



The Street Trust

Financial Statements and Other Information
as of and for the Year Ended August 31, 2018
and Report of Independent Accountants

THE STREET TRUST

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REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
The Street Trust Community Fund:*

We have audited the accompanying financial statements of The Street Trust Community Fund (dba “The Street Trust”), which comprise the statement of financial position as of August 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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; 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. 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 organization’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 organization’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 The Street Trust Community Fund as of August 31, 2018, 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.

Summarized Comparative Information

We have previously audited The Street Trust Community Fund's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 4, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "EY&C. LLP". The signature is stylized and cursive.

December 6, 2018

THE STREET TRUST

STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2018

(WITH COMPARATIVE AMOUNTS FOR 2017)

	2018	2017
Assets:		
Cash and cash equivalents	\$ 219,100	295,040
Accounts receivable <i>(note 4)</i>	101,697	12,491
Contributions receivable <i>(note 5)</i>	3,111	40,000
Prepaid expenses, deposits, and inventories	33,875	34,819
Property and equipment <i>(note 6)</i>	9,560	15,951
Total assets	\$ 367,343	398,301
Liabilities:		
Accounts payable and accrued expenses	21,048	14,290
Accrued payroll and related expenses	23,002	30,817
Deferred revenue	16,100	72,800
Total liabilities	60,150	117,907
Net assets:		
Unrestricted:		
Available for programs and general operations	83,441	55,813
Designated by Board for operating reserve <i>(note 7)</i>	150,000	150,000
Net investment in capital assets	9,560	15,951
Total unrestricted	243,001	221,764
Temporarily restricted <i>(note 7)</i>	64,192	58,630
Total net assets	307,193	280,394
Commitments and contingencies <i>(notes 4, 12, 13, and 14)</i>		
Total liabilities and net assets	\$ 367,343	398,301

See accompanying notes to financial statements.

THE STREET TRUST

STATEMENT OF ACTIVITIES

YEAR ENDED AUGUST 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018			2017
	Unrestricted	Temporarily restricted	Total	
Revenues, gains, and other support:				
Government grants and contracts	\$ 444,189	–	444,189	412,041
Private grants and contributions	261,476	64,192	325,668	370,715
In-kind contributions	5,802	–	5,802	4,584
Program events and fees (<i>note 8</i>)	80,430	–	80,430	66,392
Special events, net of direct costs of \$34,882 in 2018 and \$49,815 in 2017	135,614	–	135,614	85,846
Sale of merchandise, net of cost of sales of \$19,207 in 2018 and \$7,551 in 2017	(14,600)	–	(14,600)	1,166
Other	19,098	–	19,098	31,000
Total revenues and gains	932,009	64,192	996,201	971,744
Net assets released from restrictions (<i>note 10</i>)	58,630	(58,630)	–	–
Total revenues, gains, and other support	990,639	5,562	996,201	971,744
Expenses (<i>note 11</i>):				
Program services	614,733	–	614,733	642,936
Management and general	105,071	–	105,071	159,680
Fundraising	249,598	–	249,598	256,994
Total expenses	969,402	–	969,402	1,059,610
Increase (decrease) in net assets	21,237	5,562	26,799	(87,866)
Net assets at beginning of year	221,764	58,630	280,394	368,260
Net assets at end of year	\$ 243,001	64,192	307,193	280,394

See accompanying notes to financial statements.

