donated goods and services	134,922	1,439	5,032	141,393	99,171
Ride hailing expenses	49,033	-	-	49,033	28,659
Employee benefits	29,711	1,155	4,038	34,904	29,453
Payroll taxes	25,631	996	3,484	30,111	22,299
Office expense	17,121	6,366	525	24,012	36,646
Travel	9,054	-	74	9,128	4,017
Printing	8,916	-	-	8,916	2,109
Insurance	5,944	231	808	6,983	7,433
Vehicle	5,481	-	-	5,481	-
Depreciation	5,321	-	-	5,321	-
Telephone	3,470	135	472	4,077	3,934
Interest expense	2,463	96	335	2,894	49
Dues and subscriptions	2,463	-	-	2,463	1,984
Postage	921	-	921	1,842	1,494
Special events: outreach	859	-	-	859	-
Total Expenses	\$ 740,430	\$ 40,429	\$ 56,029	\$ 836,888	\$ 562,739

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

WestFair Rides, Inc. d/b/a TRA

Statements of Cash Flows

<i>For the years ended June 30,</i>	2022	2021
Cash flows from operating activities:		
Increase in net assets	\$ 117,827	\$ 36,141
Adjustments to reconcile Increase in net assets to		
Net cash provided by operating activities:		
Forgiveness of debt - PPP	-	(56,700)
Depreciation	5,321	-
Changes in assets and liabilities:		
Increase in grant receivable	(185,114)	(123,633)
Increase in prepaid expenses and other	(14,522)	(8,618)
Increase (Decrease) in accounts payable and accrued expenses	(997)	8,729
Net cash used in operating activities	(77,485)	(144,081)
Cash flows from investing activities		
Purchase of vehicles	(70,949)	-
Cash flows from financing activities:		
Loan proceeds-PPP loan	-	56,700
Proceeds from line of credit	90,000	30,000
Proceeds from loan payable	60,000	-
Net cash provided by financing activities	150,000	86,700
Net increase (decrease) in cash and cash equivalents	1,566	(57,381)
Cash and cash equivalents at beginning of year	16,499	73,880
Cash and cash equivalents at end of year	\$ 18,065	\$ 16,499
Supplemental disclosures		
Interest paid	\$ 2,894	\$ 49

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

Note 1 - Organization

Established in 2011, WestFair Rides, Inc. d/b/a TRA (the "Organization") manages a collaborative mobility management network that serves older residents aged 60+ and adults 21+ with low vision. Carefully screened volunteers drive older adults and adults with low vision to medical appointments across Westchester County, NY, helping to ensure that they receive the care they need. The Organization also maintains a call center and a central directory of transportation resources for Westchester County, NY and Fairfield County, CT, which makes it available to community partners online and to the general public by phone. To reduce costs and provide backup rides when needed, the Organization shares its online volunteer management information systems with three Aging in Place Organizations (At Home on Sound, SPRYE, and New Rochelle Cares). The Organization participates in collaborative networks with Westchester County Livable Communities, aging in place programs and other nonprofit organizations and ride providers.

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, 2022 and 2021.

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.

Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets ranging between 5 and 7 years. No asset impairments were noted at June 30, 2022.

Compensated Absences

Full-time, permanent employees of the Organization earn a vested right to compensation for unused vacation and personal leave time. Accordingly, the Organization has accrued a liability for vacation and personal leave compensation that employees have earned but not yet taken. The Organization has a \$3,874 liability for the year ended June 30, 2022.

Note 2 - Summary of Significant Accounting Policies (continued)

Advertising

The Organization uses advertising to promote its programs among the public it serves. Advertising and marketing costs are expensed as incurred. During the year ended June 30, 2022 advertising and marketing costs totaled \$3,044.

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 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, 2022, the Organization did not have leases.

In September 2020, the Financial Accounting Standards Board issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, to clarify the presentation and disclosure of contributed nonfinancial assets, including land, buildings, and other items. The ASU does not change existing recognition and measurement requirements for contributed nonfinancial assets. The ASU is effective for annual reporting periods beginning after June 15, 2021, with early adoption permitted. The Organization adopted the pronouncement and there was no impact on its financial statements.

Note 3 – Contributed Nonfinancial Assets

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 2022 and 2021 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 \$34.59 per hour for 2022 and \$33.17 per hour for 2021. The Organization uses those values. The value of the donated facilities is based on comparable rental space in the area. Contributed nonfinancial assets consisted of the following at June 30:

	2022	2021
Volunteer Driving Services	\$ 79,896	\$ 42,957
Office Space	39,837	34,614
Software Licenses	18,000	18,000
Office Equipment	3,600	3,600
	\$ 141,333	\$ 99,171

Note 4 – Grants Receivable

Since 2013, the Organization 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 grant that commenced January 1, 2020 was awarded under Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities in the amount of \$2,052,357, of which \$634,648 was earned during the year ended June 30, 2022. 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 a closeout financial audit by the NYS Department of Transportation at the end of each grant cycle. New York State also contracts with a national accounting firm to audit program compliance with federal and state regulations every three years. The Organization has been audited through 2022 with no changes to expenses funded. In addition, the Organization receives grants from various organizations throughout the year. Grants receivable as of June 30, 2022 and 2021 were \$339,825 and \$154,711, respectively.

Note 5 – Property, Plant, and Equipment

Property, plant, and equipment consisted of the following as of June 30:

As of June 30,	2022
Vehicles	\$ 70,949
Less: accumulated depreciation	(5,321)
Vehicles, Net	\$ 65,628

Depreciation expense at June 30, 2022 was \$5,321.

Note 6 – Line of Credit

The Organization secured a line of credit with Tompkins Community Bank for \$100,000 on September 30, 2020. During 2022, the line of credit was increased to \$200,000 and is set to mature on October 4, 2025. The interest rate on advanced funds will be approximately 2% above the bank's prime rate. As of June 30, 2022, the interest rate was 6.75% and the Organization had \$120,000 drawn on this line of credit. As of June 30, 2022 and 2021, and through the date of the financials, the Organization was in compliance with bank covenants related to the line of credit.

Note 7 – Notes Payable

During February 2022, the Organization entered into two \$30,000 (\$60,000 total) commercial vehicle loans with Tompkins Community Bank at a fixed interest rate of 3.99%. The note is secured by the vehicles of the Organization and requires the Organization to meet customary financial covenants as described in the agreement. The first six months of the loan requires monthly interest payments only, then converting to an 18-month principal and interest period. As of June 30, 2022, the loans had an outstanding balance due of \$60,000. As of June 30, 2022, the Organization was in compliance with bank covenants related to these loan agreements. The Organization paid off these loans in full during July 2022.

Note 8 - 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 9 – Liquidity

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

Cash and equivalents	\$ 18,065
Grant receivable	339,824
Less: assets with donor restrictions	(35,914)
<u>Total available</u>	<u>\$ 321,976</u>

The Organization was awarded funding through June 30, 2022 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 6).

Note 10 – Net Assets with Donor Restrictions

At June 30, 2022, the Organization’s net assets with donor restrictions were \$35,914. These assets were restricted for the purpose of providing donor specific outreach support.

Note 11 – 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 and its recognized as support on the statement of activities.

Note 12 – 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, 2022 and 2021 was \$8,336 and \$7,200, respectively.

Note 13 – 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 14 – Subsequent Events

During July 2022, the Organization paid off its commercial automobile loans in full.

The Organization has evaluated subsequent events through December 27, 2022, which is the date the financial statements were available to be issued.