

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC.  
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 and 2020  
and  
SUPPLEMENTARY INFORMATION**

**with  
INDEPENDENT AUDITORS' REPORTS**

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## **INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors  
Communities In Schools of Georgia, Inc.**

We have audited the accompanying consolidated financial statements of Communities in Schools of Georgia, Inc. and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2021 supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

*Smith and Howard*

October 27, 2021



**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

**ASSETS**

	<u><b>2021</b></u>	<u><b>2020</b></u>
Cash and cash equivalents	\$ 1,182,048	\$ 1,052,112
Grants and other receivables	617,508	530,161
Prepaid expenses and other assets	73,349	72,000
Property and equipment, net	<u>6,538</u>	<u>-</u>
 Total Assets	 <u><b>\$ 1,879,443</b></u>	 <u><b>\$ 1,654,273</b></u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 547,370	\$ 431,110
Deferred rent liability	98,772	119,519
Note payable - Paycheck Protection Program (Note 5)	<u>-</u>	<u>488,160</u>
 Total Liabilities	 <u>646,142</u>	 <u>1,038,789</u>
 Net assets		
Without donor restrictions	1,233,301	592,360
With donor restrictions	<u>-</u>	<u>23,124</u>
 Total Net Assets	 <u>1,233,301</u>	 <u>615,484</u>
 Total Liabilities and Net Assets	 <u><b>\$ 1,879,443</b></u>	 <u><b>\$ 1,654,273</b></u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenues and Other Support:			
Contributions and other revenues	\$ 2,174,532	\$ -	\$ 2,174,532
Grants	1,752,131	7,000	1,759,131
Interest income	2,003	-	2,003
Net assets released from restrictions	<u>30,124</u>	<u>(30,124)</u>	<u>-</u>
Total Revenues and Other Support	<u>3,958,790</u>	<u>(23,124)</u>	<u>3,935,666</u>
Expenses:			
Program services	<u>3,356,043</u>	<u>-</u>	<u>3,356,043</u>
Supportive services:			
Management and general	269,797	-	269,797
Fundraising	<u>180,169</u>	<u>-</u>	<u>180,169</u>
Total supportive services	<u>449,966</u>	<u>-</u>	<u>449,966</u>
Total Expenses	3,806,009	-	3,806,009
Other Income:			
Paycheck Protection Program Grant (Note 5)	<u>488,160</u>	<u>-</u>	<u>488,160</u>
Change in Net Assets	640,941	(23,124)	617,817
Net assets:			
Beginning of year	<u>592,360</u>	<u>23,124</u>	<u>615,484</u>
End of year	<u>\$ 1,233,301</u>	<u>\$ -</u>	<u>\$ 1,233,301</u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support:			
Contributions and other revenues	\$ 2,359,505	\$ -	\$ 2,359,505
Grants	1,924,929	40,000	1,964,929
Interest income	1,041	-	1,041
Net assets released from restrictions	<u>31,876</u>	<u>(31,876)</u>	<u>-</u>
 Total Revenues and Other Support	 <u>4,317,351</u>	 <u>8,124</u>	 <u>4,325,475</u>
Expenses:			
Program services	<u>3,678,876</u>	<u>-</u>	<u>3,678,876</u>
Supportive services:			
Management and general	336,172	-	336,172
Fundraising	<u>356,749</u>	<u>-</u>	<u>356,749</u>
Total supportive services	<u>692,921</u>	<u>-</u>	<u>692,921</u>
 Total Expenses	 <u>4,371,797</u>	 <u>-</u>	 <u>4,371,797</u>
 Change in Net Assets	 (54,446)	 8,124	 (46,322)
Net assets:			
Beginning of year	<u>646,806</u>	<u>15,000</u>	<u>661,806</u>
 End of year	 <u>\$ 592,360</u>	 <u>\$ 23,124</u>	 <u>\$ 615,484</u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 2,180,671	\$ 171,668	\$ 163,586	\$ 2,515,925
Program costs	750,525	5,971	-	756,496
Training and conferences	8,501	667	-	9,168
Insurance	27,007	2,395	417	29,819
Travel	15,598	4,424	164	20,186
Facility costs	150,792	56,176	-	206,968
Professional and contract services	127,231	14,672	11,641	153,544
Office expenses	81,483	2,789	1,745	86,017
Other	14,235	11,035	2,616	27,886
	<u>\$ 3,356,043</u>	<u>\$ 269,797</u>	<u>\$ 180,169</u>	<u>\$ 3,806,009</u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 2,172,692	\$ 218,616	\$ 312,687	\$ 2,703,995
Program costs	932,608	9,539	-	942,147
Training and conferences	32,982	10,178	3,671	46,831
Insurance	19,522	3,556	680	23,758
Travel	103,521	4,424	8,806	116,751
Facility costs	147,798	58,048	-	205,846
Professional and contract services	172,796	19,992	23,975	216,763
Office expenses	76,895	9,656	2,943	89,494
Other	20,062	2,163	3,987	26,212
	<u>\$ 3,678,876</u>	<u>\$ 336,172</u>	<u>\$ 356,749</u>	<u>\$ 4,371,797</u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u><b>2021</b></u>	<u><b>2020</b></u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 617,817	\$ (46,322)
Adjustments to Reconcile change in Net Assets to Net		
Cash Provided by Operating Activities:		
Paycheck Protection Program loan forgiveness (Note 5)	(488,160)	-
Changes in:		
Grants and other receivables	(87,347)	99,914
Prepaid expenses and other assets	(1,349)	7,416
Accounts payable and accrued expenses	116,260	(14,102)
Deferred rent liability	(20,747)	(17,049)
Total adjustments	<u>(481,343)</u>	<u>76,179</u>
Net Cash Provided by Operating Activities	<u>136,474</u>	<u>29,857</u>
Cash Flows from Investing Activities:		
Additions of property and equipment	<u>(6,538)</u>	<u>-</u>
Net Cash Required by Investing Activities	<u>(6,538)</u>	<u>-</u>
Cash Flows from Financing Activities:		
Proceeds from PPP Loan	<u>-</u>	<u>488,160</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>488,160</u>
Net Change in Cash and Cash Equivalents	129,936	518,017
Cash and Cash Equivalents, Beginning of Year	<u>1,052,112</u>	<u>534,095</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,182,048</u>	<u>\$ 1,052,112</u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization and Principles of Consolidation

