

**Financial Statements  
and  
Reports as Required by the Comptroller  
General of the United States  
Communities In Schools of Jacksonville, Inc.**

*Years Ended June 30, 2019 and 2018  
with Independent Auditors' Report*

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## **Independent Auditors' Report on Basic Financial Statements**

Board of Directors  
Communities In Schools of Jacksonville, Inc.  
Jacksonville, Florida

We have audited the accompanying financial statements of Communities In Schools of Jacksonville, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 we 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 auditors' 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, 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 financial statements.

Board of Directors  
Communities In Schools of Jacksonville, Inc.  
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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 financial statements referred to above present fairly, in all material respects, the financial position of Communities In Schools of Jacksonville, Inc., as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2019, on our consideration of Communities In Schools of Jacksonville, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Communities In Schools of Jacksonville, Inc.'s internal control over financial reporting and compliance.

*Cornelius, Schou & Leone, LLC*

CORNELIUS, SCHOU & LEONE, LLC  
November 4, 2019

Communities In Schools of Jacksonville, Inc.  
Statements of Financial Position  
June 30, 2019 and 2018

<b>Assets</b>	<b>2019</b>	<b>2018</b>
	<hr/>	<hr/>
Current Assets:		
Cash and cash equivalents - unrestricted		
Operating	\$ 200,467	\$ 32,548
Cash in Investment Account	11,069	600,888
Total Cash and Cash Equivalents - Unrestricted	<hr/> 211,536	<hr/> 633,436
Pledges and support receivable	657,963	854,436
Prepaid expenses	35,688	-
Investments	53,070	3,270
Total Current Assets	<hr/> 958,257	<hr/> 1,491,142
Noncurrent Assets:		
Property and equipment, net	32,465	34,051
Total Noncurrent Assets	<hr/> 32,465	<hr/> 34,051
Other Assets:		
Deposits	2,200	2,200
Total Other Assets	<hr/> 2,200	<hr/> 2,200
<b>Total Assets</b>	<hr/> <b>\$ 992,922</b> <hr/>	<hr/> <b>\$ 1,527,393</b> <hr/>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 388,737	\$ 670,659
Line of credit	11,214	270,969
Total Current Liabilities	<hr/> 399,951	<hr/> 941,628
Net Assets		
Without Donor Restriction	592,971	585,765
Total Net Assets	<hr/> 592,971	<hr/> 585,765
<b>Total Liabilities and Net Assets</b>	<hr/> <b>\$ 992,922</b> <hr/>	<hr/> <b>\$ 1,527,393</b> <hr/>

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
 Statements of Activities and Changes in Net Assets  
 Years Ended June 30, 2019 and 2018

	<b>Without Donor Restriction</b>	
<b>Revenues and Other Support</b>	<b>2019</b>	<b>2018</b>
Contributions and grants	<b>\$ 7,803,378</b>	\$ 7,578,137
Investment income	<b>4,398</b>	5,938
Miscellaneous	<b>104,877</b>	-
Gain (loss) on investments	<b>42,379</b>	61,694
Total Revenue and Other Support	<b>7,955,032</b>	7,645,769
<b>Expenses</b>		
Program services	<b>7,010,776</b>	6,710,336
Supporting services - management and general	<b>729,959</b>	696,777
Fund and resource development	<b>207,091</b>	202,374
Total Expenses	<b>7,947,826</b>	7,609,487
Change in Net Assets	<b>7,206</b>	36,282
<b>Net Assets, Beginning of Year</b>	<b>585,765</b>	549,483
<b>Net Assets, End of Year</b>	<b>\$ 592,971</b>	\$ 585,765

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2019

	<b>Program Services</b>	<b>Supporting Services Management and General</b>	<b>Fund and Resource Development</b>	<b>Total</b>
Computer and technology	\$ 11,718	\$ 520	\$ -	\$ 12,238
Conference, conventions and meetings	57,750	13,001	1,510	72,261
Contracted services	38,342	36,220	49,521	124,083
Depreciation	-	1,576	-	1,576
Employee benefits	696,940	131,666	27,480	856,086
Events	-	-	14,434	14,434
Insurance	40,438	30,506	-	70,944
Interest	7,439	1,113	-	8,552
Miscellaneous	700	10,373	22,902	33,975
Occupancy	284,764	39,236	-	324,000
Postage and shipping	69	1,653	-	1,722
Printing and copying	113	3,995	1,519	5,627
Professional fees	385,508	40,939	-	426,447
Rental and maintenance of equipment	-	8,553	-	8,553
Salaries	4,800,092	285,185	81,112	5,166,389
Specific assistance to students	151,192	-	-	151,192
Supplies	204,171	23,786	2,979	230,936
Telephone	109,313	100,739	4,287	214,339
Travel and transportation	222,227	898	1,347	224,472
<b>Total Expenses</b>	<b>\$ 7,010,776</b>	<b>\$ 729,959</b>	<b>\$ 207,091</b>	<b>\$ 7,947,826</b>

