



TEXAS RAMP PROJECT

**FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Year Ended December 31, 2015

**TEXAS RAMP PROJECT
Financial Statements
December 31, 2015**

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Darrell Harris CPA P.C.
Certified Public Accounting Firm

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
TEXAS RAMP PROJECT

I have reviewed the accompanying statement of financial position of TEXAS RAMP PROJECT (a nonprofit organization) as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. In addition, management is responsible for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Darrell Harris

Darrell Harris, CPA
Dallas, Texas
December 7, 2016

TEXAS RAMP PROJECT
Statement of Financial Position
December 31, 2015

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 484,091
Accounts Receivable - Note 2	5,138
Pledges Receivable - Note 3	177,553
Prepaid Expenses	31,502
Inventory - Note 4	55,740
Total Current Assets	<u>754,024</u>

Other Assets

Property and Equipment (Net) - Note 5	6,907
Endowment	5,611
Total Other Assets	<u>12,518</u>

TOTAL ASSETS	\$ <u><u>766,542</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable and Accrued Liabilities	\$ <u>12,036</u>
Total Current Liabilities	12,036

Net Assets

Unrestricted	173,174
Unrestricted-Board Designated - Note 6	5,611
Total Unrestricted	<u>178,785</u>
Temporarily Restricted - Note 7	575,721
Total Net Assets	<u>754,506</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>766,542</u></u>
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-See Independent Accountant's Review Report-
The accompanying notes are an integral part of these financial Statements

TEXAS RAMP PROJECT
Statement of Activities
Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND PUBLIC SUPPORT			
Contributions			
Board of Directors	\$ 12,410	\$ 6,450	\$ 18,860
Individuals	1,045	48,026	49,071
Churches	14,084	65,667	79,751
Businesses	1,032	23,054	24,086
Civic Organizations	2,000	77,590	79,590
Foundations and Charities	37,251	612,407	649,658
Total Contributions	<u>67,822</u>	<u>833,194</u>	<u>901,016</u>
Other Revenue			
Fees for Services	105,093		105,093
Interest Income	252		252
	<u>173,167</u>	<u>833,194</u>	<u>1,006,361</u>
Net Assets Released from Restriction			
Satisfaction of Program Use - Note 8	758,884	(758,884)	0
Total Revenue and Public Support	<u>932,051</u>	<u>74,310</u>	<u>1,006,361</u>
EXPENSES			
Program Services	759,443	0	759,443
Management and General	40,846	0	40,846
Fundraising	7,496	0	7,496
Total Expenses	<u>807,785</u>	<u>0</u>	<u>807,785</u>
INCREASE IN NET ASSETS	124,266	74,310	198,576
NET ASSETS AT BEGINNING OF YEAR	<u>54,519</u>	<u>501,411</u>	<u>555,930</u>
NET ASSETS AT END OF YEAR	<u>\$ 178,785</u>	<u>\$ 575,721</u>	<u>\$ 754,506</u>

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TEXAS RAMP PROJECT
Statement of Functional Expenses
Year Ended December 31, 2015

<u>Natural Expense Categories</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation	\$ 15,863	\$ 15,862	\$ 3,525	\$ 35,250
Professional Services	0	1,200	1,125	2,325
Advertising - Note 1(j)	10,417	0	0	10,417
Office Expense	0	5,689	0	5,689
Information Technology	5,942	0	0	5,942
Travel	12,803	12,803	2,846	28,452
Conferences and Meetings	0	579	0	579
Depreciation - Note 5	559	415	0	974
Insurance	6,154	981	0	7,135
Ramp, Direct Costs	663,202	0	0	663,202
Warehouse	8,212	0	0	8,212
Tools	36,291	0	0	36,291
Other	0	3,317	0	3,317
Total Expenses	\$ <u>759,443</u>	\$ <u>40,846</u>	\$ <u>7,496</u>	\$ <u>807,785</u>

-See Independent Accountant's Review Report-
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TEXAS RAMP PROJECT
Statement of Cash Flows
Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 198,576
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation Expense	974
Interest Earned on Endowment Fund	(55)
(Increase) in Accounts Receivable	(680)
(Increase) in Pledges Receivable	(21,764)
(Increase) in Prepaid Expenses	(26,464)
Decrease in Inventory	2,285
(Decrease) in Accounts Payable and Accrued Liabilities	<u>(6,535)</u>
Net Cash Provided by Operating Activities	146,337
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 146,337
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>337,754</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 484,091</u>

-See Independent Accountant's Review Report-
The accompanying notes are an integral part of these financial Statements

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 Organization'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, 2015.

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

(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, 2015

(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 \$10,417 for the fiscal year ended December 31, 2015.

(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, 2015, 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 2012 for the Organization are no longer subject to examination by tax authorities.

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

(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.

Subsequent events were evaluated through December 7, 2016 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, 2015, 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.

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2: ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2015 totaled \$5,138. 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.

NOTE 3: PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2015 totaled \$177,553. 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.

	Amount
Foundations and Charities	\$ 154,000
Churches	12,370
Civic Organizations	5,320
All Others	5,863
Total	<u>\$ 177,553</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 \$55,740 as of December 31, 2015.

NOTE 5: PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2015 consist of the following:

	Historical Cost	Accum Depreciation	Net Fixed Assets
Warehouse Building (15 years)	\$ 8,375	\$ (1,675)	\$ 6,700
Office Equipment (3 years)	1,243	(1,036)	207
Totals	<u>\$ 9,618</u>	<u>\$ (2,711)</u>	<u>\$ 6,907</u>

Depreciation expense for the fiscal year was \$974.

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 6: BOARD DESIGNATED UNRESTRICTED NET ASSETS

Board Designated unrestricted net assets as of December 31, 2015 consist of cash and cash equivalent balances set aside in an endowment account for the board and are available for the following purposes:

	Amount
Program Expenses	\$ 5,611
Total	<u>\$ 5,611</u>

NOTE 7: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2015 consist of cash and cash equivalent balances and are available for the following purposes:

	Amount
Ramp, Direct Costs	\$ 575,721
Total	<u>\$ 575,721</u>

NOTE 8: 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, 2015 are as follows:

	Amount
Ramp, Direct Costs	\$ 663,202
Warehouse	8,212
Tools	36,291
Insurance	6,154
Travel	12,803
Information Technology	5,942
Advertisng	10,417
Compensation	15,863
Total	<u>\$ 758,884</u>

NOTE 9: 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, 2015 total deposits in excess of federally insured limits amounted to \$141,112.

TEXAS RAMP PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 10: 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, 2015 to be approximately 54,000. 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.