

**Communities In Schools Of  
Palm Beach County, Inc.**

FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020  
TOGETHER WITH REPORT OF INDEPENDENT AUDITOR

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Communities in Schools of Palm Beach County, Inc.  
West Palm Beach, Florida

**Report on the Financial Statements**

I have audited the financial statements of Communities in Schools of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows and functional expenses 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 misstatements, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion 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 of 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 Palm Beach County, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued my report dated October 13, 2020, on my consideration of the Organization'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 solely 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 the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Communities in Schools of Palm Beach County, Inc.'s internal control over financial reporting and compliance.

Kathleen M. Shafer, CPA  
West Palm Beach, FL  
October 13, 2020



**COMMUNITIES IN SCHOOLS OF PALM BEACH COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020**

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	<b><u>WITHOUT DONOR RESTRICTIONS</u></b>	<b><u>WITH DONOR RESTRICTIONS</u></b>	<b><u>TOTAL FUNDS</u></b>
<b><u>ASSETS</u></b>			
Cash	\$ 313,772	\$ 10,010	\$ 323,782
Grants Receivable	2,985	25,685	28,670
Security Deposit	2,625	0	2,625
Prepaid Expense	2,251	0	2,251
Furniture & Equipment	34,309	0	34,309
Less Accumulated Depreciation	<u>(27,532)</u>	<u>0</u>	<u>(27,532)</u>
<b>Total Assets</b>	<b><u>\$ 328,410</u></b>	<b><u>\$ 35,695</u></b>	<b><u>\$ 364,105</u></b>
 <b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 9,067	\$ 0	\$ 9,067
Deferred Revenue	2,367	0	2,367
Accrued Expenses	<u>17,527</u>	<u>0</u>	<u>17,527</u>
<b>Total Liabilities</b>	<b><u>28,961</u></b>	<b><u>0</u></b>	<b><u>28,961</u></b>
 <b><u>NET ASSETS</u></b>	 <b><u>299,449</u></b>	 <b><u>35,695</u></b>	 <b><u>335,144</u></b>
 <b>TOTAL LIABILITIES &amp; NET ASSETS</b>	 <b><u>\$ 328,410</u></b>	 <b><u>\$ 35,695</u></b>	 <b><u>\$ 364,105</u></b>

Read Accompanying Notes

**COMMUNITIES IN SCHOOLS OF PALM BEACH COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**

	<b><u>WITHOUT DONOR RESTRICTIONS</u></b>	<b><u>WITH DONOR RESTRICTIONS</u></b>	<b><u>TOTAL FUNDS</u></b>
<b>REVENUE</b>			
Grants	\$ 800,474	\$ 35,695	\$ 836,169
Contributions	24,750	0	24,750
Fund Raising Events	0	0	0
Direct Cost To Fund Raising Events	0	0	0
Interest	135	0	135
Net Assets Released From Restriction	10,036	(10,036)	0
Total Revenue	<u>835,395</u>	<u>25,659</u>	<u>861,054</u>
<b>EXPENSES</b>			
Program Services	699,827	0	699,827
General & Administrative	94,364	0	94,364
Fund Raising & Promotion	8,075	0	8,075
Total Expenses	<u>802,266</u>	<u>0</u>	<u>802,266</u>
<b>CHANGES IN NET ASSETS</b>	33,129	25,659	58,788
NET ASSETS AT BEGINNING OF YEAR	<u>266,320</u>	<u>10,036</u>	<u>276,356</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 299,449</u></u>	<u><u>\$ 35,695</u></u>	<u><u>\$ 335,144</u></u>

Read Accompanying Notes

**COMMUNITIES IN SCHOOLS OF PALM BEACH COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**OPERATING ACTIVITIES:**

Change in Net Assets	\$ 58,788
Adjustment to Reconcile Increase in Net Assets to	
Net Cash Provided by ( Used in ) Operating Activities:	
Depreciation	1,925
Changes in Operating Assets and Liabilities:	
Grant Receivables	(13,870)
Prepaid Expenses	7,877
Security Deposit	0
Accounts Payable	8,725
Deferred Revenue	2,367
Accrued Expenses	10,367
<b>Net Cash Provided by ( Used in ) Operating Activities</b>	<u>76,179</u>

**INVESTING ACTIVITIES:**

Purchases of Property & Equipment	<u>(8,471)</u>
Net Cash Used in Investing Activities	<u>(8,471)</u>

**FINANCING ACTIVITIES:**

Net Cash Used in Financing Activities	<u>0</u>
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Increase/(Decrease) in Cash	67,708
Cash at Beginning of Year	<u>256,074</u>
<b>Cash at End of Year</b>	<u><u>\$ 323,782</u></u>

Interest Paid	<u><u>\$ 256</u></u>
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Read Accompanying Notes

