

**COMMUNITIES IN SCHOOLS
OF GREATER CENTRAL TEXAS, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**



Communities
In Schools

Greater Central Texas

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.

TABLE OF CONTENTS

For the Year Ending August 31, 2021

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-12
REPORT REQUIRED BY GOVERNMENTAL 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 <i>Government Auditing Standards</i>	13-14
STATE OF TEXAS SINGLE AUDIT:	
Independent Auditor's Report on Compliance for Each Major State Program and on Internal Control Over Compliance Required by the <i>State of Texas Single Audit Circular</i>	15-16
Schedule of Findings and Questioned Costs	17
Schedule of Expenditures of State Awards	18
Notes to the Schedule of Expenditures of State Awards	19

WILLIAMGRIMSLEY

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Communities in Schools of Greater Central Texas, Inc.
Killeen, Texas

Report on the Financial Statements

I have audited the accompanying financial statements of Communities in Schools of Greater Central Texas, Inc. (a nonprofit corporation), which comprise the statement of financial position as of August 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Communities in Schools of Greater Central Texas, Inc. as of August 31, 2021, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary and Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of findings and questioned cost, schedule of expenditures of state awards, and the notes thereto, as listed in table of contents, are presented for purposes of additional analysis as required by the State of Texas *Single Audit Circular*, 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated February 25, 2022, on my consideration of Communities in Schools of Greater Central Texas, Inc.'s internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Communities in Schools of Greater Central Texas, Inc.'s internal control over financial reporting and compliance.



William A. Grimsley, CPA

Gatesville, Texas

February 25, 2022

FINANCIAL STATEMENTS

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.

STATEMENT OF FINANCIAL POSITION

As of August 31, 2021

ASSETS

Current assets:

Cash	\$ 1,563,891
Accounts receivable:	
Grants	432,420
Prepaid expenses	4,072
Total current assets	2,000,383

Long-term assets:

Fixed assets, net of accumulated depreciation	8,313
Total long-term assets	8,313

Total assets	\$ 2,008,696
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LIABILITIES AND NET ASSETS

Current liabilities:

Deferred revenue	\$ 50,000
Total liabilities	50,000

Net assets:

Without donor restrictions	1,526,276
With donor restrictions	432,420
Total net assets	1,958,696

Total liabilities and net assets	\$ 2,008,696
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The accompanying notes are an integral part of these financial statements .

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.**STATEMENT OF ACTIVITIES***For the Year Ended August 31, 2021*

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
State grants	\$ 1,149,491	\$ 379,274	\$ 1,528,765
Federal grants	992,669	54,647	1,047,316
School district contracted services	1,203,782	-	1,203,782
Private grants, donations, & contributions	195,436	-	195,436
In-kind contributions	99,353	-	99,353
Other income	2,099	-	2,099
	3,642,830	433,921	4,076,751
Net assets released from restrictions	13,500	(13,500)	-
Total revenue and support	3,656,330	420,421	4,076,751
Expenses:			
Program	3,056,233	-	3,056,233
General and administrative	327,588	-	327,588
Total expenses	3,383,821	-	3,383,821
Change in net assets	272,509	420,421	692,930
Net assets, beginning of year	1,253,767	11,999	1,265,766
Net assets, end of year	\$ 1,526,276	\$ 432,420	\$ 1,958,696

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

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended August 31, 2021

	Program Services	General and Administrative	Fundraising Expenses	Total
Personnel Costs:				
Salaries	\$ 2,593,534	\$ 237,538	\$ -	\$ 2,831,072
Payroll taxes	185,093	17,245	-	202,338
Health insurance	93,714	8,583	-	102,297
Total Personnel Costs	2,872,341	263,366	-	3,135,707
Other Expenses:				
In kind expenses	89,753	9,600	-	99,353
Program expenses	62,997	-	-	62,997
Occupancy	21,171	12,000	-	33,171
Insurance	-	19,484	-	19,484
Office supplies	-	11,258	-	11,258
Professional fees	-	4,500	-	4,500
Utilities	4,047	2,277	-	6,324
Depreciation	834	-	-	834
Postage and printing	757	314	-	1,071
Telephone	-	4,397	-	4,397
Travel and training	300	94	-	394
Fees and dues	4,033	298	-	4,331
Total other expenses	183,892	64,222	-	248,114
Total Expenses	\$ 3,056,233	\$ 327,588	\$ -	\$ 3,383,821

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

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.

