

**Communities In Schools
of San Antonio**

**Financial Statements
and Compliance Report**

August 31, 2021 and 2020



Communities In Schools of San Antonio

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Independent Auditor's Report

To the Board of Directors of
Communities In Schools of San Antonio

Report on the Financial Statements

We have audited the accompanying financial statements of Communities In Schools of San Antonio (a nonprofit organization), which comprise the statement of financial position as of August 31, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Communities In Schools of San Antonio as of August 31, 2021, 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.

Independent Auditor's Report (Continued)

Report on Summarized Comparative Information

We have previously audited Communities In Schools of San Antonio's 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards, as required by the *Texas Comptroller of Public Accounts, State of Texas Uniform Grant Management Standards*, which includes the *State of Texas Single Audit Circular* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of Communities In Schools of San Antonio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Communities In Schools of San Antonio's internal control over financial reporting and compliance.



Schrivier, Carmona & Company, PLLC

San Antonio, Texas

December 14, 2021

Financial Statements

Communities In Schools of San Antonio

Statements of Financial Position
August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 6,413,462	\$ 5,466,785
Certificates of Deposit	559,301	1,301,484
Government Grants and Other Receivables	1,593,859	1,173,851
Interest Income Receivable	842	566
Prepaid Insurance and Other Deposits	18,591	32,644
Short-Term Investments	<u>881,374</u>	<u>-</u>
<i>Total Current Assets</i>	9,467,429	7,975,330
<i>Assets Limited as to Use - Endowment Fund:</i>		
Money Market Investment	<u>29,613</u>	<u>24,187</u>
<i>Total Assets Limited as to Use - Endowment Fund</i>	29,613	24,187
Property and Equipment, Net of Accumulated Depreciation	<u>562,328</u>	<u>624,447</u>
Total Assets	\$ <u>10,059,370</u>	\$ <u>8,623,964</u>
Liabilities and Net Assets		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 174,260	\$ 156,106
Salaries and Benefits Payable	344,343	325,646
Deferred Revenue	-	2,969
Accrued Interest on Paycheck Protection Program Loan	-	6,936
Note Payable - Current Portion	<u>65,626</u>	<u>61,333</u>
<i>Total Current Liabilities</i>	584,229	552,990
Paycheck Protection Program Loan	-	1,532,000
Note Payable - Long-Term Portion	<u>420,953</u>	<u>489,180</u>
<i>Total Liabilities</i>	1,005,182	2,574,170
<i>Net Assets:</i>		
Without Donor Restrictions	7,325,336	4,977,948
With Donor Restrictions	<u>1,728,852</u>	<u>1,071,846</u>
<i>Total Net Assets</i>	9,054,188	6,049,794
Total Liabilities and Net Assets	\$ <u>10,059,370</u>	\$ <u>8,623,964</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

Communities In Schools of San Antonio

Statement of Activities

Year Ended August 31, 2021 (with Comparative Totals for the Year Ended August 31, 2020)

	2021			2020 Totals
	Without Donor Restrictions	With Donor Restrictions	Totals	
Support and Revenues				
Support:				
Grants - State Government	\$ 2,232,371	\$ -	\$ 2,232,371	\$ 2,344,008
Grants - Federal Government	549,529	-	549,529	289,152
Grants - Local Government	1,134,749	-	1,134,749	929,330
United Way of San Antonio and Bexar County	568,168	-	568,168	556,447
Private Grants, Donations and Contributions	755,248	2,604,988	3,360,236	3,103,247
Gain on Extinguishment of Debt - Forgiven Paycheck Protection Program Loan	1,532,000	-	1,532,000	-
Special Events, net of expenses of \$40,107 and \$56,824 in 2021 and 2020, respectively	377,895	-	377,895	350,176
In-Kind Contributions	58,105	-	58,105	9,203
Revenues:				
Service Delivery Agreements	6,290,443	-	6,290,443	5,516,340
Investment Income, net of fees of \$1,204 and \$363 in 2021 and 2020, respectively	5,518	5,426	10,944	1,522
Other Income	30,767	-	30,767	56,525
Net Assets Released from Restrictions	1,953,408	(1,953,408)	-	-
Total Support and Revenues	15,488,201	657,006	16,145,207	13,155,950
Expenses				
Program Services	11,047,397	-	11,047,397	10,108,241
Support Services:				
Management and General	1,905,315	-	1,905,315	1,686,021
Fundraising	188,101	-	188,101	214,160
Total Expenses	13,140,813	-	13,140,813	12,008,422
Change in Net Assets	2,347,388	657,006	3,004,394	1,147,528
Net Assets at Beginning of Year	4,977,948	1,071,846	6,049,794	4,902,266
Net Assets at End of Year	\$ 7,325,336	\$ 1,728,852	\$ 9,054,188	\$ 6,049,794

The Accompanying Notes are an Integral Part of These Financial Statements.

