

**Communities In Schools
of San Antonio**

**Financial Statements
and Compliance Reports**

August 31, 2025 and 2024



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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Communities In Schools of San Antonio (CIS-SA) (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 CIS-SA as of August 31, 2025 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.

Basis for Opinion

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. 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 CIS-SA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 CIS-SA'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 and *Government 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 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.

Independent Auditor's Report (Continued)

In performing an audit in accordance with generally accepted auditing standards and *Government 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 purposes of expressing an opinion on the effectiveness of CIS-SA'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 CIS-SA'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.

Supplementary 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 federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Texas Comptroller of Public Accounts, State of Texas 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 schedule of expenditures of federal and state awards 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 February 10, 2026, on our consideration of CIS-SA'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 solely 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 the effectiveness of CIS-SA's 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 CIS-SA's internal control over financial reporting and compliance.

Independent Auditor's Report (Continued)

Report on Summarized Comparative Information

We have previously audited CIS-SA's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 23, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Schriver Carmona". The signature is written in a cursive, flowing style.

Schrive, Carmona & Company, PLLC

San Antonio, Texas

February 10, 2026

Financial Statements

Communities In Schools of San Antonio

Statements of Financial Position
August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 2,925,616	\$ 3,101,423
Cash and Cash Equivalents - Board Designated	9,000,000	9,000,000
Certificates of Deposit	767,227	736,021
Grants and Other Receivables	1,348,554	1,763,032
Interest Income Receivable	551	640
Investments	10,772,749	9,677,029
Prepaid Expenses and Other Assets	<u>309,649</u>	<u>194,901</u>
Total Current Assets	25,124,346	24,473,046
Investment - Endowment Fund	29,722	27,815
Operating Lease Right-of-Use Asset	1,086,358	1,207,759
Finance Lease Right-of-Use Asset	19,391	27,147
Property and Equipment, Net of Accumulated Depreciation	<u>31,328</u>	<u>38,525</u>
Total Assets	<u>\$ 26,291,145</u>	<u>\$ 25,774,292</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 266,087	\$ 210,527
Salaries and Benefits Payable	477,520	487,501
Deferred Revenue	565,167	438,290
Operating Lease Liability - Current Portion	118,021	108,146
Finance Lease Liability - Current Portion	<u>7,917</u>	<u>7,290</u>
Total Current Liabilities	1,434,712	1,251,754
Operating Lease Liability - Long-Term Portion	1,006,061	1,129,502
Finance Lease Liability - Long-Term Portion	<u>12,504</u>	<u>20,728</u>
Total Liabilities	<u>2,453,277</u>	<u>2,401,984</u>
Net Assets:		
Without Donor Restrictions	12,015,445	11,684,923
Without Donor Restrictions - Board Designated	<u>9,000,000</u>	<u>9,000,000</u>
Total Without Donor Restrictions	21,015,445	20,684,923
With Donor Restrictions	<u>2,822,423</u>	<u>2,687,385</u>
Total Net Assets	<u>23,837,868</u>	<u>23,372,308</u>
Total Liabilities and Net Assets	<u>\$ 26,291,145</u>	<u>\$ 25,774,292</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, 2025 (with Comparative Totals for the Year Ended August 31, 2024)

	2025			2024 Totals
	Without Donor Restrictions	With Donor Restrictions	Totals	
Support and Revenues				
Support:				
Grants - State Government	\$ 2,358,347	\$ -	\$ 2,358,347	\$ 2,482,702
Grants - Federal Government	5,074,781	-	5,074,781	2,191,878
Grants - Local Government	1,242,352	-	1,242,352	1,599,220
United Way of San Antonio and Bexar County	618,320	-	618,320	636,330
Grants, Donations and Contributions	1,749,416	1,980,356	3,729,772	3,517,729
Contributed Nonfinancial Assets	336,880	-	336,880	280,256
Special Events, net of expenses of \$159,673 and \$101,685 in 2025 and 2024, respectively	372,336	-	372,336	439,791
Revenues:				
Service Delivery Agreements	7,358,601	-	7,358,601	13,129,753
Investment Income, net of fees of \$31,918 and \$45,163 in 2025 and 2024, respectively	1,128,200	-	1,128,200	1,330,975
Interest and Other Income	58,649	-	58,649	58,683
Net Assets Released from Restrictions	1,845,318	(1,845,318)	-	-
Total Support and Revenues	22,143,200	135,038	22,278,238	25,667,317
Expenses				
Program Services	18,009,626	-	18,009,626	18,586,009
Support Services:				
Management and General	3,435,397	-	3,435,397	3,684,863
Fundraising	367,655	-	367,655	305,618
Total Expenses	21,812,678	-	21,812,678	22,576,490
Change in Net Assets	330,522	135,038	465,560	3,090,827
Net Assets at Beginning of Year	20,684,923	2,687,385	23,372,308	20,281,481
Net Assets at End of Year	\$ 21,015,445	\$ 2,822,423	\$ 23,837,868	\$ 23,372,308