Communities in Schools of Georgia, Inc. ("CIS") was formed August 15, 1989 as a not-for-profit organization. The purpose of CIS is to assist communities in Georgia in providing educational and developmental services to young people who are considered to be at risk of dropping out of school or who have already dropped out.

Georgia Subsidiaries of Communities in Schools, LLC ("LLC") was formed for the purpose of becoming direct service providers for some of the CIS's local affiliates. The LLC is a wholly owned subsidiary of CIS. All significant inter-company accounts and transactions have been eliminated in consolidation. CIS and LLC are together referred to herein as the "Organization."

Basis of Accounting

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments that are readily convertible into cash and have a maturity of ninety days or less when purchased.

Risks and Uncertainties

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, and grants and other receivables. At times, cash and cash equivalent balances exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements. Management continually monitors receivable balances and believes that its exposure to credit risk is limited.

The Organization has experienced a disruption of normal business operations caused from COVID-19. The overall impact cannot be determined through the date of this report; however, it is reasonably possible that changes in risks in the near term could occur which could result in a material change to the consolidated financial statements.

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment

The Organization capitalizes property and equipment expenditures over \$1,000. Property and equipment is stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of the gift. Such donations are reported as contributions 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 restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies restricted net assets to net assets without donor restrictions at that time. Property and equipment is depreciated on the straight-line method over the estimated useful lives of the assets.

Deferred Rent Liability

Rent expense for operating leases that contain scheduled rent increases, net of any landlord allowances, is recognized for financial reporting purposes on the straight-line method. Consequently, amounts that have been expensed for financial reporting purposes, but not yet paid, are reflected as deferred rent liability in the accompanying consolidated statement of financial position.

