

EINSTEIN SCHOOL FOUNDATION

Financial Statements

**For the Years Ended
December 31, 2022 and 2021**

EINSTEIN SCHOOL FOUNDATION

**For the Years Ended
December 31, 2022 and 2021**

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Robert Russell, CPA, PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Einstein School Foundation
4011 West Plano Parkway, Suite 102
Plano, Texas 75093

Opinion

We have audited the accompanying financial statements of Einstein School Foundation (a nonprofit Foundation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Einstein School Foundation as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Einstein School Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Einstein School Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

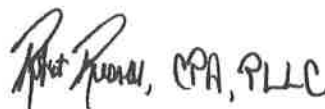
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Einstein School Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Einstein School Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Robert Russell, CPA, PLLC

Dallas, Texas 75218

January 31, 2023

Einstein School Foundation
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
	<u>Assets</u>	
Current assets:		
Cash and cash equivalents	\$ 105,607	\$ 31,013
Contributions receivable	-	23,000
Total current assets	105,607	54,013
Total assets	\$ 105,607	\$ 54,013
	<u>Liabilities and Net Assets</u>	
Net assets:		
Net assets without donor restrictions	105,607	54,013
Total net assets	105,607	54,013
Total liabilities and net assets	\$ 105,607	\$ 54,013

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

Einstein School Foundation
Statements of Activities
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenue:		
Contributions	\$ 102,119	\$ 97,632
Total revenue	102,119	97,632
Expenses:		
Program expense	43,045	34,840
General and administrative expense	7,480	8,779
Total expenses	50,525	43,619
Change in net assets	51,594	54,013
Net assets, beginning of year	54,013	-
Net assets, end of year	\$ 105,607	\$ 54,013

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

Einstein School Foundation
Statement of Functional Expense
For the Year Ended December 31, 2022

	STEAM Education Programs	Total Program Expense	General & Administrative	Total 2022
Expenses:				
Program expense	\$ 43,045	\$ 43,045	\$ -	\$ 43,045
Registration fees	-	-	2,080	2,080
Supplies	-	-	-	-
Web design	-	-	5,000	5,000
Bank fees	-	-	-	-
Professional fees	-	-	400	400
Organizational fees	-	-	-	-
Total expense	\$ 43,045	\$ 43,045	\$ 7,480	\$ 50,525

The accompanying notes are an integral part of this financial statement.

Einstein School Foundation
Statement of Functional Expense
For the Year Ended December 31, 2021

	STEAM Education Programs	Total Program Expense	General & Administrative	Total 2021
Expenses:				
Program expense	\$ 34,840	\$ 34,840	\$ -	\$ 34,840
Registration fees	-	\$ -	1,113	1,113
Supplies	-	\$ -	2,110	2,110
Web design	-	\$ -	4,000	4,000
Bank fees	-	\$ -	24	24
Professional fees	-	\$ -	380	380
Organizational fees	-	\$ -	1,152	1,152
Total expense	\$ 34,840	\$ 34,840	\$ 8,779	\$ 43,619

The accompanying notes are an integral part of this financial statement.

Einstein School Foundation
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 51,594	\$ 54,013
Adjustments to reconcile change in net assets to net cash provided by operations:		
Decrease (increase) in contributions receivable	23,000	(23,000)
Net cash provided by operating activities	74,594	31,013
Net increase in cash and cash equivalents	74,594	31,013
Cash and cash equivalents, beginning of year	31,013	-
Cash and cash equivalents, end of year	\$ 105,607	\$ 31,013

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

Einstein School Foundation
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 1 – DESCRIPTION OF FOUNDATION

The Einstein School Foundation (the Foundation) was incorporated on January 1, 2020, and is a nonprofit corporation chartered by the State of Texas to support the educational activities and growth of the Einstein School (the “School”), a 5th through 12th grade private school. The School provides students with a college preparatory program in a small classroom setting, focusing on the needs of individual students and recognizing that “no two students learn alike.” The School is also part of Creative Learning 4 Kids, a 501(c)(3) charitable Foundation.

The Foundation’s programs are as follows:

Capital Campaign – to fund a new, permanent campus for the School. There were no funds expended in this program for the years ended December 31, 2022 or 2021.

Einstein Scholarship Fund – to collect funds for and manage an endowment fund to grant scholarships for students of the School. There were no funds expended in this program for the years ended December 31, 2022 or 2021.

