Brian T. Wolfe, C.P.A.
John R. Fiedler, C.P.A.

Wolfe & Fiedler, P.A.
Certified Public Accountants

Change is inevitable...Progress is optional.

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Maryland Association of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Neighbor Ride, Inc.

We have audited the accompanying financial statements of Neighbor Ride, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, 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 from 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 Neighbor Ride, 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.

Wolfe + Lieal Ler, P.A.

Baltimore, Maryland
April 29, 2022

Neighbor Ride, Inc.
Statement of Financial Position
June 30, 2021

ASSETS		
Current Assets		
Cash	$	240,496
Cash - Temporarily Restricted		64,038
Beneficial Interest - Endowment		15,481
Accounts Receivable		3,642
Grants Receivable		1,436
Prepaid Expenses and Other Assets		7,414
Total Current Assets		332,507
Furniture and Equipment		
Furniture and Equipment		4,079
Less: Accumulated Depreciation		(4,079)
Net - Furniture and Equipment		-
Other Assets		
Internal-use Software Developed - Net of Accumulated Amortization of $114,672		93,182
Security Deposits		2,618
Beneficial Interest - Endowment - Noncurrent		33,103
Total Other Assets		128,903
TOTAL ASSETS	$	461,410
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$	1,195
Deferred Income		30,727
Total Current Liabilities		31,922
Total Liabilities		31,922
NET ASSETS		
Without Donor Restrictions		
Undesignated		332,347
With Donor Restrictions		97,141
Total Net Assets		429,488
TOTAL LIABILITIES AND NET ASSETS	$	461,410

The Accompanying Notes Are An Integral Part of These Financial Statements

Neighbor Ride, Inc.
Statements of Activities
For The Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue			
Contributions	$ 134,836	$ 98,000	$ 232,836
Grants	103,640	-	103,640
Transportation Fees	41,371	-	41,371
Delivery Fees	32,214	-	32,214
Registration Fees	1,290	-	1,290
Special Events - Net of Direct Costs of $2,370	6,395	-	6,395
Total Revenue and Support before Releases	319,746	98,000	417,746
Net Assets Released from Restrictions Restrictions Satisfied by Payments	37,687	(37,687)	-
Total Revenue and Support	357,433	60,313	417,746
Expenses			
Program Services	314,121	-	314,121
Supporting Services			
General & Administrative	48,693	-	48,693
Fundraising	37,106	-	37,106
Total Supporting Services	85,799	-	85,799
Total Expenses	399,920	-	399,920
Change in Net Assets From Operating Activiites	(42,487)	60,313	17,826
Nonoperating Revenue			
Interest Income	1,191	-	1,191
Paycheck Protection Program Loan Forgiven	38,024	-	38,024
Change in value of beneficial interest - Endowment	2,215	8,706	10,921
Change in Net Assets From Nonoperating Activiites	41,430	8,706	50,136
Change in Net Assets	(1,057)	69,019	67,962
NET ASSETS AT BEGINNING OF YEAR	333,404	28,122	361,526
NET ASSETS AT END OF YEAR	$ 332,347	$ 97,141	$ 429,488

The Accompanying Notes Are An Integral Part of These Financial Statements

Neighbor Ride, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services	Supporting Services: General & Administrative	Supporting Services: Fund Raising	Supporting Services: Total Supporting	2021 Total
Salary - Executive Director	$ 56,925	$ 11,385	$ 7,590	$ 18,975	$ 75,900
Salary - Coordinators	91,398	9,103	10,754	19,857	111,255
Payroll Taxes	11,902	1,356	1,808	3,164	15,066
TOTAL	$ 160,225	$ 21,844	$20,152	$ 41,996	$ 202,221
Accounting	-	8,195	-	8,195	8,195
Amortization	78,849	-	-	-	78,849
Bad Debt	266	-	-	-	266
Bank Fees	-	-	519	519	519
Board Expenses	-	141	-	141	141
Depreciation	123	33	-	33	156
Fund Development	-	-	5,298	5,298	5,298
Insurance	-	6,517	-	6,517	6,517
Hosting	3,407	-	-	-	3,407
Marketing	2,709	-	4,306	4,306	7,015
Dues	1,199	-	-	-	1,199
Occupancy	29,928	3,409	4,546	7,955	37,883
Passenger Newsletter Expense	2,267	-	-	-	2,267
Postage/Mailings	-	-	1,139	1,139	1,139
Professional Develop/Meetings	2,800	-	-	-	2,800
Professional Fees	-	541	-	541	541
Software	-	6,498	-	6,498	6,498
Supplies	7,548	860	1,146	2,006	9,554
Telephone	2,466	655	-	655	3,121
Volunteer Expenses	3,644	-	-	-	3,644
Good Neighbor Fund/Subsidized Rides	18,690	-	-	-	18,690
TOTAL EXPENSES	$ 314,121	$ 48,693	$37,106	$ 85,799	$ 399,920