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, 2025 (with Comparative Totals for the Year Ended August 31, 2024)

	Support Services				2025 Totals	2024 Totals
	Program Services	Management and General	Fundraising	Total Support Services		
Salaries and Wages	\$ 12,364,174	\$ 1,832,274	\$ 246,075	\$ 2,078,349	\$ 14,442,523	\$ 15,074,988
Payroll Taxes and Employee Benefits	<u>2,530,528</u>	<u>307,623</u>	<u>41,115</u>	<u>348,738</u>	<u>2,879,266</u>	<u>2,949,604</u>
Total Employee Compensation	14,894,702	2,139,897	287,190	2,427,087	17,321,789	18,024,592
Communications	8,595	44,306	1,079	45,385	53,980	14,387
Contractual	1,139,380	528,780	18,455	547,235	1,686,615	1,841,091
Contributed School Supplies	336,880	-	-	-	336,880	280,256
Enrichment and Need	1,007,513	53,885	338	54,223	1,061,736	1,111,472
Equipment	53,597	53,972	-	53,972	107,569	74,137
Insurance	96,217	319	-	319	96,536	86,729
Interest Expense	-	1,014	-	1,014	1,014	1,321
Marketing and Advertising	18,230	122,940	35,584	158,524	176,754	23,600
Other	61,329	12,005	13,280	25,285	86,614	99,939
Premise Expense	4,063	192,783	-	192,783	196,846	204,819
Printing and Copying	1,792	24,896	7,349	32,245	34,037	20,451
Supplies	132,725	135,545	2,397	137,942	270,667	397,497
Travel and Training	<u>254,603</u>	<u>110,102</u>	<u>1,983</u>	<u>112,085</u>	<u>366,688</u>	<u>381,246</u>
Total Expenses before Depreciation and Amortization	18,009,626	3,420,444	367,655	3,788,099	21,797,725	22,561,537
Depreciation	-	7,197	-	7,197	7,197	7,197
Amortization	<u>-</u>	<u>7,756</u>	<u>-</u>	<u>7,756</u>	<u>7,756</u>	<u>7,756</u>
Total Expenses	<u>\$ 18,009,626</u>	<u>\$ 3,435,397</u>	<u>\$ 367,655</u>	<u>\$ 3,803,052</u>	<u>\$ 21,812,678</u>	<u>\$ 22,576,490</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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 465,560	\$ 3,090,827
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	7,197	7,197
Amortization	7,756	7,756
Unrealized Gain on Investment - Endowment Fund and Investments	(332,963)	(744,786)
(Increase) Decrease in:		
Grants and Other Receivables	414,478	223,627
Interest Income Receivable	89	1,483
Prepaid Expenses and Other Assets	(114,748)	(151,618)
Operating Lease Right-of-Use Asset	121,401	116,093
Increase (Decrease) in:		
Accounts Payable	55,560	(3,041)
Salaries and Benefits Payable	(9,981)	(26,808)
Deferred Revenue	126,877	206,420
Operating Lease Liability	(113,566)	(94,182)
Net Cash Provided by Operating Activities	<u>627,660</u>	<u>2,632,968</u>
Cash Flows From Investing Activities:		
Proceeds from Redemption of Certificates of Deposit	-	264,751
Reinvestment of Certificates of Deposit Dividend and Interest	(31,206)	(32,593)
Proceeds from Maturity/Sale of Investments	191,986	277,036
Purchase of Investments	(161,413)	(4,616,591)
Reinvestment of Income from Investment Dividends and Interest, net of Fees	(795,237)	(586,189)
Net Cash Used by Investing Activities	<u>(795,870)</u>	<u>(4,693,586)</u>
Cash Flows From Financing Activities:		
Principal Payments on Finance Lease	(7,597)	(7,290)
Net Cash Used by Financing Activities	<u>(7,597)</u>	<u>(7,290)</u>
Net Decrease in Cash and Cash Equivalents	(175,807)	(2,067,908)
Cash and Cash Equivalents, Beginning of Year	<u>12,101,423</u>	<u>14,169,331</u>
Cash and Cash Equivalents, End of Year	<u>\$ 11,925,616</u>	<u>\$ 12,101,423</u>

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

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note A: Nature of Organization

Communities In Schools of San Antonio (CIS-SA) 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. The mission of CIS-SA is to surround students with a community of support, empowering them to stay in school and achieve in life. By developing positive self-esteem, confidence and respect, CIS-SA 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.

