

Communities In Schools of San Antonio

Financial Statements
and Compliance Report

August 31, 2023 and 2022



Communities In Schools of San Antonio

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	4
Statement of Activities (with Comparative Totals)	5
Statement of Functional Expenses (with Comparative Totals)	6
Statements of Cash Flows	7
Notes to Financial Statements	8
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 <i>Government Auditing Standards</i>	21
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and <i>State of Texas Grant Management Standards</i>	23
Schedule of Expenditures of Federal and State Awards - Year Ended August 31, 2023	26
Notes to Schedule of Expenditures of Federal and State Awards	27
Federal Awards - Schedule of Findings and Questioned Costs - Year Ended August 31, 2023	28
Federal Awards - Summary Status of Prior Year Audit Findings - Year Ended August 31, 2023	29
State Awards - Schedule of Findings and Questioned Costs - Year Ended August 31, 2023	30
State Awards - Summary Status of Prior Year Audit Findings - Year Ended August 31, 2023	31

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Communities In Schools of San Antonio (CISSA) (a nonprofit organization), which comprise the statements of financial position as of August 31, 2023, 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 CISSA as of August 31, 2023 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. 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 CISSA 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 CISSA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report (Continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of CISSA'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 CISSA'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 performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards on page 26, 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 December 11, 2023, on our consideration of CISSA'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 CISSA's internal control over financial reporting and compliance.

Independent Auditor's Report (Continued)

Report on Summarized Comparative Information

We have previously audited CISSA's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schrivier, Carmona & Company, PLLC

San Antonio, Texas

December 11, 2023

Financial Statements

Communities In Schools of San Antonio

Statements of Financial Position
August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 4,021,171	\$ 6,919,864
Certificates of Deposit	968,179	561,074
Grants and Other Receivables	1,986,659	1,953,373
Interest Income Receivable	2,123	519
Prepaid Expenses and Other Assets	43,283	55,396
Investments	<u>7,157,365</u>	<u>2,450,257</u>
<i>Total Current Assets</i>	14,178,780	11,940,483
<i>Assets Limited as to Use:</i>		
Money Market Investment - Endowment Fund	25,109	23,586
Investments - Board Designated	<u>7,000,000</u>	<u>7,000,000</u>
<i>Total Assets Limited as to Use</i>	7,025,109	7,023,586
Operating Lease Right-of-Use Asset	1,358,423	-
Property and Equipment, Net of Accumulated Depreciation	<u>45,722</u>	<u>4,431</u>
Total Assets	\$ <u><u>22,608,034</u></u>	\$ <u><u>18,968,500</u></u>
Liabilities and Net Assets		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 213,568	\$ 130,412
Salaries and Benefits Payable	514,309	443,397
Deferred Revenue	231,870	-
Operating Lease Liability - Current Portion	<u>106,751</u>	<u>-</u>
<i>Total Current Liabilities</i>	1,066,498	573,809
Operating Lease Liability - Long-Term Portion	<u>1,260,055</u>	<u>-</u>
<i>Total Liabilities</i>	<u><u>2,326,553</u></u>	<u><u>573,809</u></u>
<i>Net Assets:</i>		
Without Donor Restrictions	10,936,472	9,568,757
Without Donor Restrictions - Board Designated	7,000,000	7,000,000
With Donor Restrictions	<u>2,345,009</u>	<u>1,825,934</u>
<i>Total Net Assets</i>	<u><u>20,281,481</u></u>	<u><u>18,394,691</u></u>
Total Liabilities and Net Assets	\$ <u><u>22,608,034</u></u>	\$ <u><u>18,968,500</u></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, 2023 (with Comparative Totals for the Year Ended August 31, 2022)

