TEXAS RAMP PROJECT

Richardson, Texas

Financial Statements

For the Year Ended December 31, 2019

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Wade R. Moran CPA, PLLC
Certified Public Accounting Firm

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
TEXAS RAMP PROJECT
Richardson, Texas

We have audited the accompanying statements of TEXAS RAMP PROJECT (a Texas nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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 TEXAS RAMP PROJECT as of December 31, 2019, 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.

Wade R. Moran, CPA

Wade R. Moran CPA, PLLC
Dallas, Texas
June 21, 2020

6060 N. Central Expressway, Suite 500, Dallas, TX 75206 (940) 465-0920

TEXAS RAMP PROJECT
Statement of Financial Position
December 31, 2019

ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 2-Section 4 and Note 3)	$	602,083
Accounts Receivable (Notes 3 and 4)		4,792
Pledges Receivable (Notes 3 and 5)		130,367
Interest Receivable (Note 3)		1,110
Prepaid Expenses		10,477
Inventory (Note 6)		70,836
Total Current Assets		819,665
Property and Equipment-Net (Note 2-Section 5 and Note 7)		7,396
Other Assets		
Security Deposits		2,555
Endowment Fund - Board Designated (Note 8)		79,657
Total Other Assets		82,212
TOTAL ASSETS	$	909,273
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$	30,506
Total Current Liabilities		30,506
Net Assets (Note 2-Section 7)		
Without Donor Restrictions		515,573
Without Donor Restrictions-Board Designated (Notes 3 and 8)		79,657
Total Without Donor Restrictions		595,230
With Donor Restrictions (Notes 3 and 9)		283,537
Total Net Assets		878,767
TOTAL LIABILITIES AND NET ASSETS	$	909,273

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

TEXAS RAMP PROJECT
Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND PUBLIC SUPPORT			
Contributions			
Board of Directors	$ 21,330	$ 9,300	$ 30,630
Businesses	6,863	56,542	63,405
Churches	22,096	61,472	83,568
Civic Organizations	5,064	29,713	34,777
Foundations and Charities	66,965	622,685	689,650
Individuals	58,570	84,774	143,344
In Kind Contributions (Note 10)	79,220	0	79,220
Total Contributions	260,108	864,486	1,124,594
Other Revenue			
Fees for Services	4,948	73,832	78,780
Interest Income	8,075	0	8,075
	273,131	938,318	1,211,449
Net Assets Released from Restriction			
Satisfaction of Program Use (Note 11)	1,056,169	(1,056,169)	0
Total Revenue and Public Support	1,329,300	(117,851)	1,211,449
EXPENSES			
Program Services	1,149,623	0	1,149,623
Management and General	87,472	0	87,472
Fundraising	10,340	0	10,340
Total Expenses	1,247,435	0	1,247,435
INCREASE (DECREASE) IN NET ASSETS	81,865	(117,851)	(35,986)
NET ASSETS AT BEGINNING OF YEAR	513,365	401,388	914,753
NET ASSETS AT END OF YEAR	$ 595,230	$ 283,537	$ 878,767

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

TEXAS RAMP PROJECT
Statement of Functional Expenses
Year Ended December 31, 2019

Natural Expense Categories	Program Services	Management and General	Fundraising	Total
Salaries and Wages	$ 22,500	$ 22,500	$ 5,000	$ 50,000
Payroll Taxes	1,721	1,721	383	3,825
Professional Services	0	6,000	0	6,000
Advertising (Note 2-Section 10)	0	5,096	0	5,096
Office Expense	0	7,375	0	7,375
Information Technology	0	8,496	0	8,496
Fundraising	0	0	1,891	1,891
Conferences and Meetings	0	20,409	0	20,409
Travel	13,798	13,798	3,066	30,662
Depreciation (Note 7)	1,612	410	0	2,022
Insurance	7,521	968	0	8,489
Warehouse Rent - In Kind (Note 10)	73,383	0	0	73,383
Warehouse Utiltities - In Kind (Note 10)	5,837	0	0	5,837
Ramp, Direct Costs	973,249	0	0	973,249
Warehouse	40,519	0	0	40,519
Tools	9,483	0	0	9,483
Other	0	699	0	699
Total Expenses	$ 1,149,623	$ 87,472	$ 10,340	$ 1,247,435

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

TEXAS RAMP PROJECT
Statement of Cash Flows
Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ (35,986)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation Expense	2,022
Decrease in Accounts Receivable	1,438
Decrease in Pledges Receivable	178,194
(Increase) in Interest Receivable	(1,110)
Decrease in Prepaid Expenses	1,114
Decrease in Inventory	7,954
Increase in Accounts Payable and Accrued Liabilities	5,647
Net Cash Provided by Operating Activities	159,273
CASH FLOWS FROM INVESTING ACTIVITIES	
Transfers to Endowment Fund	(2,993)
Purchase of Equipment	(1,230)
Net Cash (Used) by Investing Activities	(4,223)
NET INCREASE IN CASH AND CASH EQUIVALENTS	155,050
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	447,033
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 602,083
SUPPLEMENTAL DISCLOSURES	
Noncash	
In-Kind Contributions	$ 79,220

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

NOTE 1 – NATURE OF ACTIVITIES

TEXAS RAMP PROJECT (hereinafter "Organization") 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.

NOTE 2 - SUMMARY OF 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 Organization's management is presented to assist in understanding the financial statements.

1) 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.

2) Programs - The Organization pursues its objectives through the execution of these major programs:
   Program Services-The Organization provides free wheelchair ramps to elderly and disabled clients in need identified by local health care professionals.
   Supporting Services
   Fundraising-This program supports the general operations of the Organization.
   General and administrative-This program supports the general operations of the Organization.