Revenue Recognition

Contributions

The Organization records contributions as revenue upon notification from the donor and uses discounting for recording long-term pledges. Contributions are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without donor restriction and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Bad debts are expensed and charged against the allowance account when deemed uncollectible based upon a periodic review of collections. There is no allowance deemed necessary at June 30, 2021 and 2020. During the year ended June 30, 2021 and 2020, 59% and 66% of contributions and other revenues were from two donors.



**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition (Continued)

Government Support

A portion of the Organization's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. At June 30, 2021 and 2020, there was no allowance for uncollectible government grants. For the years ended June 30, 2021 and 2020, the Organization received approximately 45% of its total public funding through various government agencies.

Donated Goods and Services

Donated goods, such as materials, equipment, or other assets, are reported as contributions at their estimated fair values at the date of donation. Donated services that create or enhance non-financial assets or that require specialized skills, that are provided by individuals possessing those skills and that would typically need to be purchased if not provided by donation are recorded as contributions at their estimated fair values in the period the services are performed. Donated goods and services totaled approximately \$43,000 and \$41,000 in 2021 and 2020, respectively.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended, and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision or liability for federal and state income taxes has been recorded in the accompanying consolidated financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the years ending before June 30, 2018.

Functional Allocation of Expenses

The consolidated 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. The expenses that are allocated include salaries and benefits, insurance, professional net contract, services and office expenses which are allocated on a basis of estimates of time and effort.

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date which the consolidated financial statements were available to be issued.

**NOTE 2 - GRANTS AND OTHER RECEIVABLES**

Grants and other receivables consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Grants receivable	\$ 607,145	\$ 514,423
Accounts receivable, local affiliates	6,163	10,715
Other	<u>4,200</u>	<u>5,023</u>
	<u>\$ 617,508</u>	<u>\$ 530,161</u>

As of June 30, 2021, and 2020, 64% and 70% of receivables were due from one government agency, respectively.

**NOTE 3 - DONOR RESTRICTED NET ASSETS**

The components of donor restricted net assets were as follows at June 30:

	<u>2021</u>	<u>2020</u>
Comprehensive Student Dropout Prevention Initiative	<u>\$ -</u>	<u>\$ 23,124</u>

Net assets released from restrictions during the years ended June 30 were as follows:

	<u>2021</u>	<u>2020</u>
Comprehensive Student Dropout Prevention Initiative	<u>\$ 30,124</u>	<u>\$ 31,876</u>

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 4 - PROGRAM EXPENSES**

Program service expenses during the years ended June 30 were as follows:

	<u>2021</u>	<u>2020</u>
Comprehensive Student Dropout		
Prevention Initiative	\$ 3,196,048	\$ 3,510,244
AmeriCorps	<u>159,995</u>	<u>168,632</u>
	<u>\$ 3,356,043</u>	<u>\$ 3,678,876</u>

**NOTE 5 - NOTE PAYABLE**

In May 2020, the Organization obtained a Small Business Administration ("SBA") loan under the Paycheck Protection Program ("PPP") in the amount of \$488,160. The PPP loan bore interest at 1% and followed the repayment terms outlined by the Coronavirus Aid, Relief, and Economic Securities Act (the "CARES Act") and the Paycheck Protection Program Flexibility Act ("PPPFA"). In April 2021, the Organization obtained PPPFA loan forgiveness and recorded funds within other income in the accompanying consolidated statement of activities and changes in net assets.

**NOTE 6 - RETIREMENT PLANS**

The Organization has a Simplified Employee Pension Plan (SEP), a defined contribution plan, under which the Organization may contribute, at their discretion, 3% of each employee's salary. All employees are eligible to participate in this plan. The Organization also has an Internal Revenue Code Section 403(b) defined-contribution plan whereby employees can contribute to the plan on a voluntary basis. During the years ended June 30, 2021 and 2020, the Organization made employer contributions of \$32,844 and \$33,511, respectively.