Communities In Schools of San Antonio

Statement of Functional Expenses

Year Ended August 31, 2021 (with Comparative Totals for the Year Ended August 31, 2020)

	Support Services			2021 Totals	2020 Totals
	Program Services	Management and General	Fundraising		
Salaries and Related Expenses:					
Salaries and Wages	\$ 8,148,469	\$ 1,110,795	\$ 139,000	\$ 1,249,795	\$ 8,945,216
Payroll Taxes and Employee Benefits	1,643,301	230,718	21,381	252,099	1,720,766
Total Salaries and Related Expenses	<u>9,791,770</u>	<u>1,341,513</u>	<u>160,381</u>	<u>1,501,894</u>	<u>10,665,982</u>
Other Operating Expenses:					
Communications	4,301	12,831	636	13,467	25,556
Contractual	187,040	215,395	7,700	223,095	386,596
Enrichment and Need	575,144	-	-	-	318,118
Equipment	106,954	5,684	1,818	7,502	52,706
In-Kind Expenses - School Supplies	58,105	-	-	-	9,203
Insurance	21,379	48,140	-	48,140	64,413
Interest Expense	-	2,895	-	2,895	41,134
Maintenance and Repair	-	2,980	-	2,980	1,219
Marketing	11,333	13,105	-	13,105	11,130
Other	27,083	12,529	14,358	26,887	43,114
Premise Expense	247	29,403	-	29,403	40,386
Printing and Copying	23,166	22,775	728	23,503	36,893
Supplies	147,983	104,776	2,124	106,900	100,636
Travel and Training	92,892	18,968	356	19,324	137,218
Total Other Operating Expenses	<u>1,255,627</u>	<u>489,481</u>	<u>27,720</u>	<u>517,201</u>	<u>1,772,828</u>
Total Expenses before Depreciation	11,047,397	1,830,994	188,101	2,019,095	13,066,492
Depreciation	-	74,321	-	74,321	74,118
Total Expenses	<u>\$ 11,047,397</u>	<u>\$ 1,905,315</u>	<u>\$ 188,101</u>	<u>\$ 2,093,416</u>	<u>\$ 12,008,422</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

Communities In Schools of San Antonio

Statements of Cash Flows Years Ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 3,004,394	\$ 1,147,528
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	74,321	74,118
Gain on Extinguishment of Debt - Forgiven Paycheck Protection Program Loan	(1,532,000)	-
Realized and Unrealized (Gain) on Investments	(11,742)	(1,350)
(Increase) Decrease in:		
Government Grants and Other Receivables	(420,008)	(169,797)
Interest Income Receivable	(276)	100
Prepaid Insurance and Other Deposits	14,053	11,796
Increase (Decrease) in:		
Accounts Payable	18,154	64,959
Salaries and Benefits Payable	18,697	2,035
Deferred Revenue	(2,969)	(23,200)
Accrued Interest on Paycheck Protection Program Loan	(6,936)	6,936
Net Cash Provided by Operating Activities	<u>1,155,688</u>	<u>1,113,125</u>
Cash Flows From Investing Activities:		
Proceeds from Redemption of Certificates of Deposit	744,000	496,000
Purchase of Certificates of Deposit	-	(992,000)
Reinvestment of Income from Certificates of Deposit	(1,817)	(7,847)
Purchase of Investments	(875,856)	-
Reinvestment of Income from Investments	798	(172)
Purchase of Property and Equipment	(12,202)	-
Net Cash Used by Investing Activities	<u>(145,077)</u>	<u>(504,019)</u>
Cash Flows From Financing Activities:		
Proceeds from Paycheck Protection Program Loan	-	1,532,000
Net Payments on Note Payable	(63,934)	(55,181)
Net Cash Provided (Used) by Financing Activities	<u>(63,934)</u>	<u>1,476,819</u>
Net Increase in Cash and Cash Equivalents	946,677	2,085,925
Cash and Cash Equivalents, Beginning of Year	<u>5,466,785</u>	<u>3,380,860</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,413,462</u>	<u>\$ 5,466,785</u>
Supplemental Disclosures:		
Interest Paid	<u>\$ 34,562</u>	<u>\$ 34,198</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note A: Nature of Organization