STEAM Education Programs – to provide funding for resources in support of the STEAM education program in the School.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted by the United States of America (GAAP). Net assets, revenue, and expenses are classified based on the existence of or absence of donor-imposed restrictions. Accordingly, the Foundation’s net assets and changes thereto are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors as reserve funds.

Einstein School Foundation
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation and accounting (continued)

Net assets with donor restriction – Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a 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. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restrictions class.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less. The FDIC deposit insurance insures deposits, money market accounts and certificates of deposit up to \$250,000 per depositor, per insured bank for each ownership category. The Foundation maintains cash balances in accounts located in Plano, Texas which at times may exceed federally insured limits. There were no uninsured balances at December 31, 2022 or 2021.

Financial instruments

The carrying value of cash and cash equivalents and contributions receivable approximate fair value due to the short-term maturities of these assets.

Revenue recognition

Contributions are recorded only upon receipt unless evidence of an unconditional promise to give has been received. Unconditional promises to give (contributions receivable) that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Conditional promises to give are recognized when the conditions to which they are subject are met.

Einstein School Foundation
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Accordingly, actual results could differ from those estimates.

Income taxes

The Foundation is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

The Foundation has concluded that it does not have any unrecognized tax benefits resulting from the current or prior period tax positions. Accordingly, no additional disclosures have been made on the financial statements regarding ASC 740, Income Taxes. The Foundation does not have any outstanding interest or penalties, and none have been recorded in the statement of activities and changes in net assets for the year ended December 31, 2022. The Foundation's informational returns filed are generally subject to examination for three years after the later of the due date or date of filing. As a result, The Foundation is no longer subject to income tax examinations by tax authorities for years prior to 2020 (year of inception).

NOTE 3 – LIQUIDITY AND AVAILABILITY

The following reflects the Foundation's financial assets as of December 31, 2022, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

Financial assets	
Cash and cash equivalents	\$ 105,607
Contributions receivable	<u> -</u>
Financial assets available to meet general expenditures within one year	<u>\$ 105,607</u>

Einstein School Foundation
Notes to Financial Statements

December 31, 2022 and 2021

NOTE 3 – LIQUIDITY AND AVAILABILITY (CONTINUED)

The following reflects the Foundation's financial assets as of December 31, 2021, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

Financial assets	
Cash and cash equivalents	\$ 31,013
Contributions receivable	<u>23,000</u>
Financial assets available to meet general expenditures within one year	<u>\$ 54,013</u>

NOTE 4 – CONCENTRATION

For the years ended December 31, 2022 and 2021, revenues from three and four donors comprised approximately 66% and 82% of total revenue, respectively. At December 31, 2022 there was no contributions receivable. At December 31, 2021, approximately 87% of contributions receivable is from one donor.

NOTE 5 – EXPENSE REPORTING

The costs of program and supporting activities have been summarized on a functional basis in the statements of activities. The statements of functional expense present the natural classification detail of expenses by function. Many costs are identified with a specific program or supporting function when incurred and are reported accordingly. Certain costs are attributed to more than one program or supporting function, and, therefore, require allocation among the functions benefited on a reasonable and consistent basis. Therefore, these expenses require allocation, on a reasonable basis, that is consistently applied. The expenses are allocated on the basis of time and effort.

NOTE 6 – RISKS, ECONOMIC OUTLOOK AND UNCERTAINTIES

The Foundation depends heavily on contributions from donors for its revenue. The ability of the donors to continue giving may be dependent, among other things, upon current and future overall economic conditions and the continued deductibility for income tax purposes of donations to the Foundation. While management believes the Foundation has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

Einstein School Foundation
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 7 – SUBSEQUENT EVENTS

The Foundation has evaluated its operations and transactions occurring since December 31, 2022 through January 31, 2023, the date of which these financial statements were available to be issued, and did not identify any subsequent events, except as follows:

In March 2020, the World Health Foundation recognized the novel strain of coronavirus, COVID-19, as a pandemic. Due to the pandemic, the Association cancelled various fundraising events for 2020. The coronavirus outbreak has severely restricted the level of economic activity around the world. The Foundation has adjusted operational plans to protect the employee and individuals served while still meeting client needs for essential services. The Foundation continues to closely monitor the impact of COVID-19 on all aspects of our business. Given the uncertainty of the spread of the coronavirus, the related financial impact to the Foundation, if any, cannot be determined at this time.