



TEXAS RAMP PROJECT

Richardson, Texas

Financial Statements

For the Year Ended December 31, 2020

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Financial Statements

For the Year Ended December 31, 2020

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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, 2020, 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, 2020, 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 30, 2021

TEXAS RAMP PROJECT
Statement of Financial Position
December 31, 2020

ASSETS

Current Assets

Cash and Cash Equivalents (Note 2-Section 4 and Note 3)	\$	601,269
Accounts Receivable (Notes 3 and 4)		5,499
Pledges Receivable (Notes 3 and 5)		75,082
Interest Receivable (Note 3)		1,048
Prepaid Expenses		11,031
Inventory (Note 6)		86,903
Total Current Assets		780,832

Property and Equipment-Net (Note 2-Section 5 and Note 7)		5,374
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Other Assets

Security Deposits		2,555
Endowment Fund - Board Designated (Note 8)		81,153
Total Other Assets		83,708

TOTAL ASSETS	\$	869,914
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable and Accrued Liabilities	\$	23,779
Total Current Liabilities		23,779

Net Assets (Note 2-Section 7)

Without Donor Restrictions		600,079
Without Donor Restrictions-Board Designated (Notes 3 and 8)		81,153
Total Without Donor Restrictions		681,232
With Donor Restrictions (Notes 3 and 9)		164,903
Total Net Assets		846,135

TOTAL LIABILITIES AND NET ASSETS	\$	869,914
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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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND PUBLIC SUPPORT			
Contributions			
Board of Directors	\$ 20,620	\$ 10,905	\$ 31,525
Businesses	19,203	70,684	89,887
Churches	15,394	46,047	61,441
Civic Organizations	2,952	22,336	25,288
Foundations and Charities	70,804	542,069	612,873
Individuals	27,337	77,035	104,372
Sponsorships	14,852	600	15,452
In Kind Contributions (Note 10)	125,330	2,220	127,550
Total Contributions	<u>296,492</u>	<u>771,896</u>	<u>1,068,388</u>
Other Revenue			
Fees for Services	899	58,408	59,307
Interest Income	6,291	0	6,291
	<u>303,682</u>	<u>830,304</u>	<u>1,133,986</u>
Net Assets Released from Restriction			
Satisfaction of Program Use (Note 11)	948,938	(948,938)	0
Total Revenue and Public Support	<u>1,252,620</u>	<u>(118,634)</u>	<u>1,133,986</u>
EXPENSES			
Program Services	1,086,799	0	1,086,799
Management and General	71,262	0	71,262
Fundraising	8,557	0	8,557
Total Expenses	<u>1,166,618</u>	<u>0</u>	<u>1,166,618</u>
CHANGE IN NET ASSETS	86,002	(118,634)	(32,632)
NET ASSETS AT BEGINNING OF YEAR	<u>595,230</u>	<u>283,537</u>	<u>878,767</u>
NET ASSETS AT END OF YEAR	<u>\$ 681,232</u>	<u>\$ 164,903</u>	<u>\$ 846,135</u>

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

TEXAS RAMP PROJECT
Statement of Functional Expenses
Year Ended December 31, 2020

<u>Natural Expense Categories</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
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	18,604	0	18,604
Office Expense	0	6,862	0	6,862
Information Technology	0	6,496	0	6,496
Fundraising	0	0	1,629	1,629
Conferences and Meetings	0	188	0	188
Travel	6,955	6,955	1,545	15,455
Depreciation (Note 7)	1,614	408	0	2,022
Insurance	7,223	968	0	8,191
Warehouse Rent - In Kind (Note 10)	116,965	0	0	116,965
Warehouse Utilities - In Kind (Note 10)	8,365	0	0	8,365
Ramp, Direct Costs *	874,159	0	0	874,159
Warehouse	45,845	0	0	45,845
Tools	1,452	0	0	1,452
Other	0	560	0	560
 Total Expenses	 <u>\$ 1,086,799</u>	 <u>\$ 71,262</u>	 <u>\$ 8,557</u>	 <u>\$ 1,166,618</u>

* Includes \$2,220 In-Kind Contributions (See Note 10)

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

TEXAS RAMP PROJECT
Statement of Cash Flows
Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (32,632)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation Expense	2,022
(Increase) in Accounts Receivable	(707)
Decrease in Pledges Receivable	55,285
Decrease in Interest Receivable	62
(Increase) in Prepaid Expenses	(554)
(Increase) in Inventory	(16,067)
Increase in Accounts Payable and Accrued Liabilities	(6,727)
Net Cash Provided by Operating Activities	682

CASH FLOWS FROM INVESTING ACTIVITIES

Transfers to Endowment Fund	(1,496)
Purchase of Equipment	0
Net Cash (Used) by Investing Activities	(1,496)

NET CHANGE IN CASH AND CASH EQUIVALENTS (814)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 602,083

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 601,269

SUPPLEMENTAL DISCLOSURES

Noncash	
In-Kind Contributions	\$ 127,550

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

TEXAS RAMP PROJECT
Notes to the Financial Statements
December 31, 2020

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, 2020.
- 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).