	2023			2022 Totals
	Without Donor Restrictions	With Donor Restrictions	Totals	
Support and Revenues				
Support:				
Grants - State Government	\$ 2,515,293	\$ -	\$ 2,515,293	\$ 2,684,437
Grants - Federal Government	968,198	-	968,198	893,084
Grants - Local Government	1,550,980	-	1,550,980	1,292,692
United Way of San Antonio and Bexar County	893,955	-	893,955	620,129
Grants, Donations and Contributions	539,577	2,978,518	3,518,095	9,951,963
Contributed Nonfinancial Assets	242,805	-	242,805	111,490
Special Events, net of expenses of \$212,614 and \$63,138 in 2023 and 2022, respectively	409,260	-	409,260	397,493
Revenues:				
Service Delivery Agreements	10,948,219	-	10,948,219	8,562,198
Investment Income (Loss), net of fees of \$13,848 and \$1,162 in 2023 and 2022, respectively	492,531	-	492,531	(46,864)
Gain on Sale of Property and Equipment	-	-	-	577,920
Interest and Other Income	53,511	-	53,511	37,112
Net Assets Released from Restrictions	2,459,443	(2,459,443)	-	-
Total Support and Revenues	21,073,772	519,075	21,592,847	25,081,654
Expenses				
Program Services	16,202,135	-	16,202,135	12,783,853
Support Services:				
Management and General	3,199,190	-	3,199,190	2,749,740
Fundraising	304,732	-	304,732	207,558
Total Expenses	19,706,057	-	19,706,057	15,741,151
Change in Net Assets	1,367,715	519,075	1,886,790	9,340,503
Net Assets at Beginning of Year	16,568,757	1,825,934	18,394,691	9,054,188
Net Assets at End of Year	\$ 17,936,472	\$ 2,345,009	\$ 20,281,481	\$ 18,394,691

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, 2023 (with Comparative Totals for the Year Ended August 31, 2022)

	Support Services				2023 Totals	2022 Totals
	Program Services	Management and General	Fundraising	Total Support Services		
Salaries and Wages	\$ 11,475,771	\$ 1,890,413	\$ 249,309	\$ 2,139,722	\$ 13,615,493	\$ 11,054,078
Payroll Taxes and Employee Benefits	<u>2,197,814</u>	<u>334,748</u>	<u>37,051</u>	<u>371,799</u>	<u>2,569,613</u>	<u>2,162,014</u>
Total Employee Compensation	13,673,585	2,225,161	286,360	2,511,521	16,185,106	13,216,092
Communications	430	16,197	-	16,197	16,627	16,920
Contractual	792,673	557,959	-	557,959	1,350,632	1,030,116
Contributed School Supplies	242,805	-	-	-	242,805	111,490
Enrichment and Need	938,746	7,614	14	7,628	946,374	610,023
Equipment	6,871	33,729	-	33,729	40,600	52,866
Insurance	80,490	84	-	84	80,574	82,588
Interest Expense	-	-	-	-	-	9,352
Maintenance and Repair	-	85	-	85	85	4,940
Marketing and Advertising	684	7,234	765	7,999	8,683	17,712
Other	52,867	12,878	10,844	23,722	76,589	61,206
Premise Expense	14,518	109,263	-	109,263	123,781	36,344
Printing and Copying	2,416	30,907	6,256	37,163	39,579	27,051
Supplies	141,781	114,529	-	114,529	256,310	168,130
Travel and Training	<u>250,674</u>	<u>83,550</u>	<u>493</u>	<u>84,043</u>	<u>334,717</u>	<u>258,391</u>
Total Expenses before Depreciation	16,198,540	3,199,190	304,732	3,503,922	19,702,462	15,703,221
Depreciation	<u>3,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,595</u>	<u>37,930</u>
Total Expenses	<u>\$ 16,202,135</u>	<u>\$ 3,199,190</u>	<u>\$ 304,732</u>	<u>\$ 3,503,922</u>	<u>\$ 19,706,057</u>	<u>\$ 15,741,151</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 1,886,790	\$ 9,340,503
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	3,595	37,930
Gain on Sale of Property and Equipment	-	(577,920)
Unrealized (Gain) Loss on Money Market Investment - Endowment Fund	(2,349)	5,623
Unrealized (Gain) Loss on Investments	(172,614)	78,752
(Increase) Decrease in:		
Grants and Other Receivables	(33,286)	(359,514)
Interest Income Receivable	(1,604)	323
Prepaid Expenses and Other Assets	12,113	(36,805)
Operating Lease Right-of-Use Asset	(1,358,423)	-
Increase (Decrease) in:		
Accounts Payable	83,156	(43,848)
Salaries and Benefits Payable	70,912	99,054
Deferred Revenue	231,870	-
Operating Lease Liability	1,366,806	-
Net Cash Provided by Operating Activities	<u>2,086,966</u>	<u>8,544,098</u>
Cash Flows From Investing Activities:		
Proceeds from Redemption of Certificates of Deposit	104,952	-
Purchase of Certificates of Deposit	(500,000)	-
Reinvestment of Certificates of Deposit Dividend and Interest	(12,057)	(1,773)
Proceeds from Maturity/Sale of Investments	6,783,120	-
Purchase of Investments	(10,999,974)	(8,609,633)
Reinvestment of Income from Investment Dividends and Interest, net of Fees	(316,814)	(37,598)
Purchase of Property and Equipment	(44,886)	(5,113)
Proceeds from Sale of Property and Equipment	-	1,103,000
Net Cash Used by Investing Activities	<u>(4,985,659)</u>	<u>(7,551,117)</u>
Cash Flows From Financing Activities:		
Payments on Note Payable	-	(486,579)
Net Cash Used by Financing Activities	<u>-</u>	<u>(486,579)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,898,693)	506,402
Cash and Cash Equivalents, Beginning of Year	<u>6,919,864</u>	<u>6,413,462</u>
Cash and Cash Equivalents, End of Year	\$ <u>4,021,171</u>	\$ <u>6,919,864</u>
Supplemental Disclosures:		
Interest Paid	<u>\$ -</u>	<u>\$ 9,352</u>