THE STREET TRUST

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED AUGUST 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018				2017
	Program services	Management and general	Fundraising	Total	
Salaries and related expenses	\$ 417,342	86,281	170,139	673,762	656,770
Professional services	54,209	4,164	42,095	100,468	176,905
Occupancy	42,640	8,741	17,468	68,849	66,463
Telephone, technology, and data	2,914	598	1,192	4,704	5,061
Office supplies and related expenses	31,861	262	3,503	35,626	27,312
Printing and publications	2,748	23	3,754	6,525	19,599
Postage and delivery	207	—	—	207	3,721
Facility and equipment rental	29,916	415	828	31,159	32,234
Travel	7,126	9	590	7,725	15,507
Training and conferences	462	—	40	502	4,116
Memberships and dues	5,268	1,068	2,174	8,510	13,434
Insurance	3,848	788	1,578	6,214	4,735
Meals and meetings	320	—	—	320	612
Marketing and advertising	9	—	650	659	1,731
Bank fees	9,203	1,886	3,914	15,003	18,487
Depreciation and amortization	3,958	811	1,622	6,391	8,736
Miscellaneous	2,702	25	51	2,778	4,187
Total expenses	\$ 614,733	105,071	249,598	969,402	1,059,610

See accompanying notes to financial statements.

THE STREET TRUST

STATEMENT OF CASH FLOWS

YEAR ENDED AUGUST 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018	2017
Cash flows from operating activities:		
Cash received from grantors, members, and others	\$ 571,710	654,197
Cash received from governmental agencies	354,700	421,118
Interest income	2,261	1,529
Cash paid to employees, suppliers, grantees, and others	(1,004,611)	(1,139,867)
Net cash used in operating activities	(75,940)	(63,023)
Net decrease in cash and cash equivalents	(75,940)	(63,023)
Cash and cash equivalents at beginning of year	295,040	358,063
Cash and cash equivalents at end of year	\$ 219,100	295,040

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2018

1. Organization

The Street Trust Community Fund (dba “The Street Trust”) works to promote and improve public transit, walking and bicycling conditions in Oregon. Since 1990, The Street Trust has partnered with citizens, businesses, community groups, governmental agencies, and elected officials to create communities in which people can meet their daily transportation needs without a car.

The Street Trust promotes walking, biking, and transit through educational programs, encouragement programs, events, and advocacy. The Street Trust seeks to transform communities by offering improved transportation choices that address universal challenges, such as health, well-being, livability, affordability, clean air, and sustainable energy.

2. Program Services

During the year ended August 31, 2018, The Street Trust incurred program service expenses in the following major areas:

Education – The Street Trust educates children, youth, families, and adults to bike and walk safely. Programs like Safe Routes to School and Rules of the Road clinics reach thousands of kids and adults each year. The Active Transportation Summit advances the practice of professionals and activists in the alternative transportation field.

Encouragement – The Street Trust introduces kids and adults to walking and biking through encouragement programs like Walk & Roll to School and the Bike More Challenge. Women Bike and Access to Cycling are programs that seek to broaden the demographics of people who bike.

Advocacy – The Street Trust calls for state, regional and local officials to direct more funding to walking, biking, and transit; and to adopt policies that make walking, biking, and transit safe and convenient. The Street Trust also seeks to amplify the efforts of local activists.

3. Summary of Significant Accounting Policies

The significant accounting policies followed by the organization are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – The Street Trust has adopted the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) No. 958-605, *Revenue Recognition*, and FASB ASC No. 958-205, *Presentation of Financial Statements*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of The Street Trust and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the organization and/or the passage of time.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, such differences, if any, would not be significant.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Unconditional promises to give, with payments due to The Street Trust in future periods, are recorded as increases in temporarily restricted net assets at the estimated present value of future cash flows, net of an allowance for estimated uncollectible promises. Restricted contributions received and expended in the same period are reported as unrestricted contributions.

Contributions of Long-Lived Assets – Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire property and equipment with such donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

In-Kind Contributions – The Street Trust receives contributed services from a large number of volunteers who assist in fundraising and other efforts through their participation in a range of activities. In accordance with FASB ASC No. 958-605, *Revenue Recognition*, the value of such services, which the organization considers generally not practicable to estimate, has not been recognized in the accompanying financial statements. Significant services received which create or enhance a non-financial asset or require specialized skills that the organization would have purchased if not donated are recognized in the accompanying financial statements.

In-kind contributions of equipment and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an integral part of the organization's activities.