STATEMENT OF CASH FLOWS

For the Year Ended August 31, 2021

Cash flows from operating activities:

Change in net assets	\$ 692,930
Depreciation	835
Adjustments to reconcile change in net assets to net cash provided by operating activities	
(Increase) decrease in operating assets:	
Grants receivable	(418,920)
Prepaid expenses	53,017
Increase (decrease) in operating liabilities:	
Deferred revenue	-
Net cash provided by operating activities	327,862

Cash flows from investing activities

Purchase of fixed assets	(9,148)
Net cash used by investing activities	(9,148)
Net increase in cash	318,714

Cash at the beginning of the year	1,245,177
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Cash at the end of the year	\$ 1,563,891
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Supplemental disclosure of cash flow information

Cash paid during the fiscal year for interest	\$ -
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The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF THE ORGANIZATION

Communities in Schools of Greater Central Texas, Inc. ("CIS") was incorporated in Texas in November 1992, as a non-profit corporation.

The mission of CIS is to surround students with a community of support, empowering them to stay in school and achieve in life. CIS partners with educators, students, and parents to identify needs of students who are at-risk of dropping out of school. By engaging community resource partners, CIS customizes learning supports for students and provides individual case management. CIS monitors student level data and tracks education outcomes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of CIS have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, the accompanying financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

CIS follows the guidance of the Financial Accounting Standards Board Accounting Standards Update No. 2016-14 *Not-For-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*. CIS is required to report information regarding its financial position and activities according to two classes of net assets:

- 1) Net assets without donor restrictions.
- 2) Net assets with donor restrictions.

CIS reports donor-restricted contributions whose restrictions are met in the same period as unrestricted support.

Income Taxes

CIS has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Sec. 501(c)(3) of the Internal Revenue Code and is exempt from federal income tax. Management of CIS believes it has no material uncertain tax positions that qualify for either recognition or disclosure in the financial statements. CIS has not been examined by a major tax jurisdiction for the open tax years 2018 to 2020.

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

Cash

Cash as reported on the statements of financial position and cash flows consist of bank deposits as of August 31, 2021.

Grants Receivable

Represents amounts due from grantors at year-end, collected in the subsequent year.

Property and Equipment

Property and equipment are valued at cost. Donated assets are recorded at their fair market value at the time of donation. Additions and major renewals in excess of \$1,000 and an estimated useful life of more than one year are capitalized. Depreciation is computed using the straight-line basis over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to operations, as incurred.

In-Kind Contributions

The value of non-cash donations of materials is recorded in the accompanying financial statements as in-kind contributions and in-kind expenses based on their fair market value at the date of receipt. The value of discounted and free use of facilities are also recorded as in-kind contributions and in-kind expense based on the fair market value at corresponding date of usage.

Functional Allocation of Expenses

The costs of providing various programs and other supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Estimates

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

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS

CIS maintains its cash balances at several financial institutions where deposits are insured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000. The total cash carrying balance as of August 31, 2021, was \$1,563,891, and the bank balances were \$1,629,912, all of which were covered by the FDIC and pledged securities.

4. FAIR VALUE MEASUREMENTS AND DISCLOSURES

The requirements of Fair Value Measurements and Disclosures of the Accounting Standards Codification apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value Measurements and Disclosures also established a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – Include other inputs that are directly or indirectly observable in the marketplace.
- Level 3 – Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. For the fiscal year ended August 31, 2021, the application of valuation techniques applied for similar assets and liabilities has been consistent.

Financial instruments included in CIS's statement of financial position include cash and grants receivable. The recorded values of all CIS's financial instruments approximate their fair value based on their short-term nature.

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

5. GRANTS RECEIVABLE

Grants receivable consist of the following at August 31, 2021:

Texas Education Agency	\$ 381,273
Texas Education Agency- TANF pass through	47,022
City of Killeen, Community Development Block Grant	4,125
Total	<u>\$ 432,420</u>

6. PROPERTY AND EQUIPMENT

As of August 31, 2021, property and equipment consisted of the following:

	Life	2021
Building	30	\$ -
Equipment	5-10	19,265
Total		19,265
Accumulated depreciation		(10,952)
Property and equipment, net of accumulated depreciation		<u>\$ 8,313</u>

For the year ending August 31, 2021, depreciation expense of \$835 was reported in program expenses.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of amounts restricted by donors for the following purposes as of August 31, 2021:

For subsequent periods	<u>\$ 432,420</u>
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8. CONTINGENCIES

Amounts received from government and other grants require the fulfillment of certain conditions as set forth in the grant contracts. CIS intends to fulfill the conditions of all grants, recognizing that failure to fulfill the conditions could result in the return of funds to the grantors. Amounts received, or receivable are subject to audit and adjustments by the grantor agencies. Any disallowed claims, including amounts already collected, could become a liability to CIS. In management's opinion, disallowed claims, if any, would not have a material adverse effect on CIS's financial position or result of operations.

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

9. RISK MANAGEMENT

CIS is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disasters for which CIS carries commercial insurance.

10. HEALTH CARE PLAN

Full time employees are eligible to enroll in the CIS group health, prescription and dental plan (the Plan). The Plan is qualified as a Section 125 Health Plan and accordingly premiums paid by the employee are treated as a pre-tax payroll deduction. Under the Plan, CIS contributes 50% of the employee's single premium. For the year ended August 31, 2021, CIS contributions to the Plan totaled \$84,225.