CIS-SA 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) applicable to not-for-profit organizations. 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 CIS-SA generally are not considered “restricted” under GAAP, though for internal reporting CIS-SA 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 CIS-SA’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.

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.

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note B: Summary of Accounting Principles (Continued)

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 CIS-SA staff are directly charged to specific grants, contracts, and other activities if readily identifiable based on time and effort. Salaries and wages not charged to specific grants or contracts are charged to management and general and/or fundraising. 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 CIS-SA staff engaged in indirect activities will be charged on an indirect basis.

Fair Value of Financial Instruments

CIS-SA's financial instruments include cash and cash equivalents, receivables, certificates of deposit, investments, and payables. The carrying amount of these financial instruments as reflected in the Statements of Financial Position, except for certificates of deposits, and investments (see **Note D**) approximates fair value.

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 CIS-SA 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.

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 certificates of deposit and investments.

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

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 and gains are reported. Refer to **Note D**.

Government Grants and Other Receivables

CIS-SA provides services that are paid for by federal, state, and local grants. Other receivables consist of service delivery agreements with the schools that CIS-SA provides services. CIS-SA 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

CIS-SA 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. Land is not depreciated. Depreciation is computed for financial statement purposes on a straight-line basis over the estimated useful lives as follows:

Furniture and Equipment	5 to 7 years
Leasehold Improvements	10 years

Leases

CIS-SA assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded in the Statement of Financial Position. Lease expense is recognized for these leases on a straight-line basis over the lease term. CIS-SA has elected to apply the short-term lease exception to all leases with a term of 12 months or less. Refer to **Note L**.

Compensated Absences

Employees of CIS-SA 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, 2025 and 2024.

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note B: Summary of Accounting Principles (Continued)

Revenue Recognition

Contributions and Grants

CIS-SA 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. CIS-SA 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 CIS-SA staff include, but are not limited to, counseling and supportive guidance, education and academic enhancement activities, and educational and cultural enrichment opportunities. CIS-SA recognizes service delivery agreement revenue when CIS-SA performs the services.

Special Events

CIS-SA records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Contributed Nonfinancial Assets

Donated professional services, goods, and facilities are valued based on their estimated fair market value on the date of contribution. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. For additional information on contributed nonfinancial assets, refer to **Note M**.

Advertising Expenses

CIS-SA occasionally uses advertising to promote its program among the community it serves. Advertising costs are expensed as incurred.

Federal and State Income Taxes

CIS-SA 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 CIS-SA believes it has no material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. In addition, CIS-SA 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, 2025 and 2024. CIS-SA 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.

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note B: Summary of Accounting Principles (Continued)

Reclassification

Certain amounts in the 2024 presentation have been reclassified to conform to the 2025 presentation. Net assets and change in net assets are unchanged due to the reclassification.

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 CIS-SA's financial statements for the year ended August 31, 2024 from which the summarized information was derived.

Note C: Liquidity and Availability of Financial Assets

The following represents CIS-SA's financial assets at August 31, 2025 and 2024 available to meet general expenditures over the next twelve months:

	<u>2025</u>	<u>2024</u>
Financial assets at year end:		
Cash and Cash Equivalents	\$ 2,925,616	\$ 3,101,423
Cash and Cash Equivalents - Board Designated	9,000,000	9,000,000
Certificates of Deposit	767,227	736,021
Grants and Other Receivables	1,348,554	1,763,032
Interest Income Receivable	551	640
Investment - Endowment Fund	29,722	27,815
Investments	<u>10,772,749</u>	<u>9,677,029</u>
Total Financial Assets	<u>24,844,419</u>	<u>24,305,960</u>
Less those unavailable for general expenditures over the next twelve months due to:		
Net Assets With Donor Restrictions	2,822,423	2,687,385
Cash and Cash Equivalents - Board Designated	<u>9,000,000</u>	<u>9,000,000</u>
Total Unavailable for General Expenditures Over the Next Twelve Months	<u>11,822,423</u>	<u>11,687,385</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 13,021,996</u>	<u>\$ 12,618,575</u>