During the year ended August 31, 2018, the following in-kind contributions were recorded by the organization:

Supplies and materials	\$	5,802
Special events		6,800
		\$ 12,602

Cash Equivalents – For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less to be cash equivalents. Cash and cash equivalents include money market funds.

Capital Assets and Depreciation – Property and equipment are carried at cost, and initially at fair value when acquired by gift. Capital assets having a unit cost exceeding \$1,000 and an estimated useful life of more than one year are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally five to ten years for computers and software, five years for bicycles, five years for furniture and equipment, and five years for lease-hold improvements (or the length of the lease term, if less).

Revenue Recognition – All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Service revenues are recognized at the time services are provided and the revenues are earned. Merchandise sales are recognized at the time the transaction occurs and the revenues are earned. Membership payments are considered equivalent to unrestricted contributions and are recognized as revenue when received.

Grants – Grant awards are recorded when unconditional, approved by the Board of Directors, and announced to the grantee.

Advertising and Promotional Expenses – Advertising and promotional costs are charged to expense as they are incurred. For the year ended August 31, 2018, these expenses totaled \$659.

Concentrations of Credit Risk – The Street Trust’s financial instruments consist primarily of cash equivalents and money market funds, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (“FDIC”).

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 for each depositor, for each insured bank, for each account ownership category. At August 31, 2018, The Street Trust had \$133,344 in money market funds, which are not insured by the FDIC.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, the organization’s management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Benefits Provided to Donors at Special Events – The Street Trust conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct costs of the benefits received. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the organization.

Inventories – Inventories consist of promotional merchandise held for resale. Inventories are valued at the lower of cost or fair value on a first-in, first-out basis.

Income Taxes – The Street Trust is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and derives its public charity status as an organization described in Section 509(a)(2) of the Internal Revenue Code.

Subsequent Events – As required by FASB ASC No. 855-10, *Subsequent Events*, subsequent events have been evaluated by management through December 6, 2018, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2017 – The accompanying financial information as of and for the year ended August 31, 2017 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

4. Accounts Receivable

Accounts receivable are summarized as follows at August 31, 2018:

Government grants and contracts	\$	100,740
Other		957
		<hr/>
	\$	101,697

Conditional Grants

The Street Trust has been awarded a multi-year government grant totaling \$203,461, which is conditioned upon incurring allowable expenses and obtaining programmatic and expenditure approval by the grantor. As of August 31, 2018, allowable expenses totaling \$89,316 had been submitted for approval by the funder and recognized as revenue in the accompanying statements. The conditions on the remaining \$114,145 had not been met as of August 31, 2018, and, therefore, that amount has not been included in the accompanying financial statements.

5. Contributions Receivable

Contributions receivable represent unconditional promises to be collected in less than one year totaling \$3,111 at August 31, 2018.

6. Property and Equipment

A summary of property and equipment at August 31, 2018 is as follows:

Computers and software	\$	66,460
Bicycles		54,632
Furniture and equipment		21,442
Leasehold improvements		6,482
		<hr/>
		149,016
Less accumulated depreciation and amortization		(139,456)
		<hr/>
	\$	9,560

7. Restrictions and Limitations on Net Asset Balances

Board-Designated Net Assets

At August 31, 2018, \$150,000 of The Street Trust's unrestricted net assets were designated by the Board of Directors as an operating reserve.

Temporarily Restricted Net Assets

Temporarily restricted net assets at August 31, 2018 consist of contributions, grants, and other unexpended gifts restricted by donors as to time or purpose, as follows:

Getting There Together Coalition	\$	32,440
Safe Routes to School		26,718
Families for Safe Streets		1,111
Encore Fellowship		812
Unrestricted purposes for future periods		3,111
		<hr/>
	\$	64,192

8. Program Events and Fees

Program events and fees consisted of the following revenue sources for the year ended August 31, 2018:

Active Transportation Summit	\$	68,164
Program contract fees		12,266
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	\$	80,430

The Active Transportation Summit is an annual conference that educates transportation professionals and policy-makers on best practices for creating walkable and 'bikeable' communities. During the year ended August 31, 2018, The Street Trust recorded \$68,164 in revenues and \$28,993 in direct expenses related to the summit.