Communities In Schools of San Antonio (CISSA) was organized as a nonprofit corporation on June 3, 1985 for the purpose of providing a positive environment for at-risk students by ensuring their access to all educational opportunities, social services and support services available. By developing positive self-esteem, confidence and respect, CISSA facilitates the ultimate mission of the student graduating from high school and continuing to reach his/her highest potential as a successful citizen, contributor to the community, and participant in building a world-class society.

CISSA is supported primarily by the Texas Education Agency, service delivery agreements with the schools they serve, Bexar County, City of San Antonio, donations from foundations, corporations and individuals, United Way of San Antonio, and to a lesser extent, special events.

Note B: Summary of Accounting Principles

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). Net assets, support and revenue, and expenses are classified according to two classes of net assets:

- *Without Donor Restrictions* – net assets available for use in general operations and not subject to donor restrictions. Grant and contributions gifted for recurring programs of CISSA generally are not considered “restricted” under GAAP, though for internal reporting CISSA tracks such grants and contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board of Directors 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 CISSA’s mission and purpose. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time. Donor imposed restrictions are released when a restriction expires, such as when the stipulated time has elapsed or 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.

Methods Used for Allocation of Expenses among Program and Support Services

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses which can be directly identified with specific programs are allocated to those programs. Any expenses not directly chargeable are allocated to programs and supporting service classifications on an indirect basis according to management estimates. For example, salaries and wages for the majority of CISSA staff are directly charged to specific grants, contracts, and other activities if readily identifiable. The salaries and wages of certain CISSA staff, including but not limited to CEO, CFO, Controller, and HR Director, are entirely indirectly charged to specific grants, contracts, and other activities as these staff perform functions which are necessary and beneficial to all programs. Occupancy expenses such as utilities, maintenance, janitorial, and security services are allocated directly and indirectly based on square footage. Office supplies expenses are directly charged to specific grants or contracts, however office supplies used by CISSA staff engaged in indirect activities will be charged on an indirect basis.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note B: Summary of Accounting Principles (Continued)

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include interest-bearing checking accounts, savings accounts, and money market funds. All other highly liquid debt instruments with an original maturity of three months or less are also included as cash equivalents in the Statements of Financial Position and Statements of Cash Flows. The cash and cash equivalents do not include the money market investment, certificates of deposit, and short-term investments.

Federal and State Income Taxes

CISSA is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying statements. Management of CISSA believes it has no material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. In addition, CISSA has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) for the Internal Revenue Code. There was no unrelated business income for the years ended August 31, 2021 and 2020. CISSA is not subject to the Texas state income tax. Management is not aware of any tax position that would have a significant impact on its financial position.

Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the FASB ASC, 820-10, defines fair value, establishes a three level valuation hierarchy for disclosure of fair value measurements, and expands disclosures about fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

- *Level 1* - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets that CISSA has the ability to access.
- *Level 2* - Inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.
- *Level 3* - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions as there is little, if any, related market activity.

Fair Value of Financial Instruments

CISSA's financial instruments include cash and cash equivalents, receivables, certificates of deposit, money market investment, investments, and payables. The carrying amount of these financial instruments as reflected in the Statements of Financial Position, except for money market investment and investments (see **Note E**) approximates fair value.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note B: Summary of Accounting Principles (Continued)

Investments

Investments are carried at fair value based on quoted market prices for financial statement purposes. A provision for unrealized gains or losses is made each year to adjust to the appropriate value. Realized and unrealized gains and losses are determined by comparison of cost to proceeds or fair value, respectively. Cost is determined by historical purchase price or, in the case of any donated investments, the fair market value of those investments at the date of the gift. Investment income and gains restricted by a donor are reported as increases in Net Assets Without Donor Restrictions if the restrictions are met (either by passage of time or by use in the reporting period in which the income are gains are reported).

Government Grants and Other Receivables

CISSA provides services that are paid for by federal, state, and local grants. Other receivables consist of service delivery agreements with the schools that CISSA provides services. CISSA has deemed these receivables to be fully collectible.