**NOTE 7 - COMMITMENTS AND CONTINGENCIES**

In July 2014, the Organization entered into a non-cancelable lease for office space. The commencement date of the lease was September 1, 2014 and expires September 1, 2024. Future minimum lease payments under the non-cancelable operating lease for the years ending June 30 are as follows:

2022	\$ 155,894
2023	159,809
2024	163,821
2025	<u>41,207</u>
	<u>\$ 520,731</u>

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 7 - COMMITMENTS AND CONTINGENCIES (Continued)**

Total rent expense under all operating leases for the years ended June 30, 2021 and 2020 approximated \$195,000 and \$194,000, respectively.

Grants often require fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantor. Although the return of funds is a possibility, the Organization deems the contingency unlikely as the Organization has implicitly agreed to comply with the provisions of each.

**NOTE 8 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

For purposes of analyzing resources available to meet general expenditures for 2022 and 2021, the Organization considers cash receivables that will be collected and available in the following year for activities that are ongoing to the Organization. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets available for general expenditures, within one year are as follows as of June 30:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Cash and cash equivalents	\$ 1,182,048	\$ 1,052,112
Grants and other receivables	<u>617,508</u>	<u>530,161</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,799,556</u></u>	<u><u>\$ 1,582,273</u></u>

## **SUPPLEMENTARY INFORMATION**

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY  
CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	COMMUNITIES IN SCHOOLS OF GEORGIA, INC.						COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2021						CONSOLIDATED BALANCE	
	GEORGIA SUBSIDIARIES OF COMMUNITIES IN SCHOOLS, LLC ("LLC")						ELIMINATIONS							
	Henry County	Troup County	Marble/Cobb County	Laurens County	Other Counties	Total LLC								
<b>REVENUES</b>														
Contributions and Other Revenues	\$ 1,492,775	\$ 73,399	\$ 230,784	\$ 303,994	\$ 16,182	\$ 297,149	\$ 921,508	\$ (239,751)	\$ 2,174,532					
Grants	1,568,570	28,500	51,052	33,500	133,545	218,022	464,619	(274,058)	1,759,131					
Interest Income	2,003	-	-	-	-	-	-	-	2,003					
	3,063,348	101,899	281,836	337,494	149,727	515,171	1,386,127	(513,809)	3,935,666					
<b>EXPENSES</b>														
Salaries and Benefits	1,303,517	100,331	202,205	272,086	129,931	507,855	1,212,408	-	2,515,925					
Program Costs	1,114,716	4,614	9,302	8,008	13,020	13,974	48,918	(407,138)	756,496					
Training and Conferences	4,663	-	1,554	1,100	855	996	4,505	-	9,168					
Insurance	25,259	472	647	924	555	1,962	4,560	-	29,819					
Travel	12,269	254	5,240	149	519	1,755	7,917	-	20,166					
Facility Costs	173,944	870	-	29,146	2,818	190	33,024	-	206,968					
Professional and Contract Services	190,171	6,917	12,860	26,432	19,035	4,800	70,044	(106,671)	153,544					
Office Expenses and Other Expenses	87,122	3,684	3,297	10,807	5,641	3,352	26,781	-	113,903					
	2,911,661	117,142	235,105	348,652	172,374	534,884	1,408,157	(513,809)	3,806,009					
Other Income:														
Paycheck Protection Program Grant	238,650	17,221	30,633	79,923	26,412	95,321	249,510	-	488,160					
Change in net assets	\$ 390,337	\$ 1,978	\$ 77,364	\$ 68,765	\$ 3,765	\$ 75,608	\$ 227,480	\$ -	\$ 617,817					

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC.  
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2020 and 2019  
and  
SUPPLEMENTARY INFORMATION**

**with  
INDEPENDENT AUDITORS' REPORTS**

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## **INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors  
Communities In Schools of Georgia, Inc.**

We have audited the accompanying consolidated financial statements of Communities in Schools of Georgia, Inc. and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As further discussed in Note 8, the Organization is dependent upon contributions, grants and other public support to maintain the ongoing activities of the Organization.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2020 supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

