



TEXAS RAMP PROJECT

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

Year Ended December 31, 2017

**TEXAS RAMP PROJECT
Financial Statements
December 31, 2017**

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Darrell Harris CPA P.C.
Certified Public Accounting Firm

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
TEXAS RAMP PROJECT

I have audited the accompanying statements of TEXAS RAMP PROJECT (a Texas nonprofit organization), which comprise the statement of financial position as of December 31, 2017, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TEXAS RAMP PROJECT as of December 31, 2017, 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.

Darrell Harris

Darrell Harris, CPA
Dallas, Texas
September 24, 2018

TEXAS RAMP PROJECT
Statement of Financial Position
December 31, 2017

ASSETS

Current Assets

Cash and Cash Equivalents	\$	470,725
Accounts Receivable (Note 2)		2,964
Pledges Receivable (Note 3)		70,129
Prepaid Expenses		9,423
Inventory (Note 4)		64,123
Total Current Assets		617,364

Other Assets

Property and Equipment-Net (Note 5)		9,800
Security Deposits		1,555
Endowment - Board Designated (Note 6)		75,329
Total Other Assets		86,684

TOTAL ASSETS	\$	704,048
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable and Accrued Liabilities	\$	28,226
Total Current Liabilities		28,226

Net Assets

Unrestricted		310,264
Unrestricted-Board Designated (Note 6)		75,329
Total Unrestricted		385,593
Temporarily Restricted (Note 7)		290,229
Total Net Assets		675,822

TOTAL LIABILITIES AND NET ASSETS	\$	704,048
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The accompanying notes are an integral part of these financial statements.

TEXAS RAMP PROJECT
Statement of Activities
Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND PUBLIC SUPPORT			
Contributions			
Board of Directors	\$ 16,728	\$ 1,000	\$ 17,728
Businesses	7,610	34,717	42,327
Churches	14,232	60,483	74,715
Civic Organizations	7,322	130,686	138,008
Foundations and Charities	83,820	345,066	428,886
Individuals	18,151	59,227	77,378
In Kind Contributions (Note 8)	79,609	0	79,609
Total Contributions	<u>227,472</u>	<u>631,179</u>	<u>858,651</u>
Other Revenue			
Fees for Services	9,405	71,747	81,152
Interest Income	1,042	77	1,119
	<u>237,919</u>	<u>703,003</u>	<u>940,922</u>
Net Assets Released from Restriction			
Satisfaction of Program Use (Note 9)	<u>1,042,464</u>	<u>(1,042,464)</u>	<u>0</u>
Total Revenue and Public Support	<u>1,280,383</u>	<u>(339,461)</u>	<u>940,922</u>
EXPENSES			
Program Services	1,126,073	0	1,126,073
Management and General	71,804	0	71,804
Fundraising	14,558	0	14,558
Total Expenses	<u>1,212,435</u>	<u>0</u>	<u>1,212,435</u>
INCREASE (DECREASE) IN NET ASSETS	67,948	(339,461)	(271,513)
NET ASSETS AT BEGINNING OF YEAR	<u>317,645</u>	<u>629,690</u>	<u>947,335</u>
NET ASSETS AT END OF YEAR	<u>\$ 385,593</u>	<u>\$ 290,229</u>	<u>\$ 675,822</u>

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

TEXAS RAMP PROJECT
Statement of Functional Expenses
Year Ended December 31, 2017

<u>Natural Expense Categories</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 18,000	\$ 18,000	\$ 4,000	\$ 40,000
Payroll Taxes	1,377	1,377	306	3,060
Professional Services	0	5,500	1,924	7,424
Advertising (Note 1j)	0	14,542	0	14,542
Office Expense	0	8,343	0	8,343
Information Technology	0	7,881	0	7,881
Fundraising	0	0	5,000	5,000
Travel	14,976	14,976	3,328	33,280
Depreciation (Note 5)	1,612	0	0	1,612
Insurance	7,171	978	0	8,149
Warehouse Rent - In Kind (Note 8)	73,097	0	0	73,097
Warehouse Utilities - In Kind (Note 8)	6,512	0	0	6,512
Ramp, Direct Costs	970,307	0	0	970,307
Warehouse	21,940	0	0	21,940
Tools	11,081	0	0	11,081
Other	0	207	0	207
Total Expenses	\$ <u>1,126,073</u>	\$ <u>71,804</u>	\$ <u>14,558</u>	\$ <u>1,212,435</u>

