

A+ ACADEMIC RESOURCES

Compiled Financial Statements

December 31, 2021

ADKF, P.C.
Certified Public Accountants

A+ ACADEMIC RESOURCES
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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
A+ Academic Resources
San Antonio, Texas

Management is responsible for the accompanying financial statements of A+ Academic Resources (Organization), which comprise the statement of financial position—cash basis as of December 31, 2021, and the related statement of activities—cash basis for the year then ended and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

ADKF, PC

ADKF, P.C.
San Antonio, Texas
March 25, 2022

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A+ ACADEMIC RESOURCES
Statement of Financial Position - Cash Basis
December 31, 2021

ASSETS

Current assets

Cash

\$ 113

Total Assets

\$ 113

LIABILITIES AND NET ASSETS

Liabilities

SBA loan payable

\$ 7,000

Total liabilities

7,000

Net Assets:

Without donor restrictions

(6,887)

Total net assets

(6,887)

Total Liabilities and Net Assets

\$ 113

See independent accountant's compilation report

A+ ACADEMIC RESOURCES
Statement of Activities - Cash Basis
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 9,517	\$ -	\$ 9,517
In-kind contributions	6,728	-	6,728
Total support and revenue	<u>16,245</u>	<u>-</u>	<u>16,245</u>
Expenses			
Program:			
School supplies	700	-	700
Giftcards	1,540	-	1,540
In-kind donations	6,728	-	6,728
Donations	7,177	-	7,177
Total program	<u>16,145</u>	<u>-</u>	<u>16,145</u>
General and Administrative:			
Office supplies	300	-	300
Bank fees	15	-	15
Total general and administrative	<u>315</u>	<u>-</u>	<u>315</u>
Total expenses	<u>16,460</u>	<u>-</u>	<u>16,460</u>
Change in Net Assets	(215)	-	(215)
Net assets at beginning of year	<u>(6,672)</u>	<u>-</u>	<u>(6,672)</u>
Net Assets at End of Year	<u><u>\$ (6,887)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (6,887)</u></u>

See independent accountant's compilation report

A+ ACADEMIC RESOURCES
Notes to Financial Statements
December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities: A+ Academic Resources (Organization) is a non-profit organization, located in San Antonio, Texas that provides educational resources to students in grades K – 12 who attend San Antonio public schools and lack the necessities for academic success. The Organization provides resources such as school uniforms, gym shoes, backpacks, laptops, books, and school supplies to allow them to attend school and focus on learning. The Organization provides individual and group tutoring in K – 12 subjects as well as writing coaches to help students improve their research and writing skills. The Organization was originally founded as an unincorporated nonprofit association on November 21, 2008 and subsequently became a nonprofit corporation on January 11, 2018.

Basis of Presentation: The accompanying financial statements have been prepared on the cash basis of accounting in accordance with U. S. generally accepted accounting principles. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions. Grants and contributions gifted for recurring programs are generally not considered “restricted” under GAAP, though for internal reporting the Organization tracks such grants and contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, board-designated.

With Donor Restrictions: Net assets subject to donor-imposed stipulations that are more restrictive than the Organization’s mission and purpose. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events that will be specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Support and Revenues: Gifts of cash are reported as restricted support if they are received with donor stipulations that limit their use. Gifts of equipment and other similar assets are reported at estimated fair value as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Gifts are reported as unrestricted support when the donor restrictions are met during the reporting period in which the gift was received.

A+ ACADEMIC RESOURCES
Notes to Financial Statements
December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Functional Allocation of Expenses: Because the organization is small in nature it has not had to incur non-program expenses except for bank fees. Therefore, the organization has been able to specifically identify costs as program and administrative. See Note C.

Cash and Cash Equivalents: Cash and cash equivalents consists of cash on hand and demand deposits held by financial institutions and any equivalent securities with a maturity of three months or less. Board designated cash represents amounts designated by the Board for specific purposes, but for which there is no legal restriction.

Income Taxes: The Organization is a not-for-profit organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. In addition, it is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. Donors of money and/or property are entitled to the maximum charitable contribution deduction allowed by law. The Organization is not subject to the Texas margin tax. Management is not aware of any tax positions that would have a significant impact on its financial position. Its federal tax returns for the last four years remain subject to examination.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization maintains cash deposits with major financial institutions which, from time-to-time, may exceed federally insured limits. The Organization periodically assesses the financial condition of the institutions and believes that the risk of loss is minimal.

Use of Estimates: The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements: In June 2016, the FASB issued ASU No. 2016-13 *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on financial Instruments* which requires the application of a current expected credit loss (CECL) impairment model to financial assets measured at amortized cost, including trade accounts receivable. Under the CECL model, lifetime expected credit losses on such financial assets are measured and recognized at each reporting date based on historical, current, and forecasted information. Furthermore, financial assets with similar risk characteristics are analyzed on a collective basis. This ASU, as amended, is effective for periods beginning after December 15, 2022 with early adoption permitted. The Organization is evaluating the impact on its financial statements.

NOTE B – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization has approximately \$113 in financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The organization is small in nature and places reliance on its founder and the board of directors to supply the majority of funds as needed. The Organization has insignificant general and administrative fees. Program costs are funded as funds become available.

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NOTE C – DEBT

The Organization received a Small Business Administration (SBA) loan of \$7,000 effective October 2, 2020. The loan payments will begin on April 2, 2023, for installment payments of \$30 per month and matures 30 years from the date of the loan agreement. Interest rate for the duration of the loan is 2.75%.

NOTE D - FUNCTIONAL EXPENSES

The cost of program services has been allocated to programs as follows:

	<u>Academic Resources</u>	<u>Education & Counseling</u>	<u>Total Program</u>	<u>General and Administrative</u>	<u>Total</u>
School supplies	\$ 700	\$ -	\$ 700	\$ -	\$ 700
Giftcards	1,540	-	1,540	-	1,540
In-kind donations	6,728	-	6,728	-	6,728
Donations	6,860	317	7,177	-	7,177
Office supplies	-	-	-	300	300
Bank fees	-	-	-	15	15
Total Expenses	<u>\$ 15,828</u>	<u>\$ 317</u>	<u>\$ 16,145</u>	<u>\$ 315</u>	<u>\$ 16,460</u>