TEXAS RAMP PROJECT
Notes to the Financial Statements
December 31, 2020

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 \$18,604 for the year ended December 31, 2020.
- 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, 2020, 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 2017 for the Organization are no longer subject to examination by tax authorities.

TEXAS RAMP PROJECT
Notes to the Financial Statements
December 31, 2020

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). One Type 2 subsequent event was noted. On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020. Subsequent events were evaluated through June 30, 2021 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, 2020, 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, 2020.

TEXAS RAMP PROJECT
Notes to the Financial Statements
December 31, 2020

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	\$ 601,269
Accounts Receivable	5,499
Pledges Receivable	75,082
Interest Receivable	<u>1,048</u>
Total Financial Assets Available	682,898
Less: Board Designated Funds	(81,153)
Less: Donor Imposed Restrictions	<u>(164,903)</u>
Financial Assets Available to Meet Cash Needs	
General Expenditures within One Year	<u>\$ 436,842</u>

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable for service fees as of December 31, 2020 totaled \$5,499.

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, 2020 totaled \$75,082. Pledges receivable as of December 31, 2020, consists of the following:

Foundations and Charities	\$ 70,583
Individuals	<u>4,499</u>
Total	<u>\$ 75,082</u>

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 \$86,903 as of December 31, 2020.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment are used for operating purposes and consisted of the following at December 31, 2020:

Warehouse Building (15 years)	\$ 14,700
Office Equipment (5 years)	<u>2,473</u>
Total Property and Equipment	17,173
Less: Accumulated Depreciation	<u>(11,799)</u>
Net Property and Equipment	<u>\$ 5,374</u>

Depreciation expense for the year ended December 31, 2020 was \$2,022.

TEXAS RAMP PROJECT
Notes to the Financial Statements
December 31, 2020

NOTE 8 - BOARD DESIGNATED UNRESTRICTED NET ASSETS

Board Designated unrestricted net assets as of December 31, 2020 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	<u>\$ 81,153</u>
Total	<u>\$ 81,153</u>

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2020 consist of cash and cash equivalent balances and are available for the following purposes:

Ramps, Direct Costs	<u>\$ 164,903</u>
Total	<u>\$ 164,903</u>

NOTE 10 – IN-KIND CONTRIBUTIONS

In-kind contributions for the year ended December 31, 2020 were used for the following purposes:

Warehouse Rent	\$ 116,965
Warehouse Utilities	8,365
Ramps, Direct Costs	<u>2,220</u>
Total	<u>\$ 127,550</u>

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, 2020 are as follows:

Ramp, Direct Costs	\$ 880,886
Storage and Warehouse	45,845
Tools	1,452
Travel	15,455
All Others	<u>5,300</u>
Total	<u>\$ 948,938</u>

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 from \$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 December 1, 2020. The lease is extended for one year beginning December 1, 2020 and expiring on November 30, 2021 with lease payments of \$1,575 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 for the first 3 quarters of 2021 and \$650 for the last quarter.

Future minimum lease payments are:

2021	\$ 28,290
2022	7,427
2023	<u>6,458</u>
Total future minimum lease payments	<u>\$ 42,175</u>

Warehouse rental expense paid during the year ended December 31, 2020 amounted to \$43,440 and was included in Warehouse expenses.

TEXAS RAMP PROJECT
Notes to the Financial Statements
December 31, 2020

NOTE 13 – COMPENSATED ABSENCES

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Organization's policy is to recognize these costs when actually paid.

NOTE 14 – VOLUNTEER CONTRIBUTED SERVICES

The Organization relies on volunteer contributed services for operations and administration. The Organization estimates the volunteer hours during the fiscal year ending December 31, 2020 to be approximately 47,371 for board members and other volunteers. Using the Independent Sector's value of a volunteer hour, these contributed services are valued at \$1,299,625. 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.