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

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

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. The mission of CISSA 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, 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) 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 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, 2023 and 2022

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, 2023 and 2022. 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 D**) approximates fair value.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

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. 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 10 years
Leasehold Improvements	6 years

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.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

Note B: Summary of Accounting Principles (Continued)

Revenue Recognition (Continued)

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 service delivery agreement revenue when CISSA performs the services.

Special Events

CISSA 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.

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, 2023 and 2022.

Advertising Expenses

CISSA occasionally uses advertising to promote its program among the community it serves. Advertising costs are expensed as incurred. Advertising expenses for the years ended August 31, 2023 and 2022 were **\$0** and **\$99**, respectively.

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.

Recently Issued Accounting Pronouncements

Adopted During 2023

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). Refer to **Note L**.

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, 2022 from which the summarized information was derived.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

Note C: Liquidity and Availability of Financial Assets

The following represents CISSA's financial assets at August 31, 2023 and 2022 available to meet general expenditures over the next twelve months:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and Cash Equivalents	\$ 4,021,171	\$ 6,919,864
Certificates of Deposit	968,179	561,074
Grants and Other Receivables	1,986,659	1,953,373
Interest Income Receivable	2,213	519
Money Market Investment - Endowment Fund	25,109	23,586
Investments	<u>14,157,365</u>	<u>9,450,257</u>
Total Financial Assets	<u>21,160,606</u>	<u>18,908,673</u>
Less those unavailable for general expenditures over the next twelve months due to:		
Net Assets with Donor Restrictions	2,345,009	1,825,934
Investments - Board Designated	<u>7,000,000</u>	<u>7,000,000</u>
	<u>9,345,009</u>	<u>8,825,934</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 11,815,597</u>	<u>\$ 10,082,739</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. 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 CISSA's balance sheet.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

Note D: Investments and Fair Value Measurements

CISSA 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. There have been no changes in methodologies used at August 31, 2023.

- *Cash and Cash Equivalents* are valued at fair value.
- *Money Market Investment, Equities, and U.S. Treasuries* 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.

The following table sets forth by level, within the fair value hierarchy, CISSA's investments and Endowment at fair value as of August 31, 2023:

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 10,148,160	\$ -	\$ -	\$ 10,148,160
Money Market Investment	25,109	-	-	25,109
Equities	1,780,347	-	-	1,780,347
Fixed Income	-	2,228,858	-	2,228,858
Total Investments at Fair Value	<u>\$ 11,953,616</u>	<u>\$ 2,228,858</u>	<u>\$ -</u>	<u>\$ 14,182,474</u>

The following table sets forth by level, within the fair value hierarchy, CISSA's investments at fair value as of August 31, 2022:

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 5,015,375	\$ -	\$ -	\$ 5,015,375
Money Market Investment	23,586	-	-	23,586
Equities	195,147	-	-	195,147
Fixed Income	-	753,672	-	753,672
U.S. Treasuries	3,486,063	-	-	3,486,063
Total Investments at Fair Value	<u>\$ 8,720,171</u>	<u>\$ 753,672</u>	<u>\$ -</u>	<u>\$ 9,473,843</u>

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

	2023	2022
Interest and Dividends	\$ 332,373	\$ 30,450
Unrealized Gain (Loss)	174,963	(84,375)
Realized Gain (Loss)	(957)	8,223
Less: Fees	<u>(13,848)</u>	<u>(1,162)</u>
Total Investment Income (Loss), net	<u>\$ 492,531</u>	<u>\$ (46,864)</u>

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

Note E: Concentrations

Credit Risk of Financial Instruments and Investments

Financial instruments which potentially subject CISSA 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, 2023 and 2022, CISSA's cash balance at its financial institution exceeded the insured FDIC limit by **\$3,487,162** and \$5,932,099, respectively. CISSA has not experienced any losses in such account and management believes it is not exposed to a significant risk on its cash balance.