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

TEXAS RAMP PROJECT
Statement of Cash Flows
Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (271,513)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation Expense	1,612
Decrease in Accounts Receivable	5,562
Decrease in Pledges Receivable	243,876
Decrease in Prepaid Expenses	2,179
(Increase) in Inventory	(10,303)
Increase in Accounts Payable and Accrued Liabilities	12,195
Net Cash (Used) by Operating Activities	<u>(16,392)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Transfers to Endowment Fund	<u>(67,418)</u>
Net Cash (Used) by Investing Activities	<u>(67,418)</u>

NET (DECREASE) IN CASH AND CASH EQUIVALENTS (83,810)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 554,535

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 470,725

SUPPLEMENTAL DISCLOSURES

Noncash	
In-Kind Contributions	\$ 79,609

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

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Texas Ramp Project is a 501(c)(3) nonprofit organization whose mission is to establish regional wheelchair ramp-building programs across Texas. The regional Ramp Projects provide free wheelchair ramps to elderly and disabled clients in need identified by local health care professionals. Ramps are built without regard to race, religion, ethnicity, age or gender. The Organization's vision is that no Texas resident shall lack safe access to and from his or her home because of financial limitations. The organization is a Texas nonprofit organization supported by contributions and fees for services.

Significant Accounting Policies

Management selects accounting principles generally accepted in the United States of America and adopts methods for their application. This summary of significant accounting policies selected by the Center's management is presented to assist in understanding the financial statements.

(a) Basis of Accounting

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recorded when incurred on the accrual basis of accounting.

(b) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Accordingly, it is reasonably possible for actual results to differ from those estimates.

(c) Cash and Cash Equivalents

For statement of cash flow purposes, cash equivalents include highly liquid investments that are readily convertible to known amounts of cash. The Organization estimates that the fair value of cash and cash equivalents do not differ materially from the aggregate carrying value recorded in the accompanying statement of financial position as of December 31, 2017.

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(d) Property and Equipment

It is the Organization's policy to capitalize property and equipment with an acquisition cost greater than \$1,000. Lesser amounts are expensed. The cost of maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated using the straight-line method over the estimated useful life of the assets. (See Note 5 below).

(e) Impairment of Long-Lived Assets

Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less cost to sell. Management is of the opinion that the carrying amount of its long-lived assets does not exceed their estimated recoverable amount.

(f) Net Asset Accounting

The accounts of the Organization are maintained in accordance with the principles of net asset accounting. Under net asset accounting, resources are classified into categories of unrestricted, temporarily restricted, or permanently restricted net assets according to funding source restrictions as to timing and purpose of resources. The categories are described as follows:

1) *Unrestricted net assets* are those funds not restricted by donor-imposed stipulations. Unrestricted net assets include certain funds that the Board of Directors has determined are to be retained for a particular purpose. 2) *Temporarily restricted net assets* are those funds restricted by the donor(s) to be expended only for a specific purpose or within a certain time. 3) *Permanently restricted net assets* are subject to donor-imposed restrictions that must be maintained in perpetuity. There are no permanently restricted net assets.

(g) Contributions

Contributions are recorded when the donor makes an unconditional promise to give to the Organization. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(h) Donated Tangible Assets, Services, and Use of Property

Donated assets are recorded at fair market value on the date of receipt in the appropriate investment, expense or equipment account. In the absence of donor restrictions, donated assets are reported as unrestricted revenue. Contributed services are recognized as unrestricted revenues if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution. Contributed use of facilities or materials is recorded at their fair value at the time of the transaction.

(i) Functional Allocation of Expenses

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

(j) Advertising

The Organization utilizes advertising to promote its programs to its supporters and the general public. The costs of advertising are expensed when incurred and advertising expense was \$14,542 for the fiscal year ended December 31, 2017.

(k) Uncertain Tax Positions

The Organization is a not-for-profit organization that is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code as other than a private Organization. The Organization is not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income. As of December 31, 2017, the Organization believes that it has appropriate support for any tax positions taken, and as such, has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

With few exceptions, Federal information returns filed prior to 2014 for the Organization are no longer subject to examination by tax authorities.