CIS-SA 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 CIS-SA's Operating Reserves and Working Capital Policy, CIS-SA's goal is to maintain working capital (defined by CIS-SA as cash) to cover one month of operating expenses. In addition, CIS-SA maintains a Board Designated Operating Reserve Fund to achieve the following objectives:

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note C: Liquidity and Availability of Financial Assets (Continued)

- To enable CIS-SA to sustain operations through delays in payments of committed funding to accept reimbursable contracts and grants without jeopardizing ongoing operations
- To promote public and funder confidence in the long-term sustainability of CIS-SA by preventing chronic cash flow crisis that can diminish CIS-SA's reputation and force CIS-SA'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 CIS-SA's annual operating budget. Board Designated Operating Reserves shall be accounted for separate and apart from Undesignated Operating Funds. Any amounts above the minimum levels established for Working Capital and Board-Designated Operating Reserves may at any time be further designated by the Board of Directors as not available for operations. The amount of such designation will be determined and approved by the Board of Directors and reported separately on CIS-SA's balance sheet.

Note D: Investments and Fair Value Measurements

CIS-SA uses fair value measurements to record fair value adjustments to certain assets and liabilities to determine fair value disclosures. For additional information on how CIS-SA measures fair value, refer to **Note B**. The following describes the valuation methods and assumptions used by CIS-SA in estimating the fair value disclosures for investments. There have been no changes in methodologies used at August 31, 2025.

- *Investment – Endowment Fund and Equities* is 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.
- *Certificates of Deposit* are valued based upon current yields available on comparable instruments of issuers with similar ratings, the instrument's term and conditions and interest rate and credit risk.

The following table sets forth by level, within the fair value hierarchy, CIS-SA's investments at fair value as of August 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment - Endowment Fund	\$ 29,722	\$ -	\$ -	\$ 29,722
Equities	4,810,197	-	-	4,810,197
Fixed Income	-	5,962,552	-	5,962,552
Total Investments at Fair Value	\$ 4,839,919	\$ 5,962,552	\$ -	\$ 10,802,471
Certificates of Deposit	\$ -	\$ 767,227	\$ -	\$ 767,227

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note D: Investments and Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, CIS-SA's investments at fair value as of August 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment - Endowment Fund	\$ 27,815	\$ -	\$ -	\$ 27,815
Equities	3,881,110	-	-	3,881,110
Fixed Income	-	5,795,919	-	5,795,919
	<u>3,908,925</u>	<u>5,795,919</u>	<u>-</u>	<u>9,704,844</u>
Total Investments at Fair Value	<u>\$ 3,908,925</u>	<u>\$ 5,795,919</u>	<u>\$ -</u>	<u>\$ 9,704,844</u>
Certificates of Deposit	<u>\$ -</u>	<u>\$ 736,021</u>	<u>\$ -</u>	<u>\$ 736,021</u>

Investment returns for the years ended August 31, 2025 and 2024 is summarized and reported on the Statement of Activities as follows:

	<u>2025</u>	<u>2024</u>
Interest and Dividends	\$ 733,820	\$ 665,762
Unrealized Gain	332,963	744,786
Realized Gain (Loss)	93,335	(34,410)
Less: Fees	<u>(31,918)</u>	<u>(45,163)</u>
Total Investment Income, net	<u>\$ 1,128,200</u>	<u>\$ 1,330,975</u>

Note E: Concentrations

Credit Risk of Financial Instruments and Investments

Financial instruments which potentially subject CIS-SA to a concentration of credit risk consist of its cash balances held at its financial institution. The accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At August 31, 2025 and 2024, CIS-SA's cash balance exceeded the insured FDIC limit by **\$5,868,268** and \$7,926,786, respectively. CIS-SA has not experienced any losses in such account and management believes it is not exposed to a significant risk on its cash balance.

CIS-SA maintains investments with three institutions. The accounts at these institutions are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 for securities and cash, which includes a limit of \$250,000 for cash only. CIS-SA has not experienced any losses in such account and management believes it is not exposed to a significant risk on its investment balance.