Neighbor Ride, Inc.
Statement of Cash Flows
For the Years Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 67,962
Adjustment to Reconcile Change in Net Assets To Net Cash Provided By Operating Activities:	
Amortization	78,849
Depreciation	156
Change in Beneficial Interest in Endowment	(10,922)
(Increase) / Decrease in:	
Accounts Receivable	(414)
Grants Receivable	1,899
Prepaid Expenses and Other Assets	(144)
Increase / (Decrease) in:	
Accounts Payable	(250)
Deferred Income	757
Net Cash Provided By Operating Activities	137,893
CASH FLOWS FOR INVESTING ACTIVITIES	
Internal-use Software Enhancements	(28,736)
Net Cash Used For Investing Activities	(28,736)
CASH FLOWS FROM FINANCING ACTIVITIES	
Forgiveness of Paycheck Protection Loan	(38,024)
Net Cash Provided By Financing Activities	(38,024)
Net Increase in Cash	71,133
Cash at Beginning of Year	233,401
Cash at End of Year	$ 304,534

The Accompanying Notes Are An Integral Part of These Financial Statements

NEIGHBOR RIDE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE A – NATURE OF ACTIVITIES

Neighbor Ride, Inc. was incorporated under the laws of the State of Maryland. The corporation adopted a fiscal year ending June 30. Neighbor Ride, Inc. is a 501(c)(3) nonprofit supplemental transportation program serving Howard County residents age sixty and older. The Organization's mission is to enhance the health and quality of life for Howard County's seniors by providing the comfort and peace of mind of affordable, passenger-focused transportation services through a reliable, volunteer-based system. Neighbor Ride provides door-to-door transportation for medical appointments, religious services, recreational and social events, fitness and academic classes, volunteer and employment obligations, personal care and business appointments, shopping and other day-to-day activities. Services are available to age-eligible county residents, regardless of ability to pay. Transportation to county seniors is provided within a 35 mile radius – approximately 900 square miles. Approximately 13 volunteer ride coordinators handle intake and scheduling functions Monday through Saturday. Transportation, available seven days per week, is provided by an approximate team of 375 volunteer drivers, using their personal vehicles. In addition to the volunteers, Neighbor Ride, Inc. is supported primarily through grants, donor contributions and fundraising.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The financial statements of Neighbor Ride, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. 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). The ASC 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. There are currently no board designated assets.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CON'T

Basis of Accounting and Presentation – Con't

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 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. The Organization has net assets with donor restrictions related to its rides and beneficial interest endowment.

New Accounting Pronouncement

The Organization adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended during the audit period. The ASU requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services. The ASU also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, as well as other disclosures.

Analysis of the various positions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audit financial statements were required on a retrospective basis. The presentation and disclosures of revenue were enhanced in accordance with the standard. Management feels the standard improves the usefulness and understandability of the Organization's financial reporting.

Cash and Cash Equivalents

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

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Costs directly identified are charged to programs and supporting services. Expenses related to more than one function are allocated on estimates of the employees' time and effort. Management and general expenses include

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CON'T

Functional Expense Allocation – Con't

those expenses not directly identifiable with any other specific function and provide for the overall support of the Organization.

The expenses allocated based on the employees' time and effort include Salaries & Benefits, Depreciation, Occupancy, Supplies, and Telephone.

Income Tax Status

Neighbor Ride, Inc. has been classified by the Internal Revenue Services as an nonprofit organization under section 501 (c)(3) of the Internal Revenue Code and as an organization other than a private foundation under section 509(a)(2). Under these sections, the Association is exempt from paying federal income tax on any income except for unrelated business income. No provision has been made for income taxes, as the Organization has had no significant taxable unrelated business income.

With few exceptions, the Organization is no longer subject to income tax examinations from the federal, state, or local authorities for years before June 30, 2018.

Revenue Recognition

Transportation fees are a contract for the Organization to provide transportation to a specific destination. The performance obligation is satisfied when the ride is provided. Transaction prices are based on a set fee schedule depending on the mileage of the trip. Transportation fees are recognized as income when the ride is provided to the passenger. Transportation Fees received and incurred prior to the ride are deferred and recognized upon completion of the transportation.

Public Support and contributions are recorded as revenue and net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions or by law. In general, grants received by the Organization are considered contributions except those noted below. Public support and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled, net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as net assets without donor restrictions.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CON'T

Revenue Recognition – Con't

The Organization receives one grant from Howard County and One grant from the State of Maryland. These grants are recorded as exchange transactiosn as the Organization has determined these grantors receive commensurate value for the services the Organization provides. The performance obligations and the transaction price of these grants are outlined in the grant agreement. The revenue is recognized as the money is spent according to the grant agreement.

Revenue and expenses for special events are recognized in the year they are performed. Revenues received and expenses incurred prior to the events are deferred and recognized when the events occur.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The outstanding balances are considered past due after 90 days. Balances that are still outstanding after management has used reasonable collection efforts are written off through bad debt expense and a credit to accounts receivable. Bad debt expense for the year ended June 30, 2021 was $266.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Estimates have been prepared by management on the basis of the most current and best available information at the time of estimation and actual results could differ from those estimates.