Promises to Give

Unconditional promises to give are recognized as contributions in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Promises to give are recorded at net realizable value if they are expected to be collected within one year and at net present value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment

CISSA capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are stated at cost or at their estimated market value at the date of receipt from donors. Donated property and equipment are reported as 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 With Donor Restrictions. Repairs and maintenance costs are expensed as incurred.

Depreciation is computed for financial statement purposes on a straight-line basis over the estimated useful lives as follows:

Building and Building Improvements	6 to 40 years
Equipment, Furniture and Fixtures	5 to 10 years
Vehicles	6 years

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note B: Summary of Accounting Principles (Continued)

Revenue Recognition

Contributions and Grants

CISSA recognizes contributions and grants when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. CISSA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, With Donor Restrictions are reclassified to Without Donor Restrictions and reported in the Statement of Activities as Net Assets Released from Restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as Without Donor Restrictions.

Service Delivery Agreements

Revenue from service delivery agreements in the Statement of Activities includes revenue received from school districts on an annual contractual basis. The services provided by CISSA staff include, but are not limited to, counseling and supportive guidance, education and academic enhancement activities, and educational and cultural enrichment opportunities. CISSA recognizes revenue when the performance obligation of providing the counseling and supportive services are performed.

Compensated Absences

Employees of CISSA are given up to twenty-four days paid time off (PTO) annually, depending upon employee classification. Unused PTO is not paid upon termination, whether voluntary or involuntary. Therefore, no accruals were made for compensated absences as of the fiscal years ending August 31, 2021 and 2020.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses for the years ending August 31, 2021 and 2020 were **\$0**.

Recently Issued Accounting Pronouncements

Adopted During 2021

In May 2014, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, Topic 606. For not-for-profit organizations that have issued, or are conduit bond obligors for, securities traded, listed, or quoted on an exchange or an over-the-counter market, the standard is currently in effect. For all other not-for-profit organizations, the standard takes effect in annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. On June 3, 2020, The FASB issued a one year delay for the effective date of this standard for entities that have not yet issued financial statements or made financial statements available for issuance as of June 3, 2020 reflecting adoption of ASC 606. The core principle of this pronouncement focuses on the contract between the organization and its customers for goods and services, and ultimately, the rights and obligations between the organization and the customer. CISSA adopted the new provisions of this standard during the year ended August 31, 2021. There were no significant effects on the financial statements and related disclosures.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note B: Summary of Accounting Principles (Continued)

Recently Issued Accounting Pronouncements (Continued)

Future Adoption

In February 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. Under this new pronouncement, generally, leases with terms of more than 12 months will be recognized in the Statements of Financial Position as an asset (right to use leased asset) and a liability (lease liability). Management of CISSA expects the impact to operations to be minimal and is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective for fiscal years beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. Management of CISSA expects the impact to operations to be minimal and is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with CISSA's financial statements for the year ended August 31, 2020 from which the summarized information was derived.

Note C: Liquidity and Availability

The following represents CISSA's financial assets at August 31, 2021 and 2020 available to meet general expenditures over the next twelve months:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and Cash Equivalents	\$ 6,413,462	\$ 5,466,785
Certificates of Deposit	559,301	1,301,484
Government Grants and Other Receivables	1,593,859	1,173,851
Interest Income Receivable	842	566
Short-Term Investments	881,374	-
Money Market Investment	29,613	-
	<u>9,478,451</u>	<u>7,966,873</u>
Total Financial Assets		

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note C: Liquidity and Availability (Continued)

Less those unavailable for general expenditures over the next twelve months due to:

	<u>2021</u>	<u>2020</u>
Net Assets with Donor Restrictions	\$ 1,728,852	\$ 1,071,846
Less net assets with timing restrictions to be met over the next twelve months	<u>(40,000)</u>	<u>(40,000)</u>
	<u>1,688,852</u>	<u>1,031,846</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 7,789,599</u>	<u>\$ 6,935,027</u>

CISSA regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In accordance with CISSA's Operating Reserves and Working Capital Policy, CISSA's goal is to maintain working capital (defined by CISSA as cash) to cover one month of operating expenses. In addition, CISSA maintains a Board Designated Operating Reserve Fund to achieve the following objectives:

- To enable CISSA to sustain operations through delays in payments of committed funding and to accept reimbursable contracts and grants without jeopardizing ongoing operations;
- To promote public and funder confidence in the long-term sustainability of CISSA by preventing chronic cash flow crisis that can diminish CISSA's reputation and force CISSA's leaders to make expensive, short-term, crisis based decisions;
- To create an internal line of credit to manage cash flow and maintain financial flexibility

The target amount to be maintained of the Board Designated Operating Reserve Fund is 25% of CISSA's annual operating budget or three months of operating expenses. Board Designated Operating Reserves shall be accounted for separate and apart from Undesignated Operating Funds.