3) 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.

4) 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, 2019.

5) 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. Donations of property and equipment are capitalized, and recorded as support, at their fair value at the date of receipt. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without restrictions at that time. 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 7 below).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6) 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.

7) Net Asset Accounting -NEW ACCOUNTING PRONOUNCEMENT

   Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively. The new standards change the following aspects of the Organization's financial statements:

   The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions (net assets subject to donor-imposed restrictions).

   The unrestricted net asset class has been renamed net assets without donor restrictions (net assets not subject to donor-imposed restrictions).

8) Contributions – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Restrictions on gifts of fixed assets or cash for the purchase of fixed assets expire when the asset is placed in service.

9) Donated Assets and Services - Donated property is 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.

10) Advertising - The Organization utilizes advertising primarily to promote its programs to supporters and the general public. The costs of advertising are expensed when incurred and advertising expense was $5,096 for the year ended December 31, 2019.

11) 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. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a usage basis.

12) Uncertain Tax Positions - 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 foundation. 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, 2019, the Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. With few exceptions, Federal information returns filed prior to 2016 for the Organization are no longer subject to examination by tax authorities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13) 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. Subsequent events were evaluated through June 21, 2020 which is the date of the report.

14) Recent Accounting Pronouncements – The accounting principles governing the reported amounts, presentations, and disclosures in the 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, 2019, will not have a material effect on the financial statements of financial position, activities, and cash flows.

15) Fair Value Measurements and Disclosures - 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, and
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. The estimated fair values of the Organization's financial instruments not measured at fair value, including cash and cash equivalents, receivables, prepaid expenses and accounts payable and accrued liabilities approximated their carrying values based on the short-term nature of these items as of December 31, 2019.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial Assets at Year-End	
Cash and Cash Equivalents	$ 602,083
Accounts Receivable	4,792
Pledges Receivable	130,367
Interest Receivable	1,110
Total Financial Assets Available	738,352
Less: Board Designated Funds	(79,657)
Less: Donor Imposed Restrictions	(283,537)
Financial Assets Available to Meet Cash Needs General Expenditures within One Year	$ 375,158

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable for service fees as of December 31, 2019 totaled $4,792.

An allowance for uncollectible receivables was not deemed necessary due to collection verification and past collection history of account receivable accounts.

NOTE 5 - PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2019 totaled $130,367. Pledges receivable as of December 31, 2019, consists of the following:

Foundations and Charities	$ 120,583
Individuals	9,784
Total	$ 130,367

An allowance for uncollectible receivables was not deemed necessary due to collection verification and past collection history of pledges receivable accounts.

NOTE 6 - 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 $70,836 as of December 31, 2019.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment are used for operating purposes and consisted of the following at December 31, 2019:

Warehouse Building (15 years)	$ 14,700
Office Equipment (5 years)	2,473
Total Property and Equipment	17,173
Less: Accumulated Depreciation	(9,777)
Net Property and Equipment	$ 7,396

Depreciation expense for the year ended December 31, 2019 was $2,022.

NOTE 8 - BOARD DESIGNATED UNRESTRICTED NET ASSETS

Board Designated unrestricted net assets as of December 31, 2019 consist of cash and cash equivalent balances set aside in an endowment account for the board and are available for the following purposes:

Program Expenses	$ 79,657
Total	$ 79,657

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2019 consist of cash and cash equivalent balances and are available for the following purposes:

Ramps, Direct Costs	$ 285,537
Total	$ 285,537

NOTE 10 – IN-KIND CONTRIBUTIONS

In-kind contributions for the year ended December 31, 2019 were used for the following purposes:

Warehouse Rent	$ 73,383
Warehouse Utilities	5,837
Total	$ 79,220

NOTE 11 – NET ASSETS RELEASED FROM 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, 2019 are as follows:

Ramp, Direct Costs	$ 972,760
Storage and Warehouse	40,519
Tools	9,484
Travel	29,924
All Others	3,482
Total	$ 1,056,169

NOTE 12 - LEASE COMMITMENTS

The Organization signed a warehouse lease for space in Dallas, Texas on October 30, 2018. The lease is for 60 months beginning November 1, 2018 and expiring October 31, 2023 and the lease payments will vary form $517 per month in the first year to $646 in the fifth year. The Organization also renewed an expired lease for warehouse space in Austin, Texas on November 29, 2019. The lease is for one year beginning December 1, 2018 and expiring on November 30, 2019 with lease payments of $1,350 per month. The lease was extended for one year with payments of $1,500 per month. The Organization signed a warehouse lease for space in San Antonio, Texas on February 13, 2018. The lease is for one year beginning March 1, 2018 and expiring on February 28, 2019 with lease payments of $350 per month and thereafter on a month-to-month basis. In addition, the Organization leases warehouse space in San Marcos, Texas on a quarter-to-quarter basis in the amount of $975 per quarter.

Future minimum lease payments are:

2020	$ 24,477
2021	7,040
2022	7,427
2023	6,458
Total future minimum lease payments	$ 45,402

Warehouse rental expense paid during the year ended December 31, 2019 amounted to $39,150 and was included in Warehouse expenses.

NOTE 13 - 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, 2019 total deposits in excess of federally insured limits amounted to $319. The Organization's bank accounts are with a credit worthy, high quality financial institution. Credit risk cash and cash equivalents is considered small.

NOTE 14 – COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation and personal days off, depending on length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the financial statements. The Organization's policy is to expense the costs of compensated absences when actually paid to employees.

NOTE 15 – 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, 2019 to be approximately 62,500. Volunteer services are not recorded in these financial statements since they do not meet the criteria set forth in Note 2 under Donated Assets and Services.