11. OPERATING LEASES

CIS leases an office space located in Killeen under the terms of a lease agreement accounted for as an operating lease. The monthly lease installment of \$3,500, is off-set by an in-kind contribution from the lessor of \$800, resulting in a net monthly installment of \$2,700. Rent expense for the year ended August 31, 2021 was \$32,400. Future minimum lease commitments under the operating lease as of August 31, 2021, are summarized as follows:

Fiscal Year Ending	
2022	\$ 32,400
Total	<u>\$ 32,400</u>

12. LIQUIDITY MANAGEMENT

CIS has \$1,996,311 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$1,563,891 and grants receivable of \$432,420. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Grants receivable are subject to implied time restrictions but are expected to be collected within one year. CIS has a goal to maintain financial assets, which consist primarily of cash and grants receivables, to meet 120 days of normal operating expenses, which are, on average, approximate \$1,095,000. CIS has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

13. PAYCHECK PROTECTION PROGRAM

In February of 2021, CIS was granted a loan (the "Loan") from First Texas Bank in the aggregate amount of \$537,216, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan may be prepaid at any time prior to maturity with no prepayment penalties. The Company intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. CIS has elected to follow the Financial Accounting Standards Board Accounting Standards Codification 958-605, *Not for Profit Entities: Revenue Recognition*. Accordingly, for the year ended August 31, 2021, \$537,216 has been recorded as a conditional grant in the Statement of Activities, since the criteria has been met.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 25, 2022, the date the financial statements were available to be issued. There were no events noted that required adjustment to these financial statements.

COMPLIANCE AND INTERNAL CONTROL SECTION

WILLIAM GRIMSLEY

CERTIFIED PUBLIC ACCOUNTANT

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
Communities in Schools of Greater Central Texas, Inc.
Killeen, TX

I 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 Greater Central Texas, Inc. ("CIS"), which comprise the statement of financial position as of August 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated February 25, 2022.

Internal Control Over Financial Reporting

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

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 combination of deficiencies, in internal control such that there is 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 in charge of governance.

My consideration of the internal control over financial reporting 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 my audit I did not identify any deficiencies in the internal control that I consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CIS's financial statements are free of material misstatements, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



William A. Grimsley, CPA
Gatesville, TX
February 25, 2022

STATE OF TEXAS SINGLE AUDIT SECTION

WILLIAMGRIMSLEY
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF TEXAS *SINGLE AUDIT*
*CIRCULAR***

To the Board of Directors of
Communities in Schools of Greater Central Texas, Inc.

Report on Compliance for Each Major State Program

I have audited Communities in Schools of Greater Central Texas, Inc.'s (CIS) compliance with the types of compliance requirements described in the State of Texas *Single Audit Circular* that could have a direct and material effect on each of CIS's major state programs for the year ended August 31, 2021. CIS's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

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

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

Opinion on Each Major State Program

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the State of Texas *Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.



William A. Grimsley, CPA
Gatesville, Texas
February 25, 2022

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2021

Section I- Summary of Audit Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified:	No
Significant deficiency(ies) identified:	None reported
Noncompliance material to the financial statements noted?	No

State Awards:

Internal control over major programs:	
Material weakness(es) identified:	No
Significant deficiency(ies) identified:	None reported

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the State of Texas <i>Single Audit Circular</i>	No
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Identification of major programs:

State:

Texas Education Agency
General Revenue

Dollar threshold considered between Type A and Type B State Programs	\$ 750,000
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Auditee qualified as a low-risk auditee?	Yes
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Section II- Financial Statement Findings

None

Section III- State Award Findings and Questioned Costs

None

Section IV- Status of Prior Year Findings

No prior year findings

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended August 31, 2021

State Grantor/Pass-Through Grantor/Program Title	Contract/ Identification Number	State Expenditures
Texas Education Agency:		
General Revenue	200958027110013	\$ 1,528,765
Texas Veterans Commission:		
General Assistance	FVA-20-0411	<u>289,795</u>
Total Expenditures of State Awards		<u><u>\$ 1,818,560</u></u>

See accompanying notes to the schedule of expenditures of state awards

COMMUNITIES IN SCHOOLS OF GREATER CENTRAL TEXAS, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended August 31, 2021

1. Basis of Presentation:

The accompanying Schedules of Expenditures of State Awards ("Schedule") include state grant activities of Communities in Schools of Greater Central Texas, Inc. (the "Organization") under programs of the state government for the year ended August 31, 2021. The information in the Schedule is presented in accordance with the requirements of the State of Texas Single Audit Circular. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of the Organization.

2. Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the State of Texas Uniform Grant Management Standards, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Commitments and Contingencies:

State grants received by the Organization are subject to review and audit by grantor agencies. The Organization's management believes that the results of such audits will not have a material effect on the Schedule.