CISSA has various resources of liquidity at its disposal, including cash and cash equivalents, certificates of deposit, and various receivables. In addition to the financial assets available to meet general expenditures within one year, CISSA operates a balanced budget and anticipates earned revenues and annual support contributions sufficient to cover general expenditures not provided by other donor restricted sources.

Note D: Investments

CISSA has an Endowment Fund (the Endowment Fund), consisting of a money market investment fund, at the San Antonio Area Foundation (SAAF). The Investment Committee of the SAAF manages the funds held in CISSA's name. CISSA decides how the funds will be distributed and used. The Endowment Fund is recorded at fair market value and is collateralized by insurance contracts. The value of this investment at August 31, 2021 and 2020 was \$29,613 and \$24,187 respectively. For additional information, refer to **Note N**.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note D: Investments (Continued)

Investments at August 31 are summarized as follows:

	2021		
	Cost	Market	Carrying Value
Money Market Investment	\$ 29,613	\$ 29,613	\$ 29,613
Fixed Income	700,883	700,541	700,541
Equities	175,165	180,833	180,833
Total Investments	<u>\$ 905,661</u>	<u>\$ 910,987</u>	<u>\$ 910,987</u>

	2020		
	Cost	Market	Carrying Value
Money Market Investment	\$ 21,218	\$ 24,187	\$ 24,187
Total Investments	<u>\$ 21,218</u>	<u>\$ 24,187</u>	<u>\$ 24,187</u>

Investment returns for the years ended August 31 is summarized and reported on the Statement of Activities as follows:

	2021	2020
Interest and Dividends	\$ 406	\$ 225
Realized and Unrealized Gain on Investments	11,742	1,660
Less: Fees	<u>(1,204)</u>	<u>(363)</u>
Total Investment Income, net	<u>\$ 10,944</u>	<u>\$ 1,522</u>

Note E: Fair Value Measurement

The reporting entity uses fair value measurements to record fair value adjustments to certain assets and liabilities to determine fair value disclosures. For additional information on how CISSA measures fair value, refer to **Note B**.

The following describes the valuation methods and assumptions used by CISSA in estimating the fair value disclosures for investments.

- *Money Market Investment* is valued at the fair value of shares at quoted market prices.
- *Equities* are valued at the fair value of shares at quoted market prices.
- *Fixed Income* is valued at fair value at quoted market prices for assets not traded regularly.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note E: Fair Value Measurement (Continued)

The following table sets forth by level, within the fair value hierarchy, CISSA's investments at fair value as of August 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Investment	\$ 29,613	\$ -	\$ -	\$ 29,613
Equities	180,833	-	-	180,833
Fixed Income	-	700,541	-	700,541
Total Investments at Fair Value	<u>\$ 210,446</u>	<u>\$ 700,541</u>	<u>\$ -</u>	<u>\$ 910,897</u>

The following table sets forth by level, within the fair value hierarchy, CISSA's investments at fair value as of August 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Investment	\$ 24,187	\$ -	\$ -	\$ 24,187
Total Investments at Fair Value	<u>\$ 24,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,187</u>

Note F: Concentrations

Credit Risk of Financial Instruments and Investments

Financial instruments that potentially subject CISSA to concentrations of credit risk consist of its cash balances held at its financial institutions and its investment balances held with an investment firm if such balances exceed the related Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) protection limits. Accounts at the institutions are insured by the FDIC up to \$250,000. Accounts held with an investment firm are insured by the SIPC up to \$500,000. At August 31, 2021 and 2020, the cash balances at the institutions were in excess of the FDIC limit by **\$5,316,093** and \$4,439,398, respectively. At August 31, 2021 and 2020, the investment balance was in excess of the SIPC limit by **\$384,421** and \$372,003 respectively.