CISSA maintains four 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. At August 31, 2023 and 2022, the investment balance was in excess of the SIPC limit by **\$13,682,474** and \$8,973,843 respectively. CISSA 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

CISSA received approximately **23%** and **50%** of total support and revenues from government grants and service delivery agreements, respectively, for the year ended August 31, 2023. Government grants primarily consisted of funding from one agency and service delivery agreements primarily consisted of two school districts. CISSA received approximately 19%, 34%, and 40% of total support and revenues from government grants, service delivery agreements, and grants, donations, and contributions, respectively, for the year ended August 31, 2022. Government grants primarily consisted of funding from one agency and service delivery agreements primarily consisted of two school districts. The 40% total support and revenues from grants, donations, and contributions for the year ended August 31, 2022 includes \$7,000,000 donation from one source. For additional information on government grants, refer to **Note N**.

Note F: 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 **\$116,567** and \$95,669 for the years ended August 31, 2023 and 2022, 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 consisted of the following at August 31:

	<u>2023</u>	<u>2022</u>
Federal Agencies	\$ 42,130	\$ 136,871
State Agencies	244,633	403,407
Local Agencies and Organizations	342,670	227,418
Service Delivery Agreements	<u>1,357,226</u>	<u>1,185,677</u>
Total Grants and Other Receivables	<u>\$ 1,986,659</u>	<u>\$ 1,953,373</u>

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

Note H: Property and Equipment

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

	<u>2023</u>	<u>2022</u>
Furniture and Equipment	\$ 71,965	\$ 68,626
Leasehold Improvements	5,549	-
Total Property and Equipment	<u>77,514</u>	<u>68,626</u>
Less: Accumulated Depreciation	<u>(31,792)</u>	<u>(64,195)</u>
Property and Equipment, Net of Accumulated Depreciation	<u>\$ 45,722</u>	<u>\$ 4,431</u>

Depreciation expense for the years ended August 31, 2023 and 2022 was **\$3,595** and \$37,930, respectively.

Note I: Endowment Fund

CISSA has an Endowment Fund (the Endowment Fund), consisting of a money market investment fund, at the San Antonio Area Foundation (SAAF). 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. 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. As of August 31, 2023, and 2022, the fair value of the Endowment Fund is **\$25,109** and \$23,586, 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 \$12,000 during the year ended August 31, 2023 is recorded as With Donor Restrictions and is available for use by CISSA. The entire endowment fund contribution of \$13,109 is donor restricted.

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

	<u>2023</u>	<u>2022</u>
Beginning Balance	\$ 23,586	\$ 29,613
Investment Income	287	308
Investment Fees	(1,041)	(1,062)
Unrealized Gain (Loss)	2,349	(5,623)
Realized Gain	<u>(72)</u>	<u>350</u>
Ending Balance	<u>\$ 25,109</u>	<u>\$ 23,586</u>

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

Note I: Endowment Fund (Continued)

Net Asset Breakdown of the Endowment is summarized as follows:

	<u>2023</u>	<u>2022</u>
Restricted by Purpose	\$ 12,000	\$ 10,477
Restricted by Perpetuity	<u>13,109</u>	<u>13,109</u>
Total Endowment Fund	<u>\$ 25,109</u>	<u>\$ 23,586</u>

Note J: Special Events

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

	<u>2023</u>		
	<u>Revenue</u>	<u>Expenses</u>	<u>Special Events, net</u>
GALA Luncheon	\$ 158,768	\$ (67,474)	\$ 91,294
Stuff The Bus	201,432	(18,578)	182,854
Other	<u>261,674</u>	<u>(126,562)</u>	<u>135,112</u>
Total	<u>\$ 621,874</u>	<u>\$ (212,614)</u>	<u>\$ 409,260</u>
	<u>2022</u>		
	<u>Revenue</u>	<u>Expenses</u>	<u>Special Events, net</u>
GALA Luncheon	\$ 149,195	\$ (34,173)	\$ 115,022
Stuff The Bus	177,066	(7,850)	169,216
Other	<u>134,370</u>	<u>(21,115)</u>	<u>113,255</u>
Total	<u>\$ 460,631</u>	<u>\$ (63,138)</u>	<u>\$ 397,493</u>