(l) Subsequent Events

Management reviewed Type 1 subsequent events (events that reveal conditions existing at or before the balance sheet date and require adjustment to the financial statements) and Type 2 subsequent events (events that reveal conditions arising after the balance sheet date and require disclosure in, but not adjustment to, the financial statements). No subsequent events were noted.

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Subsequent events were evaluated through September 24, 2018 which is the date of the report.

(m) Recent Accounting Pronouncements

The accounting principles governing the reported amounts, presentations, and disclosures in our financial statements are subject to change from time to time based on the issuance of new pronouncements of various standard-setting bodies. New pronouncements not yet in effect as of December 31, 2017, will not have a material effect on our financial statements of financial position, activities, and cash flows.

(n) Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 *Fair Value Measurements and Disclosures* established a framework for measuring fair value. That framework provides for a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs based on unadjusted quoted prices for identical assets or liabilities accessible at the measurement date. *Level 2* – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets. *Level 3* - Unobservable inputs for the asset or liability including the reporting entity's own assumptions in determining the fair value measurement.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes that its valuation methods are appropriate and consistent with other market techniques, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 2: ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2017 totaled \$2,964. The Organization anticipates collection of all receivables in the subsequent year. An allowance for uncollectible receivables was not deemed necessary due to collection verification and past collection history of receivable accounts.

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3: PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2017 totaled \$70,129. The Organization anticipates collection of all receivables in the subsequent year. An allowance for uncollectible receivables was not deemed necessary due to collection verification and past collection history of receivable accounts.

	<u>Amount</u>
Foundations and Charities	\$ 31,000
Churches	10,898
Civic Organizations	17,459
Individuals	8,444
Board of Directors	<u>2,328</u>
Total	<u><u>\$ 70,129</u></u>

NOTE 4: INVENTORY

Inventory consists of construction supplies for use to build ramps. Inventory is stated at an estimated amount per unit. A physical inventory was taken at or near year-end and is valued at \$64,123 as of December 31, 2017.

NOTE 5: PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2017 consist of the following:

	<u>Historical Cost</u>	<u>Accum Depreciation</u>	<u>Net Fixed Assets</u>
Warehouse Building (15 years)	\$ 14,700	\$ (4,900)	\$ 9,800
Office Equipment (3 years)	1,243	(1,243)	0
Totals	<u><u>\$ 15,943</u></u>	<u><u>\$ (6,143)</u></u>	<u><u>\$ 9,800</u></u>

Depreciation expense for the fiscal year was \$1,612.

NOTE 6: BOARD DESIGNATED UNRESTRICTED NET ASSETS

Board Designated unrestricted net assets as of December 31, 2017 consist of cash and cash equivalent balances set aside in an endowment account for the board and are available for the following purposes:

	<u>Amount</u>
Program Expenses	\$ 75,329
Total	<u><u>\$ 75,329</u></u>

TEXAS RAMP PROJECT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

NOTE 7: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2017 consist of cash and cash equivalent balances and are available for the following purposes:

	Amount
Ramp, Direct Costs	\$ 290,229
Total	<u>\$ 290,229</u>

NOTE 8: IN-KIND DONATIONS

In-kind contributions were used for the following purposes for the year ended December 31, 2017:

Rent	\$ 73,097
Utilities	6,512
Total	<u>\$ 79,609</u>

NOTE 9: NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions as expenses were incurred which simultaneously satisfied the restricted purposes of the funds. Net assets released during the year ending December 31, 2017 are as follows:

	Amount
Ramp, Direct Costs	\$ 968,743
Warehouse	21,940
Tools	11,081
Travel	32,756
All Others	7,944
Total	<u>\$ 1,042,464</u>

NOTE 10: CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the association to concentrations of credit risk consist of cash and equivalents on deposit at financial institutions. At December 31, 2017 total deposits in excess of federally insured limits amounted to \$51,651. The Organization's bank accounts are with a credit worthy, high quality financial institution. Credit risk cash and cash equivalents is considered small.

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 11: VOLUNTEER CONTRIBUTED SERVICES

The Organization uses volunteer contributed services for operations and administration. The Organization estimates the volunteer hours during the fiscal year ending December 31, 2017 to be approximately 65,000. Volunteer services are not recorded in these financial statements since they do not meet the criteria set forth in Note 1 under Donated Assets and Services.