Support and Revenues

CISSA received approximately **24%** and 27% of total support and revenues from government grants in 2021 and 2020, respectively. For additional information, refer to **Note L**.

Note G: Tax Deferred Annuity Plan

CISSA participates in a tax-deferred annuity plan qualified under Section 403(B) of the Internal Revenue Code. The plan covers full-time and part-time employees of CISSA. All employees are eligible to make voluntary contributions. CISSA will match a qualified employee contribution up to 3% of their gross pay. CISSA contributed matching contributions of **\$83,211** and \$79,235 for the years ended August 31, 2021 and 2020, respectively. The plan requires two years of service, without an intervening break, to be vested in the matching portion of the plan. Additionally, employees must complete 1,000 hours of service to receive credit for one year of service.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note H: Government Grants and Other Receivables

Government Grants and Other Receivables at August 31 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Federal Agencies	\$ 46,966	\$ 73,934
State Agencies	196,092	273,209
Local Agencies and Organizations	273,007	434,920
Service Delivery Agreements	<u>1,077,794</u>	<u>391,788</u>
Total Government Grants and Other Receivables	<u>\$ 1,593,859</u>	<u>\$ 1,173,851</u>

Note I: Property and Equipment

Property and Equipment, Net of Accumulated Depreciation, consisted of the following at August 31,:

	<u>2021</u>	<u>2020</u>
Land	\$ 135,000	\$ 135,000
Building and Building Improvements	1,251,262	1,239,060
Equipment, Furniture and Fixtures	119,560	119,560
Vehicles	<u>36,417</u>	<u>36,417</u>
Total Property and Equipment	1,542,239	1,530,037
Less: Accumulated Depreciation	<u>(979,911)</u>	<u>(905,590)</u>
Property and Equipment, Net of Accumulated Depreciation	<u>\$ 562,328</u>	<u>\$ 624,447</u>

Depreciation expense for the years ended August 31, 2021 and 2020 was **\$74,321** and \$74,118, respectively.

Note J: Note Payable

In May of 2008, CISSA purchased land and buildings located at 1616 East Commerce, San Antonio, Texas, for \$1,350,000. A \$270,000 payment was made at the time of closing in addition to closing costs. The remaining balance of \$1,080,000 is secured by a 20-year note. In July 2020, the interest on the note payable was amended from 5.90% (five year treasury plus 300 points adjusted every five years) to 3.29% (five year treasury plus 300 basis points adjusted every five years). The note is payable in monthly installments of \$6,706, secured by CISSA real estate, and matures on May 22, 2028. The note payable balance at August 31, 2021 and 2020 was **\$486,579** and \$550,513, respectively. Future maturities of the note payable at August 31, 2021 are as follows:

2021	\$ 65,626
2022	67,628
2023	69,858
2024	72,220
2025	74,632
Thereafter	<u>136,615</u>
Total	<u>\$ 486,579</u>

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note K: Paycheck Protection Program Loan

On May 6, 2020, CISSA received loan proceeds in the amount of \$1,532,000 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the businesses' average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. CISSA intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period.

On June 17, 2021, CISSA was granted 100% forgiveness and was legally released from the loan obligation. The forgiveness income is recorded as Gain on Extinguishment of Debt – Forgiven PPP Loan in the amount of \$1,532,000 in the Statement of Activities for the year ended August 31, 2021.

Note L: Commitments and Contingencies

CISSA participates in several state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that CISSA has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note M: Donated Facilities, Goods, and Professional Services

Donated facilities, goods, and professional services are valued on their estimated fair market value on the date of contribution. CISSA coordinates an annual event, Stuff The Bus, to solicit donations of school supplies. The supplies are collected and divided amongst CISSA. The fair market value of the donated supplies is estimated to be **\$58,105** and \$9,203 for the years ended August 31, 2021 and 2020, respectively.