*Smith & Howard*

December 21, 2020

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020 AND 2019**

**ASSETS**

	<u><b>2020</b></u>	<u><b>2019</b></u>
Cash and cash equivalents	\$ 1,052,112	\$ 534,095
Grants and other receivables	530,161	630,075
Prepaid expenses and other assets	<u>72,000</u>	<u>79,416</u>
 Total Assets	 <u>\$ 1,654,273</u>	 <u>\$ 1,243,586</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 431,110	\$ 445,212
Deferred rent liability	119,519	136,568
Note payable-PPP loan	<u>488,160</u>	<u>-</u>
 Total Liabilities	 <u>1,038,789</u>	 <u>581,780</u>
 Net assets		
Without donor restrictions	592,360	646,806
With donor restrictions	<u>23,124</u>	<u>15,000</u>
 Total Net Assets	 <u>615,484</u>	 <u>661,806</u>
 Total Liabilities and Net Assets	 <u>\$ 1,654,273</u>	 <u>\$ 1,243,586</u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support:			
Contributions and other revenues	\$ 2,359,505	\$ -	\$ 2,359,505
Grants	1,924,929	40,000	1,964,929
Interest income	1,041	-	1,041
Net assets released from restrictions	<u>31,876</u>	<u>(31,876)</u>	<u>-</u>
Total Revenues and Other Support	<u>4,317,351</u>	<u>8,124</u>	<u>4,325,475</u>
Expenses:			
Program services	<u>3,678,876</u>	<u>-</u>	<u>3,678,876</u>
Supportive services:			
Management and general	336,172	-	336,172
Fundraising	<u>356,749</u>	<u>-</u>	<u>356,749</u>
Total supportive services	<u>692,921</u>	<u>-</u>	<u>692,921</u>
Total Expenses	<u>4,371,797</u>	<u>-</u>	<u>4,371,797</u>
Change in Net Assets	(54,446)	8,124	(46,322)
Net assets:			
Beginning of year	<u>646,806</u>	<u>15,000</u>	<u>661,806</u>
End of year	<u>\$ 592,360</u>	<u>\$ 23,124</u>	<u>\$ 615,484</u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support:			
Contributions and other revenues	\$ 2,053,633	\$ -	\$ 2,053,633
Grants	1,814,822	15,000	1,829,822
Interest income	1,021	-	1,021
Net assets released from restrictions	<u>34,622</u>	<u>(34,622)</u>	<u>-</u>
Total Revenues and Other Support	<u>3,904,098</u>	<u>(19,622)</u>	<u>3,884,476</u>
Expenses:			
Program services	<u>3,423,493</u>	<u>-</u>	<u>3,423,493</u>
Supportive services:			
Management and general	360,457	-	360,457
Fundraising	<u>365,371</u>	<u>-</u>	<u>365,371</u>
Total supportive services	<u>725,828</u>	<u>-</u>	<u>725,828</u>
Total Expenses	<u>4,149,321</u>	<u>-</u>	<u>4,149,321</u>
Change in Net Assets	(245,223)	(19,622)	(264,845)
Net assets:			
Beginning of year	<u>892,029</u>	<u>34,622</u>	<u>926,651</u>
End of year	<u>\$ 646,806</u>	<u>\$ 15,000</u>	<u>\$ 661,806</u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 2,172,692	\$ 218,616	\$ 312,687	\$ 2,703,995
Program costs	932,608	9,539	-	942,147
Training and conferences	32,982	10,178	3,671	46,831
Insurance	19,522	3,556	680	23,758
Travel	103,521	4,424	8,806	116,751
Facility costs	147,798	58,048	-	205,846
Professional and contract services	172,796	19,992	23,975	216,763
Office expenses	76,895	9,656	2,943	89,494
Other	20,062	2,163	3,987	26,212
	<u>\$ 3,678,876</u>	<u>\$ 336,172</u>	<u>\$ 356,749</u>	<u>\$ 4,371,797</u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 1,895,657	\$ 247,575	\$ 312,687	\$ 2,455,919
Program costs	909,217	9,539	-	918,756
Training and conferences	57,518	3,123	12,636	73,277
Insurance	18,979	4,140	857	23,976
Travel	88,379	4,334	18,557	111,270
Facility costs	148,543	59,692	-	208,235
Professional and contract services	201,196	21,709	11,742	234,647
Office expenses	82,924	8,271	2,693	93,888
Other	21,080	2,074	6,199	29,353
	<u>\$ 3,423,493</u>	<u>\$ 360,457</u>	<u>\$ 365,371</u>	<u>\$ 4,149,321</u>