9. Concentrations

The Street Trust receives a substantial portion of its funding through government grants and contracts from the Oregon Department of Transportation, City of Portland, and Metro. During the year ended August 31, 2018, the organization recognized contract revenues from the City of Portland totaling \$232,791, which represented 23.4% of the organization's total revenues.

10. Net Assets Released from Restrictions

During the year ended August 31, 2018, net assets totaling \$58,630 were released from temporary donor restrictions by incurring expenses in satisfaction of the restricted purpose, or by the occurrence of other events specified by donors.

11. Expenses

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

Expenses by natural classification are presented in the statement of functional expenses.

12. Contingencies

Amounts received or receivable under The Street Trust's contracts with the City of Portland, Oregon Department of Transportation, and others are subject to audit and adjustment by the contracting agencies, the State of Oregon, and by various other governmental agencies. Any expenditures or claims disallowed as a result of such audits would become a liability of The Street Trust's unrestricted net assets. In the opinion of management, any adjustments that might result from such audits would not be material to the organization's overall financial statements.

13. Operating Lease Commitments

The Street Trust leases its administrative offices under an agreement expiring in June of 2021. The Street Trust also leases certain office equipment under a noncancellable operating lease that expires in February of 2022.

Future minimum lease commitments under these agreements are as follows:

<i>Years ending August 31,</i>	
2019	\$ 70,474
2020	72,484
2021	62,412
2022	1,734
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	\$ 207,104

Lease expense for these leases during the year ended August 31, 2018 totaled \$70,368.

14. Retirement Plan

Effective May 1, 2014, The Street Trust adopted an employer-funded Simplified Employee Pension plan for all eligible employees. Employees are eligible to participate in the plan if they are reasonably expected to receive at least \$5,000 in compensation in a calendar year. Employee contributions to the plan may be made on a pre-tax basis. The organization makes matching contributions to the plan up to 2%, increased from 1% as of January 1, 2018, of employee's annual compensation. Both employer and employee contributions are 100% vested as contributed. During the year ended August 31, 2018, The Street Trust contributed \$6,278 to the plan.

15. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash used in operating activities (as reported on the statement of cash flows):

Increase in net assets	\$	26,799
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<i>Adjustments to reconcile increase in net assets to net cash used in operating activities:</i>		
Depreciation and amortization		6,391
<i>Net changes in:</i>		
Accounts receivable	(89,206)	
Contributions receivable	36,889	
Prepaid expenses, deposits and inventories	944	
Accounts payable and accrued expenses	6,758	
Accrued payroll and related expenses	(7,815)	
Deferred revenue	(56,700)	
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Total adjustments		(102,739)
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Net cash used in operating activities	\$	(75,940)
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THE STREET TRUST

GOVERNING BOARD, MANAGEMENT, AND STAFF

AT AUGUST 31, 2018

Board of Directors

Justin Yuen, *Chair*
Leslie Carlson, *Vice Chair*
Randy Miller, *Vice Chair*
David Forman, *Secretary*
Phil Richman, *Treasurer*
Anthony Carlton
Jude Gerace
Diane Goodwin
Hau Hagedorn
Dwayne King
Peter Koonce
Ben McKinley
Jocelyn Orr
Dave Roth
Kimberlee Stafford
Dru van Hengel
Jerry Zelada

Management and Staff

Jillian Detweiler
Executive Director
Jordan Bailey
Education Director
Lindsay Huber
Education Program Manager
Judge Kemp
Programs & Events Director
Sommer Martin
Communications Manager
Tia Sherry
Development Director
Greg Sutliff
Director of Finance & Operations

THE STREET TRUST

INQUIRIES AND OTHER INFORMATION

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