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2018

	<b>Program Services</b>	<b>Supporting Services Management and General</b>	<b>Fund and Resource Development</b>	<b>Total</b>
Computer and technology	\$ 9,283	\$ 412	\$ -	\$ 9,695
Conference, conventions and meetings	51,213	11,528	1,340	64,081
Contracted services	33,351	31,506	43,076	107,933
Depreciation	-	1,810	-	1,810
Employee benefits	644,643	121,865	25,339	791,847
Events	-	-	23,353	23,353
Insurance	27,829	20,993	-	48,822
Interest	6,845	1,024	-	7,869
Miscellaneous	596	8,838	19,516	28,950
Occupancy	429,097	59,123	-	488,220
Postage and shipping	63	1,521	-	1,584
Printing and copying	386	13,705	5,211	19,302
Professional fees	376,534	39,987	-	416,521
Rental and maintenance of equipment	-	6,002	-	6,002
Salaries	4,546,779	270,129	76,784	4,893,692
Specific assistance to students	94,286	-	-	94,286
Supplies	228,088	26,574	3,328	257,990
Telephone	87,881	80,989	3,446	172,316
Travel and transportation	173,462	771	981	175,214
<b>Total Expenses</b>	<b>\$ 6,710,336</b>	<b>\$ 696,777</b>	<b>\$ 202,374</b>	<b>\$ 7,609,487</b>

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
Statements of Cash Flows  
Years Ended June 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 7,206	\$ 36,282
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,576	1,810
Changes in operating assets and liabilities:		
Unrealized (gain) loss on investments	(1,422)	(911)
(Gain) loss on sale of investments	(36,718)	(61,694)
(Increase) decrease in pledges receivable	196,473	111,152
(Increase) decrease in prepaid expenses	(35,688)	605
Increase (decrease) in accounts payable	(281,922)	(132,231)
Net Cash Provided by (used in) Operating Activities	<b>(150,495)</b>	<b>(44,987)</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	442,447	705,269
(Purchase) of investments	<b>(449,859)</b>	<b>(1,249)</b>
Net Cash Provided by (used in) Investing Activities	<b>(7,412)</b>	<b>704,020</b>
<b>Cash Flows from Financing Activities</b>		
Borrowings on line of credit	1,220,060	673,253
Payments on line of credit	<b>(1,479,815)</b>	<b>(773,301)</b>
Net Cash from Financing Activities	<b>(259,755)</b>	<b>(100,048)</b>
Net Increase in Cash and Cash Equivalents	<b>(417,662)</b>	558,985
<b>Cash - Beginning of Year</b>	<b>633,436</b>	74,451
<b>Cash - End of Year</b>	<b>\$ 215,774</b>	<b>\$ 633,436</b>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Interest paid	<b>\$ 8,552</b>	<b>\$ 7,869</b>

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements  
June 30, 2019 and 2018

**Note A - Organization**

Communities In Schools of Jacksonville, Inc. (the “Corporation”), a nonprofit corporation, was incorporated under the laws of the State of Florida on December 26, 1989. The Corporation is dedicated to coordinating human services and delivering them to at-risk youth in Jacksonville, Florida, and to their families through the supportive environment of the public schools or alternate education sites. The Corporation endeavors to enable such youth and their families to have access to a broad range of needed social and educational services by establishing a coordinated delivery system of resources within an educational setting. The objective of the Corporation is to reduce the number of school dropouts in Jacksonville, Florida.

**Note B - Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Corporation have been prepared on the accrual basis of accounting. Assets expendable only for purposes specified by the grantor are reported as “restricted”. The accounting and reporting policies of the Corporation conform to generally accepted accounting principles and to general practices of not-for-profit organizations.

**Cash and Cash Equivalents**

The Corporation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Cash consists of cash on hand and deposits in bank. Cash equivalents consist of money market funds.

**Investments**

Investments are carried at their fair market value with realized and unrealized gains and losses reflected in the Statement of Activities.