Support and Revenues

CIS-SA received approximately **39%** and **33%** of total support and revenues from government grants and service delivery agreements, respectively, for the year ended August 31, 2025. Government grants primarily consisted of funding from one agency and service delivery agreements primarily consisted of two school districts. CIS-SA received approximately 24% and 51% of total support and revenues from government grants and service delivery agreements, respectively, for the year ended August 31, 2024. Government grants primarily consisted of funding from one agency and service delivery agreements primarily consisted of two school districts. For additional information on government grants, refer to **Note N**.

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note F: Tax Deferred Annuity Plan

CIS-SA 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 CIS-SA. All employees are eligible to make voluntary contributions. CIS-SA will match a qualified employee contribution up to 3% of their gross pay. CIS-SA contributed matching contributions of **\$181,882** and \$162,446 for the years ended August 31, 2025 and 2024, 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.

Note G: Grants and Other Receivables

Government Grants and Other Receivables at August 31, 2025 and 2024 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Federal Agencies	\$ 247,858	\$ 148,096
State Agencies	409,490	84,519
Local Agencies and Organizations	691,206	525,115
Service Delivery Agreements	<u>-</u>	<u>1,005,302</u>
Total Grants and Other Receivables	<u>\$ 1,348,554</u>	<u>\$ 1,763,032</u>

Note H: Property and Equipment

Property and Equipment, Net of Accumulated Depreciation at August 31, 2025 and 2024 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Furniture and Equipment	\$ 71,965	\$ 71,965
Leasehold Improvements	5,549	5,549
Total Property and Equipment	77,514	77,514
Less: Accumulated Depreciation	<u>(46,186)</u>	<u>(38,989)</u>
Property and Equipment, Net of Accumulated Depreciation	<u>\$ 31,328</u>	<u>\$ 38,525</u>

Depreciation expense for the years ended August 31, 2025 and 2024 was **\$7,197**.

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note I: Endowment Fund

CIS-SA has an Endowment Fund (the Endowment Fund), at the San Antonio Area Foundation (SAAF). The Endowment Fund was created as a permanent endowment fund in 2005 to support CIS-SA. 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. CIS-SA has permanent ownership of the principal portion of the Endowment Fund and in the event of dissolution of CIS-SA it will control the distribution of the funds. The net appreciation from the Endowment Fund is to be used to support CIS-SA's operating activities or for specific purpose designated by the donor. The Investment Committee of the SAAF manages the funds held in CIS-SA's name. CIS-SA decides how the funds will be distributed and used. The Endowment Fund is recorded at fair market value and is collateralized by insurance contracts. As of August 31, 2025, and 2024, the fair value of the Endowment Fund is **\$29,722** and \$27,815, 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 CIS-SA. The net appreciation of **\$1,907** and \$2,706 during the years ended August 31, 2025 and 2024 is reported as With Donor Restrictions and is available for use by CIS-SA.

Activity of the Endowment Fund for the years ended August 31, 2025 and 2024 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 27,815	\$ 25,109
Investment Income	40	359
Investment Fees	(1,055)	(1,117)
Unrealized Gain (Loss)	2,344	(1,256)
Realized Gain	578	4,720
Ending Balance	<u>\$ 29,722</u>	<u>\$ 27,815</u>

Net Asset Breakdown of the Endowment is summarized as follows:

	<u>2025</u>	<u>2024</u>
Restricted by Purpose	\$ 16,613	\$ 14,706
Restricted by Perpetuity	<u>13,109</u>	<u>13,109</u>
Total Investment - Endowment Fund	<u>\$ 29,722</u>	<u>\$ 27,815</u>

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note J: Special Events

Special events are held by CIS-SA to help fund current operations and consisted of the following for the years ended August 31,:

	2025		
	<u>Revenue</u>	<u>Expenses</u>	<u>Special Events, net</u>
Gala Luncheon	\$ 223,679	\$ (77,829)	\$ 145,850
Stuff The Bus	210,383	(12,335)	198,048
Other	<u>97,947</u>	<u>(69,509)</u>	<u>28,438</u>
Total	<u>\$ 532,009</u>	<u>\$ (159,673)</u>	<u>\$ 372,336</u>

	2024		
	<u>Revenue</u>	<u>Expenses</u>	<u>Special Events, net</u>
Gala Luncheon	\$ 187,153	\$ (62,831)	\$ 124,322
Stuff The Bus	182,878	(7,745)	175,133
Other	<u>171,445</u>	<u>(31,109)</u>	<u>140,336</u>
Total	<u>\$ 541,476</u>	<u>\$ (101,685)</u>	<u>\$ 439,791</u>

Refer to **Note M** for Stuff The Bus contributed nonfinancial assets.