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

	<u><b>2020</b></u>	<u><b>2019</b></u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (46,322)	\$ (264,845)
Adjustments to reconcile change in net assets to net cash provided (required) by operating activities:		
Changes in:		
Grants and other receivables	99,914	(237,328)
Prepaid expenses and other assets	7,416	(12,082)
Accounts payable and accrued expenses	(14,102)	48,248
Deferred rent liability	(17,049)	(13,428)
Total adjustments	<u>76,179</u>	<u>(214,590)</u>
Net Cash Provided (Required) by Operating Activities	<u>29,857</u>	<u>(479,435)</u>
Cash Flows from Financing Activities:		
Proceeds from PPP Loan	<u>488,160</u>	<u>-</u>
Net Cash Provided (Required) by Financing Activities	<u>488,160</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	518,017	(479,435)
Cash and Cash Equivalents, Beginning of Year	<u>534,095</u>	<u>1,013,530</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,052,112</u>	<u>\$ 534,095</u>

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



**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization and Principles of Consolidation

Communities in Schools of Georgia, Inc. ("CIS") was formed August 15, 1989 as a not-for-profit organization. The purpose of the CIS is to assist communities in Georgia in providing educational and developmental services to young people who are considered to be at risk of dropping out of school or who have already dropped out.

Georgia Subsidiaries of Communities in Schools, LLC ("LLC") was formed for the purpose of becoming direct service providers for some of the CIS's local affiliates. The LLC is a wholly owned subsidiary of CIS. All significant inter-company accounts and transactions have been eliminated in consolidation. CIS and LLC are together referred to herein as the "Organization."

Basis of Accounting

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

New Accounting Policy

*ASU 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made"*

Effective July 1, 2019, the Organization adopted ASU 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*". The amendments in this update provide a framework for evaluating whether the transfer of assets constitutes a contribution or an exchange transaction. This amendment also provides additional clarification as to whether or not a contribution is conditional. The adoption of ASU 2018-08 did not have a material impact on the Organization's financial position, results of operations and cash flows as of and for the year ended June 30, 2020.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments that are readily convertible into cash and have a maturity of ninety days or less when purchased.

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Risks and Uncertainties

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, and grants and other receivables. At times, cash and cash equivalent balances exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements. Management continually monitors receivable balances and believes that its exposure to credit risk is limited.

The Organization has experienced a disruption of normal business operations caused from COVID-19 during 2020 and subsequent to year end. The overall impact cannot be determined through the date of this report; however, it is reasonably possible that changes in risks in the near term could occur which could result in a material change to the consolidated financial statements.

Property and Equipment

The Organization capitalizes property and equipment expenditures over \$1,000. Property and equipment is stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of the gift. Such donations are reported as contributions 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 restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies restricted net assets to net assets without donor restrictions at that time. Property and equipment is depreciated on the straight-line method over the estimated useful lives of the assets.

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Deferred Rent Liability

Rent expense for operating leases that contain scheduled rent increases, net of any landlord allowances, is recognized for financial reporting purposes on the straight-line method. Consequently, amounts that have been expensed for financial reporting purposes, but not yet paid, are reflected as deferred rent liability in the accompanying consolidated statement of financial position.

Revenue Recognition

Contributions

The Organization records contributions as revenue upon notification from the donor and uses discounting for recording long-term pledges. Contributions are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without donor restriction and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Bad debts are expensed and charged against the allowance account when deemed uncollectible based upon a periodic review of collections. There is no allowance deemed necessary at June 30, 2020 and 2019. During the year ended June 30, 2020 and 2019, 66% and 39% of contributions and other revenues were from two donors and one donor, respectively.