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

Note K: Net Assets

Net Assets With Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Restricted by Purpose		
Participant Emergency Needs	\$ 28,499	\$ 163,211
Stuff The Bus	101,685	234,000
Property and Equipment	6,906	15,000
Project Access	-	4,180
Base Wellness Project	118,429	138,198
Workforce Development	557,588	448,041
Program Support for Specifically Identified Schools	570,538	332,045
STEM Program	1,500	31,776
Pre-College Program	59,036	69,351
Endowment Fund	12,000	10,477
Inspire U Program	31,342	33,821
Student Scholarships	3,000	3,000
Youth Development	53,529	178,243
Uvalde Response	590,151	114,130
Mental Health	110,000	12,362
Training and Development	83,947	14,990
Miscellaneous	-	10,000
Pen Pals Program	500	-
Music Enrichment Activities	3,250	-
Restricted by Perpetuity		
Endowment Fund	13,109	13,109
	<u>13,109</u>	<u>13,109</u>
Total Net Assets With Donor Restrictions	<u>\$ 2,345,009</u>	<u>\$ 1,825,934</u>

Net Assets Released from Restrictions

During the years ended August 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Participant Emergency Needs	\$ 134,893	\$ 134,700
Stuff The Bus	337,278	189,168
Endowment Fund	-	6,027
General Operations	-	40,000
Base Wellness Project	130,519	91,603
Property and Equipment	28,094	1,717
Inspire U Program	17,479	12,046
Project Access	4,180	28,239
Workforce Development	888,930	310,017
Program Support for Specifically Identified Schools	383,957	913,238
STEM Program	\$ 95,776	\$ 31,484

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

Note K: Net Assets (Continued)

Net Assets Released from Restrictions (Continued)

	<u>2023</u>	<u>2022</u>
Pre-College Program	\$ 67,315	\$ 32,825
Miscellaneous	-	96,409
Uvalde Response	149,604	870
Training and Development	21,042	-
Youth Development	188,014	-
Mental Health	<u>12,362</u>	<u>2,637</u>
Total Net Assets Released from Restrictions	<u>\$ 2,459,443</u>	<u>\$ 1,890,980</u>

Note L. Leases

CISSA 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 CISSA to renew lease for an additional five years upon expiration date. The copier lease agreement will automatically renew for an additional twelve months unless CISSA notifies in writing no less than 90 days prior to expiration date CISSA's intent to return copier. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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, 2023:

Operating Lease Right-of-Use Asset	\$ <u>1,358,423</u>
Current Portion of Operating Lease Liability	\$ 106,751
Long-Term Portion of Operating Lease Liability	<u>1,260,055</u>
Total Operating Lease Liability	\$ <u>1,366,806</u>

The following summarizes the line items in the Statement of Functional Expenses which include the components of lease expenses for the year ended August 31, 2023:

Operating lease expense included in:	
Premise Expense	\$ 83,830
Printing and Copying	<u>6,458</u>
Total Operating Lease Expense	\$ <u>90,288</u>

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

Note L. Leases (Continued)

The following summarizes the Statements of Cash Flows supplemental cash flow information for the year ended August 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating lease	\$	81,905
Right-of-use assets obtained in exchange for lease liabilities:		
Operating lease	\$	1,425,125

The following summarizes the weighted average remaining lease term and discount rate as of August 31, 2023:

Operating lease	9.37
Weighted Average Discount Rate:	
Operating lease	3.85%

The maturities of lease liabilities as of August 31, 2023 were as follows:

2025	163,697
2026	167,888
2027	172,080
2028	171,966
Thereafter	804,768
Total Lease Payments	<u>1,639,904</u>
Less: Interest	<u>(273,098)</u>
Present Value of Lease Liabilities	<u>\$ 1,366,806</u>

Note M: Contributed Nonfinancial Assets

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

	<u>2023</u>	<u>2022</u>
School Supplies	<u>\$ 242,805</u>	<u>\$ 111,490</u>
Total Contributed Nonfinancial Assets	<u>\$ 242,805</u>	<u>\$ 111,490</u>

CISSA coordinates an annual event, Stuff The Bus, to solicit donations of school supplies. The supplies are collected and divided amongst CISSA for use in program and management and general activities. CISSA 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.