Property and Equipment

The Organization capitalizes all expenditures in excess of $1,000. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. The estimated useful life used in computing depreciation is five to seven years. Depreciation expense for the year ending June 30, 2021 was $156.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CON'T

Subsidized Rides

The Organization provides rides for no charge to certain passengers who meet certain financial requirements and donor specifications. These rides are subsidized by individual donors and grantors who specifically designate their money to be used for these passengers. In order to reflect the fair market value of these rides an entry has been made to the good neighbor fund/subsidized ride expense. The result is an increase in the transportation fees income but no change to the Organization's net assets. For the year ending June 30, 2021 the total amount of the expense was $18,690.

Advertising

Advertising Costs are expensed as incurred.

Deferred Revenue

Income from prepayment of transportation fees are deferred and recognized over the periods to which the revenues relate.

Computer Software

The Company has Adopted SOP 98-1 in accounting for the costs of software developed for internal use. Certain costs related to the preliminary phase, application development phase, and implementation phase have been capitalized and appear on the statement of the financial position. The costs are being amortized on a straight line method over 2 years. The Organization plans to discontinue its use July 1, /2022. Amortization expense for the year ended June 30, 2021 was $78,849.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from bank account interest and increases in the beneficial interest endowment.

Paycheck Protection Program Loan

The Organization received a paycheck protection program loan on April 27, 2020 in the amount of $38,024. Under the terms of the loan, there would be forgiveness if certain conditions were met. The loan was forgiven April 13, 2021 and recognized as nonoperating income.

NOTE C – CONTRACTS

On 06/01/2020 the Organization entered into an agreement with The Canton Group, LLC to support the Organization's internally developed software database. The agreement calls for an hourly rate of $167 with a pre-authorized limit of 2.5 hours per month. The term of the contract is for one year and can be terminated by providing written notice at least 30 days before the effective date of termination if agreed to by both parties.

NOTE D – LEASE

The Organization has a non-cancelable operating lease for its office facilities. The lease calls for monthly payments that include utilities. The Organization will also pay a proportional share of State and local taxes assessed and operating costs, based on the percent of the premises leased to the landlord's total premises, which is 5.1%. Rent expense for the year-ending June 30, 2021 was $37,883.

The lease is a five-year term that calls for annual increases of 3 percent.

Future minimum lease payments under this operating lease, which has a remaining term in excess of one year as of June 30, 2021, are:

Years Ending June 30:	
2022	40,372
2023	23,957

NOTE E –NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets consist for the following purposes as of June 30, 2021.

Beneficial Interest – Endowment	$ 33,103
Database Enhancements	21,263
CDC Grant Agreement	42,037
Transportation Fees	738
Total net assets with donor restrictions	$ 97,141

NOTE F – BENEFICIAL INTEREST - ENDOWMENT

The Organization maintains beneficial interest of an endowment fund held and managed by the Community Foundation of Howard County, formerly known as The Columbia

NOTE F – BENEFICIAL INTEREST – ENDOWMENT – CON'T

Foundation. The endowment was started in January 2008. The fund specifies a restricted amount and an amount available for operations each year. Annually, the beneficial interest is adjusted for changes in the value of endowment assets. As of June 30, 2021 the balance as provided by the Community Foundation of Howard County was $48,584. The amount available for operations as of June 30, 2021 was $15,481. The donor restricted amount was $33,103.

NOTE G – VOLUNTEER HOURS

The Organization relies on volunteer drivers and ride coordinators in order to fulfill its mission. Without these volunteers, the services provided by the Organization would be at risk. For the year ended June 30, 2021, 10,799 hours were worked by volunteers. At a volunteer rate provided by the Howard County Department of Community Resources and Services of $24.69 per hour that equates to $266,627. The hours are calculated using a formula involving trips. This formula takes the duration of the ride and adds 30% to account for the volunteers travel time. Because this is classified as unskilled labor, these amounts are not reflected in the financial statements.

NOTE H – CONCENTRATIONS

The Grant Revenue of the Organization from two specific grantors amount to 97% of the total grant revenue of the Organization. These government grants are not guaranteed each year. Any changes in the grants provided could have an adverse effect on the entity's ability to operate.

NOTE I - LIQUIDITY

The Organization's financial assets available within one (1) year of the balance sheet date for general expenditures are as follows:

Cash	$ 240,496
Beneficial Interest - Endowment	15,481
Accounts Receivable	3,642
Grant Receivable	1,436
Prepaid Expenses and Other Assets	7,414
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 268,469

NOTE J – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 29, 2022, the date these financial statements were available to be issued, and have determined that no material subsequent events, unless otherwise noted, have occurred that should be recorded in the accompanying financial statements as of June 30, 2021.

Beginning in late January of 2020, the economy as a whole has suffered disruptive effects from the outbreak of coronavirus (COVID-19). Given the dynamic nature of these events, the extent, duration and pervasiveness of these effects cannot be reasonably estimated at this time.