Government Support

A portion of the Organization's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. At June 30, 2020 and 2019, there was no allowance for uncollectible government grants. For the years ended June 30, 2020 and 2019, the Organization received approximately 45% and 47%, respectively, of its total public funding through various government agencies.

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Donated Goods and Services

Donated goods, such as materials, equipment, or other assets, are reported as contributions at their estimated fair values at the date of donation. Donated services that create or enhance non-financial assets or that require specialized skills, that are provided by individuals possessing those skills and that would typically need to be purchased if not provided by donation are recorded as contributions at their estimated fair values in the period the services are performed. Donated goods and services totaled approximately \$41,000 and \$68,000 in 2020 and 2019, respectively.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended, and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision or liability for federal and state income taxes has been recorded in the accompanying consolidated financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the years ending before June 30, 2017.

Functional Allocation of Expenses

The consolidated 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. The expenses that are allocated include salaries and benefits, insurance, professional net contract, services and office expenses which are allocated on a basis of estimates of time and effort.

Use of Estimates

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

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date which the consolidated financial statements were available to be issued.

**NOTE 2 - GRANTS AND OTHER RECEIVABLES**

Grants and other receivables consist of the following at June 30:

	<u><b>2020</b></u>	<u><b>2019</b></u>
Grants receivable	\$ 514,423	\$ 598,209
Accounts receivable, local affiliates	10,715	24,955
Other	<u>5,023</u>	<u>6,911</u>
	<u><u>\$ 530,161</u></u>	<u><u>\$ 630,075</u></u>

**NOTE 3 - DONOR RESTRICTED NET ASSETS**

The components of donor restricted net assets were as follows at June 30:

	<u><b>2020</b></u>	<u><b>2019</b></u>
Comprehensive Student Dropout Prevention Initiative	<u>\$ 23,124</u>	<u>\$ 15,000</u>

Net assets released from restrictions during the years ended June 30 were as follows:

Comprehensive Student Dropout Prevention Initiative	<u>\$ 31,876</u>	<u>\$ 34,622</u>
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**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 4 - PROGRAM EXPENSES**

Program service expenses during the years ended June 30 were as follows:

	<u><b>2020</b></u>	<u><b>2019</b></u>
Comprehensive Student Dropout Prevention Initiative	\$ 3,510,244	\$ 3,238,137
AmeriCorps	168,632	182,577
Division of Family and Children Services	<u>-</u>	<u>2,779</u>
	<u><b>\$ 3,678,876</b></u>	<u><b>\$ 3,423,493</b></u>

**NOTE 5 - NOTES PAYABLE**

In May 2020, the Organization obtained a Small Business Administration ("SBA") loan under the Paycheck Protection Program ("PPP") in the amount of \$488,160. The PPP loan bears interest at 1% and will follow the repayment terms outlined by the Coronavirus Aid, Relief, and Economic Securities Act (the "CARES Act") and the Paycheck Protection Program Flexibility Act ("PPPFA").

The Organization may apply for PPP loan proceeds to be forgiven with the lending institution, provided the proceeds are used within a specified timeframe to cover certain payroll and other expenses as outlined in the CARES Act and the PPPFA. Initial repayments of the loan amount are deferred until the date the SBA Remits the loan forgiveness funds to the lending institution, or until 10 months after the end of the forgiveness covered period. The Organization intends to apply for full forgiveness.

**NOTE 6 - RETIREMENT PLANS**

The Organization has a Simplified Employee Pension Plan (SEP), a defined contribution plan, under which the Organization may contribute, at their discretion, 3% of each employee's salary. All employees are eligible to participate in this plan. The Organization also has an Internal Revenue Code Section 403(b) defined-contribution plan whereby employees can contribute to the plan on a voluntary basis. During the years ended June 30, 2020 and 2019, the Organization made employer contributions of \$33,511 and \$33,350, respectively.