Note N: Endowment Fund

The Endowment Fund was created as a permanent endowment fund in 2005 to support CISSA. The investment objective for the capital fund is the preservation of capital, with the secondary purpose being to provide an income stream. The risk tolerance objective is investments should be made that ensure the preservation of capital in the overall capital and offsets during a twelve-month period. CISSA has permanent ownership of the principal portion of the Endowment Fund and in the event of dissolution of CISSA it will control the distribution of the funds. The net appreciation from the Endowment Fund is to be used to support CISSA's operating activities or for specific purpose designated by the donor. As of August 31, 2021, and 2020, the fair value of the Endowment Fund is **\$29,613** and \$24,187, respectively, and is held by the Investment Committee of the SAAF. The principal portion of the Endowment Fund in the amount of \$13,109 is not currently available for use by CISSA. The net appreciation of \$16,504 during the year ended August 31, 2021 is recorded as With Donor Restrictions and is available for use by CISSA. The entire endowment fund contribution of \$13,109 is donor restricted.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note N: Endowment Fund (Continued)

Activity of the Endowment Fund for the years ended August 31 is summarized as follows:

	<u>2021</u>	<u>2020</u>
Beginning Balance	\$ 24,187	\$ 22,665
Investment Income	180	225
Investment Fees	(1,170)	(363)
Appreciation or Depreciation	<u>6,416</u>	<u>1,660</u>
Ending Balance	<u>\$ 29,613</u>	<u>\$ 24,187</u>

Net Asset Breakdown of the Endowment is summarized as follows:

	<u>2021</u>	<u>2020</u>
Restricted by Time or Purpose	\$ 16,504	\$ 11,078
Restricted by Perpetuity	<u>13,109</u>	<u>13,109</u>
Total Endowment Fund	<u>\$ 29,613</u>	<u>\$ 24,187</u>

Note O: Special Events

Special events are held by CISSA to help fund current operations and consisted of the following for the year ended August 31, 2021:

	<u>2021</u>		
	<u>Revenue</u>	<u>Expenses</u>	<u>Special Events, net</u>
GALA Lunch	\$ 123,668	\$ (29,038)	\$ 94,630
Stuff The Bus	<u>294,334</u>	<u>(11,069)</u>	<u>283,265</u>
Total	<u>\$ 418,002</u>	<u>\$ (40,107)</u>	<u>\$ 377,895</u>
	<u>2020</u>		
	<u>Revenue</u>	<u>Expenses</u>	<u>Special Events, net</u>
GALA Lunch	\$ 146,745	\$ (285)	\$ 146,460
Stuff The Bus	232,635	(49,185)	183,450
Golf Tournament	<u>27,620</u>	<u>(7,354)</u>	<u>20,266</u>
Total	<u>\$ 407,000</u>	<u>\$ (56,824)</u>	<u>\$ 350,176</u>

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note P: Net Assets

Net Assets With Donor Restrictions

Net Assets With Donor Restrictions consisted of the following at August 31,:

	<u>2021</u>	<u>2020</u>
Restricted by Time or Purpose		
Participant Emergency Needs	\$ 79,142	\$ 104,297
Stuff The Bus	244,372	152,931
Property and Equipment	1,717	-
General Operations	40,000	80,000
Project Access	32,419	12,000
Base Wellness Project	55,655	136,446
Workforce Development	758,057	-
Program Support for Specifically Identified Schools	286,654	362,679
STEM Program	22,000	65,500
Pre-College Program	45,176	43,009
Endowment Fund	16,504	11,078
Community Engagement	-	21,000
Inspire U Program	40,867	10,850
Student Scholarships	3,000	4,000
COVID-19 Response	-	54,947
Miscellaneous	90,180	-
Restricted by Perpetuity		
Endowment Fund	<u>13,109</u>	<u>13,109</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,728,852</u>	<u>\$ 1,071,846</u>

During the years ended August 31, 2021 and 2020, the following net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

Net Assets Released from Restrictions

	<u>2021</u>	<u>2020</u>
Participant Emergency Needs	\$ 136,473	\$ 23,410
Stuff The Bus	142,751	108,354
General Operations	40,000	67,815
Pre-K	-	68,816
Base Wellness Project	80,792	61,759
Property and Equipment	13,283	11,324
Inspire U Program	20,379	22,750
Student Leaders	32,000	12,000
Project Access	64,580	-
Community Engagement	21,000	-
COVID-19 Response	54,947	8,079
Project Access	-	37,111
Community Engagement	-	11,951
Student Scholarships	<u>\$ 1,000</u>	<u>\$ 1,000</u>

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2021 and 2020

Note P: Net Assets (Continued)

Net Assets Released from Restrictions (Continued)

	<u>2021</u>	<u>2020</u>
ROPES	\$ -	\$ 552
XY Zone	-	1,005
Workforce Development	243,101	-
Program Support for Specifically Identified Schools	996,097	1,054,754
STEM Program	54,277	26,810
Pre-College Program	22,906	15,731
Miscellaneous	29,822	-
	<u> </u>	<u> </u>
Total Net Assets Released from Restrictions	<u>\$ 1,953,408</u>	<u>\$ 1,533,221</u>

Note Q: COVID-19 Risk and Uncertainty

The COVID-19 pandemic, whose effects first became known in January 2020, is having broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. CISSA is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on CISSA's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on CISSA's customers, employees, and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact CISSA's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note R: Reclassification

Certain amounts in the 2020 presentation have been reclassified to conform to the 2021 presentation. Net assets and change in net assets are unchanged due to the reclassifications.