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note K: Net Assets

Net Assets With Donor Restrictions

Net Assets With Donor Restrictions at August 31, 2025 and 2024 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Restricted by Purpose:		
Participant Emergency Needs	\$ 225,806	\$ 223,808
Stuff The Bus	121,022	164,469
Student Leaders	6,437	-
Achieve in Life	14,645	15,296
Base Wellness Project	8,056	-
Workforce Development	135,011	277,791
Program Support for Specifically Identified Schools	747,919	439,081
STEM Program	15,608	22,301
Pre-College Program	37,697	30,000
Endowment Fund	14,706	14,706
Inspire U Program	86,380	87,372
Student Scholarships	2,000	2,000
Youth Development	-	162,743
Uvalde Response	416,128	371,088
Mental Health	367,532	15,000
Training and Development	26,047	196,445
Future Ready	491,777	630,000
Pen Pals Program	500	500
Music Enrichment Activities	2,926	2,926
Family Care Coordinator	-	18,750
Hope Squad	89,117	-
Restricted by Perpetuity:		
Endowment Fund	<u>13,109</u>	<u>13,109</u>
Total Net Assets With Donor Restrictions	<u>\$ 2,822,423</u>	<u>\$ 2,687,385</u>

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note K: Net Assets (Continued)

Net Assets Released from Restrictions

During the years ended August 31, 2025 and 2024, 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.

	<u>2025</u>	<u>2024</u>
Participant Emergency Needs	\$ 151,820	\$ 226,839
Stuff The Bus	152,886	129,893
Program Support for Specifically Identified Schools	572,867	536,571
STEM Program	46,693	62,199
Student Leaders	26,363	-
Property and Equipment	-	6,905
Inspire U Program	17,492	17,473
Next Level	115,194	-
Workforce Development	200,000	477,092
Pre-College Program	17,303	59,036
Student Scholarships	-	1,000
Uvalde Response	154,128	419,063
Training and Development	20,398	37,295
Youth Development	-	80,787
Mental Health	207,468	147,386
Achieve in Life	23,151	7,204
Music Enrichment Activities	-	324
Future Ready	82,672	-
Hope Squad	56,883	-
	<u>\$ 1,845,318</u>	<u>\$ 2,209,067</u>
Total Net Assets Released from Restrictions	<u>\$ 1,845,318</u>	<u>\$ 2,209,067</u>

Note L: Leases

CIS-SA has a lease agreement for office space that expires on February 28, 2033 and a copier lease that expires on February 28, 2028. The office lease agreement includes option for CIS-SA to renew lease for an additional five years upon expiration date. The copier lease agreement will automatically renew for an additional twelve months unless CIS-SA notifies in writing no less than 90 days prior to expiration date CIS-SA's intent to return copier. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note L: Leases (Continued)

The following summarizes the line items in the Statements of Financial Position which include amounts for operating and finance lease right-to-use assets and liabilities as of August 31,:

	<u>2025</u>	<u>2024</u>
Operating Lease Right-of-Use Asset	\$ <u>1,086,358</u>	\$ <u>1,207,759</u>
Finance Lease Right-of-Use Asset	\$ <u>19,391</u>	\$ <u>27,147</u>
Current Portion of Operating Lease Liability	\$ 118,021	\$ 108,146
Long-Term Portion of Operating Lease Liability	<u>1,006,061</u>	<u>1,129,502</u>
Total Operating Lease Liability	\$ <u>1,124,082</u>	\$ <u>1,237,648</u>
Current Portion of Finance Lease Liability	\$ 7,917	\$ 7,290
Long-Term Portion of Finance Lease Liability	<u>12,504</u>	<u>20,728</u>
Total Finance Lease Liability	\$ <u>20,421</u>	\$ <u>28,018</u>

The following summarizes the line items in the Statement of Functional Expenses which include the components of lease expenses for the years ended August 31,:

	<u>2025</u>	<u>2024</u>
Operating lease expense included in:		
Premise Expense	\$ 175,495	\$ 167,660
Finance lease expense included in:		
Interest	\$ 1,014	\$ 1,321
Amortization	\$ 7,756	\$ 7,756