**COMMUNITIES IN SCHOOLS OF PALM BEACH COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	<u>Program Services</u>	<u>General &amp; Admin</u>	<u>Fund Raising</u>	<u>Total</u>
<b><u>EXPENSES</u></b>				
Accounting & Bookkeeping	\$ 0	\$ 9,327	\$ 0	\$ 9,327
Bank Fees	0	226	0	226
Depreciation	1,636	289	0	1,925
Dues & Subscriptions	1,095	0	0	1,095
Insurance	10,678	2,670	0	13,348
Interest	0	256	0	256
Meetings	1,907	0	0	1,907
Miscellaneous	248	1,113	0	1,361
Occupancy	15,722	1,747	0	17,469
Office Supplies	6,336	1,584	0	7,920
Outside Services	0	4,500	0	4,500
Program	9,200	0	0	9,200
Salaries & Related Expenses	640,492	71,994	7,199	719,685
Taxes, License & Fees	0	220	0	220
Telephone	4,944	438	876	6,258
Training & Conferences	2,756	0	0	2,756
Travel	4,813	0	0	4,813
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>\$ 699,827</b>	<b>\$ 94,364</b>	<b>\$ 8,075</b>	<b>\$ 802,266</b>

Read Accompanying Notes



**COMMUNITIES IN SCHOOLS OF PALM BEACH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**1. General Description of Activities and Significant Accounting Policies:**

Communities in Schools of Palm Beach County, Inc. is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code.

The Organization provides technical assistance to educational and social institutions to reduce the number of students who drop out of school. It is supported with contributions and grants from individuals, corporations, foundations, civic organizations, and government agencies. Supporters include local residents and businesses, as well as some of the area's seasonal residents and their businesses outside of the local area.

The significant accounting policies that follow are presented to enhance the usefulness of the financial statements to the reader.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Promises to Give**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

There are no promises to give receivables at June 30, 2020.

**COMMUNITIES IN SCHOOLS OF PALM BEACH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**1. General Description of Activities and Significant Accounting Policies, Continued:**

**Property and Equipment**

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as without donor restriction contributions 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 restriction 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. The Organization reclassifies with donor restriction net assets to without donor restriction net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

**Contributions**

Contributions received are recorded as with donor restriction or without donor restriction net assets depending on the existence or nature of any donor restrictions.

**Contributed Services**

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

**Income Taxes**

The Organization is a not-for-profit Organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

**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.

**Functional Expenses**

Expenses are allocated based on their proportionate share of total expenses.



**COMMUNITIES IN SCHOOLS OF PALM BEACH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2020**

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**2. Restrictions on Net Assets:**

As of June 30, 2020, the Organization had \$35,695 in donor restricted net assets for use in the next fiscal period.

**3. Revenue Recognition**

The Organization recognizes revenue from grants and contracts when earned and other revenues and contributions when received. Pledges or promises to give that are, in substance, unconditional are considered a basis for recording future revenue.

**4. Accounts Receivable:**

Management periodically reviews the grants and accounts receivable balances and provides an allowance for accounts which may be uncollectible. There are \$28,670 grants receivables at June 30, 2020. Management has determined that all receivables are collectible; therefore, there is no allowance for doubtful accounts.

**5. Summary of Fixed Assets and Depreciation**

Furniture & Equipment	\$ 34,309
Less Accumulated Depreciation	<u>27,532</u>
	<u>\$ 6,777</u>

**6. Lease commitments**

Minimum future lease commitments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2021	16,200
2022	2,700

**7. Concentration of Risks**

The Organization is dependent on funding from grants and various other contributors. The amount of contributions is dependent on the funds available and the budgets of the contributors. Lack of funding could have a significant impact on the continued operations of the Organization.

**8. Availability and Liquidity:**

Financial assets of cash \$323,782, and account receivables \$28,670 for financial assets available of \$352,452 to meet expenses over next twelve months. As part of the Organization's liquidity management plan, the Organization structures its assets to be available as general expenditures, liabilities and other obligations become due.

**COMMUNITIES IN SCHOOLS OF PALM BEACH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**9. Date of Management Review:**

Subsequent events have been evaluated through October 13, 2020, which is the date the financial statements were issued.

**10. Subsequent Events:**

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home).

At this stage, the impact on the Organization and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.



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**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**

Board of Directors  
Communities in Schools of Palm Beach County, Inc.  
West Palm Beach, Florida

I have audited, 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, the financial statements of Communities in Schools of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated October 13, 2020.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Communities in Schools of Palm Beach County, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Communities in Schools of Palm Beach County, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization'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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Communities in Schools of Palm Beach County, Inc.'s financial statements are free of material misstatement, 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 financial statements. 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 the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kathleen M. Shafer, CPA  
West Palm Beach, FL  
October 13, 2020