Note S: Subsequent Events

Subsequent events have been evaluated through December 14, 2021, which is the date the financial statements were available to be issued.

In November 2021, CISSA entered into an executed contract for the sale of CISSA's office property.

Compliance Report

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Board of Directors of
Communities In Schools of San Antonio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Communities In Schools of San Antonio (CISSA) (a nonprofit organization), which comprise the statement of financial position as of August 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CISSA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CISSA's internal control. Accordingly, we do not express an opinion on the effectiveness of CISSA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CISSA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards* (Continued)**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CISSA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CISSA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Schrivier, Carmona & Company, PLLC

San Antonio, Texas

December 14, 2021

**Independent Auditor's Report on Compliance for
Each Major State Program and on Internal Control
Over Compliance Required by the State of Texas
Uniform Grant Management Standards**

To the Board of Directors of
Communities In Schools of San Antonio

Report on Compliance for Each Major State Program

We have audited Communities In Schools of San Antonio's (CISSA's) compliance with the types of compliance requirements described in the *Texas Comptroller of Public Accounts, State of Texas Uniform Grant Management Standards, which includes the State of Texas Single Audit Circular (UGMS)* that could have a direct and material effect on each of CISSA's major state programs for the year ended August 31, 2021. CISSA's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CISSA's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the UGMS. Those standards and the UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about CISSA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of CISSA's compliance.

Opinion on Each Major State Program

In our opinion, Communities In Schools of San Antonio complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2021.

**Independent Auditor's Report on Compliance for
Each Major State Program and on Internal Control
Over Compliance Required by the *State of Texas*
*Uniform Grant Management Standards (Continued)***

Report on Internal Control Over Compliance

Management of CISSA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CISSA's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CISSA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *UGMS*. Accordingly, this report is not suitable for any other purpose.



Schrivier, Carmona & Company, PLLC

San Antonio, Texas

December 14, 2021

Communities In Schools of San Antonio

Schedule of Expenditures of State Awards Year Ended August 31, 2021

<u>Federal or State Grantor/Pass through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Grant ID Number</u>	<u>State Grant Expended During the Year</u>
<i>Texas Education Agency</i>			
Communities In Schools	N/A	210958027110021	2,007,640
Communities In Schools - Expansion Grant	N/A	210958037110005	<u>252,889</u>
<i>Total Texas Education Agency</i>			<u>2,260,529</u>
TOTAL EXPENDITURES OF STATE AWARDS			\$ <u>2,260,529</u>

See Accompanying Notes to Schedule of Expenditures of State Awards

Communities In Schools of San Antonio

Notes to Schedule of Expenditures of State Awards
August 31, 2021

Note A: Basis of Presentation

The accompanying Schedule of Expenditures of State Awards (the Schedule) includes the state grant activity of Communities In Schools of San Antonio (CISSA) under programs of the State of Texas for the year ended August 31, 2021. The information in this Schedule is presented in accordance with the requirements of the UGMS.

Because the Schedule presents only a selected portion of the operations of CISSA it is not intended, and does not, present the financial position, changes in net assets or cash flows of CISSA. Therefore, some amounts presented in the Schedule may differ from amounts presented in the financial statements.

All of CISSA's state awards were in the form of cash assistance for the year ended August 31, 2021.

Note B: Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Communities In Schools of San Antonio

State Awards – Schedule of Findings and Questioned Costs
Year Ended August 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to the financial statements?	No

State Awards

Internal Control Over Major Programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the <i>State of Texas Single Audit Circular</i> ?	No

Identification of Major Programs:

<u>Grant ID Number</u>	<u>Name of State Program or Cluster</u>
210958027110021	Communities In Schools

Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS None

SECTION III - STATE AWARD FINDINGS None