The following summarizes the Statements of Cash Flows supplemental cash flow information for the year ended August 31,:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating lease	\$ 167,660	\$ 151,612
Interest paid on finance lease	\$ 1,014	\$ -

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note L: Leases (Continued)

The following summarizes the weighted average remaining lease term and discount rate as of August 31,:

	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term (years)		
Operating lease	7.50	8.50
Finance lease	2.50	3.50
Weighted Average Discount Rate		
Operating lease	4.01%	4.01%
Finance lease	4.13%	4.13%

The payment maturities of lease liabilities as of August 31, 2025 were as follows:

2026	\$	167,888
2027		172,080
2028		171,966
2029		171,852
2030		176,043
Thereafter		456,873
Total Lease Payments		<u>1,316,702</u>
Less: Interest		<u>(172,199)</u>
Present Value of Lease Liabilities	\$	<u><u>1,144,503</u></u>

Note M: Contributed Nonfinancial Assets

For the years ended August 31, 2025 and 2024, contributed nonfinancial assets recognized within the Statement of Activities included:

	<u>2025</u>	<u>2024</u>
School Supplies	\$ <u>336,880</u>	\$ <u>280,256</u>
Total Contributed Nonfinancial Assets	\$ <u><u>336,880</u></u>	\$ <u><u>280,256</u></u>

CIS-SA coordinates an annual event, Stuff The Bus, to solicit donations of school supplies. The supplies are collected and divided amongst CIS-SA for use in program and management and general activities. CIS-SA estimated the fair value of school supplies on the basis of estimates of prices of identical or similar products if purchased. The school supplies did not have donor-imposed restrictions.

Note N: Commitments and Contingencies

CIS-SA 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 CIS-SA 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.

Communities In Schools of San Antonio

Notes to Financial Statements
Years Ended August 31, 2025 and 2024

Note O: Risk and Uncertainty

Current Economic Events

Certain current economic events have arisen which could impact CIS-SA's ongoing operations. These matters could impact numerous facets of the business environment including interest rates and inflation. Any related financial impact cannot be reasonably estimated at this time.

Investment Risks

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying financial statements.

Note P: Subsequent Events

Subsequent events have been evaluated through February 10, 2026, which is the date the financial statements were available to be issued.

Compliance Reports and Supplementary Information

**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 (CIS-SA) (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, 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 February 10, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CIS-SA's internal control over financial reporting (internal control) as a basis for designing 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 CIS-SA's internal control. Accordingly, we do not express an opinion on the effectiveness of CIS-SA'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CIS-SA'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 financial statements. 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 CIS-SA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CIS-SA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Schrifer, Carmona & Company, PLLC

San Antonio, Texas

February 10, 2026

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited CIS-SA's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and Texas Comptroller of Public Accounts, State of Texas Grant Management Standards, which includes the State of Texas Single Audit Circular (TxGMS) that could have a direct and material effect on each of CIS-SA's major federal and state programs for the year ended August 31, 2025. CIS-SA's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedules of findings and questioned costs.

In our opinion, CIS-SA 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 federal and state programs for the year ended August 31, 2025.

Basis for Opinion on Each Major Federal and State Program

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, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the TxGMS. Our responsibilities under those standards, the Uniform Guidance, and the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance Section of our report.

We are required to be independent of CIS-SA and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of CIS-SA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CIS-SA's federal and state programs.

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CIS-SA's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CIS-SA's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 CIS-SA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CIS-SA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of CIS-SA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 federal or 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 federal or 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 federal or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance and the TxGMS. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Schriver Carmona". The signature is fluid and cursive, with the first name "Schriver" and the last name "Carmona" clearly distinguishable.