**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 7 - COMMITMENTS AND CONTINGENCIES**

In July 2014, the Organization entered into a non-cancelable lease for office space. The commencement date of the lease was September 1, 2014 and expires September 1, 2024. Future minimum lease payments under the non-cancelable operating lease for the years ending June 30 are as follows:

2021	\$ 152,114
2022	155,894
2023	159,809
2024	163,821
2025	41,207
	<u>\$ 672,845</u>

Total rent expense under all operating leases for the years ended June 30, 2020 and 2019 approximated \$194,000 and \$202,000, respectively.

Grants often require fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantor. Although the return of funds is a possibility, the Organization deems the contingency unlikely as the Organization has implicitly agreed to comply with the provisions of each grant received.

**NOTE 8 - REALIZATION OF ASSETS**

The financial statements have been prepared on a going concern basis, which assumes that the Organization will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The Organization has had decreases in net assets of approximately \$46,000 and \$265,000 during years ending June 30, 2020 and 2019. The Organization believes it has the assets to operate into the foreseeable future. However, additional funding will be necessary to meet the increasing demand for its services. Therefore, the Organization has developed a financial and operational plan to continue providing its programs. While the Organization believes it has the resources to continue its programs through December 2021 and beyond, its ability to do so is dependent upon the above factors.

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

For purposes of analyzing resources available to meet general expenditures for 2021 and 2020, the Organization considers cash receivables that will be collected and available in the following year for activities that are ongoing to the Organization. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets available for general expenditures, within one year are as follows as of June 30:

	<u><b>2020</b></u>	<u><b>2019</b></u>
Cash and cash equivalents	\$ 1,052,112	\$ 534,095
Grants and other receivables	<u>530,161</u>	<u>630,075</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,582,273</u></u>	<u><u>\$ 1,164,170</u></u>



## **SUPPLEMENTARY INFORMATION**

**COMMUNITIES IN SCHOOLS OF GEORGIA, INC. AND SUBSIDIARY  
CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

	COMMUNITIES IN SCHOOLS OF GEORGIA, INC.				GEORGIA SUBSIDIARIES OF COMMUNITIES IN SCHOOLS, LLC ("LLC")				ELIMINATIONS		CONSOLIDATED BALANCE	
					Marietta/Cobb							
	Henry County	Troup County	County	Laurens County	Other Counties	Total LLC						
REVENUES												
Contributions and Other Revenues	\$ 1,461,899	\$ 76,917	\$ 196,005	\$ 400,801	\$ 18,932	\$ 296,872	\$ 989,527	\$ (91,921)	\$ 2,359,505			
Grants	1,577,597	26,500	78,236	38,336	130,260	283,000	556,332	(169,000)	1,964,929			
Interest Income	1,041	-	-	-	-	-	-	-	1,041			
	3,040,537	103,417	274,241	439,137	149,192	579,872	1,545,859	(260,921)	4,325,475			
EXPENSES												
Salaries and Benefits	1,535,548	80,024	172,476	333,777	143,724	493,126	1,223,127	(54,680)	2,703,995			
Program Costs	1,036,455	9,362	5,179	14,851	26,020	19,280	74,692	(169,000)	942,147			
Training and Conferences	28,736	4,341	9,128	2,801	2,522	-	18,792	-	47,528			
Insurance	19,864	252	508	918	483	1,733	3,894	-	23,758			
Travel	81,022	1,594	7,409	3,739	2,449	20,538	35,729	-	116,751			
Facility Costs	169,661	1,830	-	31,171	3,184	-	36,185	-	205,846			
Professional and Contract Services	143,207	5,849	44,993	41,617	12,604	5,734	110,797	(37,241)	216,763			
Office Expenses and Other expense (income)	108,499	2,677	4,138	14,028	(14,815)	482	6,510	-	115,009			
	3,122,992	105,929	243,831	442,902	176,171	540,893	1,509,726	(260,921)	4,371,797			
Change in net assets	\$ (82,455)	\$ (2,512)	\$ 30,410	\$ (3,765)	\$ (26,979)	\$ 38,979	\$ 36,133	\$ -	\$ (46,322)			