Communities In Schools of San Antonio

Notes to Financial Statements
August 31, 2023 and 2022

Note N: 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 O. Risk and Uncertainty

Current Economic Events

Certain current economic events have arisen which could impact CISSA's ongoing operations. The effects of economic stimulus programs and U.S. Federal Reserve actions remain uncertain. These matters could impact numerous facets of the business environment including interest rates, inflation, and the availability of goods, capital and labor. 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: Reclassification

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation. Net assets and change in net assets are unchanged due to the reclassifications.

Note Q: Subsequent Events

Subsequent events have been evaluated through December 11, 2023, which is the date the financial statements were available to be issued.

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, 2023, 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 11, 2023.

Report on 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.

Report on 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.



Schrive, Carmona & Company, PLLC

San Antonio, Texas

December 11, 2023

**Independent Auditor's Report on Compliance for
Each Major State 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 CISSA'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 CISSA's major federal and state programs for the year ended August 31, 2023. CISSA's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, CISSA 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, 2023.

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 CISSA 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 CISSA'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 CISSA's federal and state programs.

Independent Auditor's Report on Compliance for Each Major State 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 CISSA'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 CISSA'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 CISSA'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 CISSA'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 CISSA'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 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 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 State 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.



Schrivier, Carmona & Company, PLLC

San Antonio, Texas

December 11, 2023

Communities In Schools of San Antonio

Schedule of Expenditures of Federal and State Awards Year Ended August 31, 2023

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 City of San Antonio, Texas</i> Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	62,555	-
<i>Pass through Bexar County, Texas and Harlandale ISD</i> Coronavirus State and Local Fiscal Recovery Funds	21.027	HISD - 1.19M	19,288	-
<i>Pass through Bexar County, Texas and San Antonio ISD</i> Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	222,338	-
<i>Pass through Bexar County, Texas and Northside ISD</i> Coronavirus State and Local Fiscal Recovery Funds	21.027	NISD - 4.5M	20,287	-
Total U.S. Department of the Treasury			<u>324,468</u>	<u>-</u>
U.S. Department of Health and Human Services				
<i>Pass through San Antonio Metropolitan Health District</i> Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	NH75OT000083	410,287	-
Total U.S. Department of Health and Human Services			<u>410,287</u>	<u>-</u>
U.S. Department of Education				
Congressionally Funded Community Projects	84.215K	S215K220165	96,328	-
Total U.S. Department of Education			<u>96,328</u>	<u>-</u>
Texas Health and Human Services Commission				
<i>Pass through Texas Education Agency</i> Temporary Assistance for Needy Families (TANF)	93.558	233630027110023	326,032	-
Total Texas Health and Human Services Commission			<u>326,032</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
<i>Pass through Bexar County, Texas</i> Community Development Block Grant - Preparing Students 4 Life Program	14.218	B-22-UC-48-0500	31,428	-
Total U.S. Department of Housing and Urban Development			<u>31,428</u>	<u>-</u>
Texas Office of the Governor Criminal Justice Division				
Safe and Supportive School Program	N/A	3967503	-	74,534
Total Texas Office of the Governor Criminal Justice Division			<u>-</u>	<u>74,534</u>
Texas Education Agency				
Communities In Schools	N/A	230958027110023	-	2,452,396
Total Texas Education Agency			<u>-</u>	<u>2,452,396</u>
Corporation for National and Community Service				
<i>Pass through OneStar National Service Commission</i> AmeriCorps State and National Communities In Schools of San Antonio CIS of San Antonio Workforce Development Planning Grant	94.006	21FXGTX0010004 19AFHTX0010032	240,994 61,858	- -
Total Corporation for National and Community Service			<u>302,852</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 1,491,395</u>	<u>\$ 2,526,930</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
August 31, 2023

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 (CISSA) under programs of the federal government and State of Texas for the year ended August 31, 2023. 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 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 federal and state awards were in the form of cash assistance for the year ended August 31, 2023.

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) CISSA has elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Communities In Schools of San Antonio

Federal Awards – Schedule of Findings and Questioned Costs Year Ended August 31, 2023

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>
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
94.006	AmeriCorps State and National

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - STATE AWARD FINDINGS

None

Communities In Schools of San Antonio

Federal Awards – Summary Status of Prior Year Audit Findings
Year Ended August 31, 2023

There are no findings from prior year that require an update in this report.

Communities In Schools of San Antonio

State Awards – Schedule of Findings and Questioned Costs
Year Ended August 31, 2023

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>
230958027110023	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

Communities In Schools of San Antonio

State Awards – Summary Status of Prior Year Audit Findings
Year Ended August 31, 2023

There are no findings from prior year that require an update in this report.