Schrivers, Carmona & Company, PLLC

San Antonio, Texas

February 10, 2026

Communities In Schools of San Antonio

Schedule of Expenditures of Federal and State Awards Year Ended August 31, 2025

Federal or State Grantor/Pass through Grantor/Program Title	Assistance Listing Number	Grant ID Number	Federal Grant Expended During the Year	State Grant Expended During the Year
U.S. Department of the Treasury				
<i>Pass through Bexar County, Texas</i> <u>Coronavirus State and Local Fiscal Recovery Funds</u> Domestic Violence Program	21.027	CIS-1.03M	\$ 418,035	\$ -
<i>Pass through Bexar County, Texas and Harlandale ISD</i> <u>Coronavirus State and Local Fiscal Recovery Funds</u> Harlandale ISD Mental Health Initiative	21.027	HISD - 1.19M	112,680	-
<i>Pass through Bexar County, Texas and San Antonio ISD</i> <u>Coronavirus State and Local Fiscal Recovery Funds</u> SAISD Youth Mental Health Support	21.027	N/A	476,483	-
<i>Pass through Bexar County, Texas and Northside ISD</i> <u>Coronavirus State and Local Fiscal Recovery Funds</u> Social Emotional Education and Development with Students	21.027	NISD - 4.5M	1,424,573	-
<i>Pass through City of San Antonio, Texas</i> <u>Coronavirus State and Local Fiscal Recovery Funds</u> Project SPEAK NXT Level Youth Opportunity Program Expansion and Project POYNYS	21.027	N/A N/A	137,520 114,710	- -
Total U.S. Department of the Treasury			<u>2,684,001</u>	<u>-</u>
U.S. Department of Health and Human Services				
<i>Pass through San Antonio Metropolitan Health District</i> <u>Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises</u> Domestic Violence Prevention Program Mental Health Support Services	93.391	NH75OT000083	65,378	-
<i>Substance Abuse and Mental Health Services Administration</i> <u>Substance Abuse and Mental Health Services Projects of Regional and National Significance</u> Project East Central AWARE	93.243	5H79SM08017-02	1,426,116	-
Total U.S. Department of Health and Human Services			<u>1,491,494</u>	<u>-</u>
U.S. Department of Education				
<u>Innovative Approaches to Literacy, Promise Neighborhoods, Full-Service Community Schools, and Congressionally Directed Spending for Elementary and Secondary Education Community Projects</u> Wrap Around Services and Whole Child Supports for Student Success	84.215	S215K220165	64,394	-
Total U.S. Department of Education			<u>64,394</u>	<u>-</u>
Texas Health and Human Services Commission				
<i>Pass through Texas Education Agency</i> <u>Temporary Assistance for Needy Families (TANF)</u> Communities In Schools - TANF	93.558	253630027110023	269,661	-
Total Texas Health and Human Services Commission			<u>269,661</u>	<u>-</u>
Texas Office of the Governor Criminal Justice Division				
Safe and Supportive School Program	N/A	3967505	-	45,598
Total Texas Office of the Governor Criminal Justice Division			<u>-</u>	<u>45,598</u>
Texas Education Agency				
Communities In Schools	N/A	250958027110023	-	2,417,164
Total Texas Education Agency			<u>-</u>	<u>2,417,164</u>
Corporation for National and Community Service				
<i>Pass through OneStar National Service Commission</i> <u>AmeriCorps State and National</u> Communities In Schools of San Antonio	94.006	21FXGTX0010004	291,287	-
Total Corporation for National and Community Service			<u>291,287</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 4,800,837</u>	<u>\$ 2,462,762</u>

See Accompanying Notes to Schedule of Expenditures of Federal and State Awards

Communities In Schools of San Antonio

Notes to Schedule of Expenditures of Federal and State Awards
Year Ended August 31, 2025

Note A: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) includes the federal and state grant activity of Communities In Schools of San Antonio (CIS-SA) under programs of the federal government and State of Texas for the year ended August 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas Single Audit Circular (TxGMS).

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

All of CIS-SA's federal and state awards were in the form of cash assistance for the year ended August 31, 2025.

Note B: Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR part 230, *Costs Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) CIS-SA has elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note C: Reconciliation to Statement of Activities in Financial Statements

Total Expenditures of Federal Awards	\$	4,800,837
Total Expenditures of State Awards		2,462,762
Grants – Local Government		1,242,352
Other		<u>169,529</u>
Total Grants – State, Federal and Local	\$	<u>8,675,480</u>

Communities In Schools of San Antonio

Federal Awards – Schedule of Findings and Questioned Costs Year Ended August 31, 2025

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

Federal 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 2 CFR Section 200.516?	No

Identification of Major Programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.243	Project East Central AWARE

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS

None

Communities In Schools of San Antonio

State Awards – Schedule of Findings and Questioned Costs
Year Ended August 31, 2025

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 State of Texas Single Audit Circular?	No

Identification of Major Programs:

<u>Grant ID Number</u>	<u>Name of State Program or Cluster</u>
250958027110023	Communities In Schools

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS None

SECTION III - STATE AWARD FINDINGS None