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
June 30, 2019 and 2018

**Note B - Summary of Significant Accounting Policies (continued)**

**Fair Value Measurements**

The Corporation follows professional standards for financial assets and liabilities. The standards establish a fair-value hierarchy that prioritizes inputs to valuation techniques used to measure fair values. The hierarchy consists of three broad levels:

1. Level 1 is comprised of inputs from unadjusted quoted prices in active markets for identical assets and liabilities and has the highest priority.
2. Level 2 is based upon observable inputs other than quoted market prices.
3. Level 3 is based upon speculation from unobservable inputs.

**Pledges and Support Receivable**

The Corporation records pledge and support commitments at their estimated net realizable value.

**Property and Equipment**

Property and equipment are recorded at cost or, in the case of donated property and equipment, at estimated fair market value at the date of donation. Property and equipment with a cost in excess of \$1,000 is considered for capitalization. Depreciation is recorded using the straight-line method over estimated useful lives of the respective assets. Maintenance and repairs are expensed as incurred.

**Income Taxes**

The Corporation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax is required.

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
June 30, 2019 and 2018

**Note B - Summary of Significant Accounting Policies (continued)**

**Support and Revenue Recognition**

The Corporation recognizes contributions received, including unconditional promises to give, as assets and revenue in the period received at their fair values. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or that are restricted by the donor for specific purposes are reported as “with donor restriction” support which increase that net asset class. When donor restrictions expire, donor restricted net assets are reclassified to without donor restriction net assets and are reported in the Statement of Activities as net assets released from donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Corporation reports the support as “without donor restriction”.

**Contributions**

Donated supplies, equipment, facilities, space, and professional services are reflected in the accompanying financial statements at their estimated values at the date of receipt. Such contributions in-kind totaled \$297,600 and \$471,134, respectively, for the years ended June 30, 2019 and 2018. In addition, certain volunteer workers have donated periodic services to the Corporation. No amounts have been reflected in the financial statements for these volunteer services as no objective basis is available to measure the value of such services.

**Use of 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.

**Date of Management’s Review**

Subsequent events have been evaluated through November 4, 2019, which is the date the financial statements were available to be issued.

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
June 30, 2019 and 2018

**Note C - Pledges and Support Receivable**

Pledges and support receivable at June 30, 2019 and 2018 are expected to be received by the Corporation within the following time periods:

	<b>2019</b>	<b>2018</b>
Less than one year	<b>\$ 657,963</b>	\$ 854,436
One to five years	-	-
	<b>\$ 657,963</b>	<b>\$ 854,436</b>

The Corporation receives a concentration of its funding by various grant programs through the City of Jacksonville, Florida, Public Service Grant Assistance Program. During the years ended June 30, 2019 and 2018, this funding represented 56.4% and 57.3%, respectively, of the overall contributions and grants received by the Corporation. Additionally, the Jacksonville Public Service Grant Assistance funding represented 80.0% and 90.6% of the pledges and support receivable as of June 30, 2019 and 2018, respectively.

**Note D – Property and Equipment**

Depreciation expense for the years ended June 30, 2019 and 2018 was \$1,576 and \$1,810, respectively. The estimated carrying value of property and equipment as of June 30, 2019 and 2018 is as follows:

	<b>2019</b>	<b>2018</b>
Furniture and equipment	<b>\$ 233,377</b>	\$ 233,377
Less accumulated depreciation	<b>200,912</b>	199,326
	<b>\$ 32,465</b>	<b>\$ 34,051</b>

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
June 30, 2019 and 2018

**Note E - Contributions and Grants**

Unrestricted contributions and grants in the accompanying Statement of Activities for 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Arthur Vining Davis Foundation	\$ 10,000	\$ 10,000
BAE Systems	10,000	15,000
Bank of America Foundation	48,325	47,000
Beaches Community Foundation	15,000	-
Beaches Oktoberfest, LLC	1,351	6,391
Black Knight Financial	5,000	2,500
C. Herman Terry Foundation	10,000	-
Chartrand Advised Fund	-	25,000
Clint and Lori Pyle	2,500	-
Coach Foundation	6,296	25,000
Creative Artist Agency	5,000	-
CSX Corporation	10,000	1,500
Deerwood Rotary Charities	4,000	4,000
Nancy Dreicer	-	1,000
Dubow Family Foundation	51,000	57,500
Duval County Public Schools - Student Enrichment	1,384,654	1,224,969
Duval County Public School - in-kind contribution	297,600	471,134
Ed Pratt-Dannals	10,000	5,000
Edna Sproull Williams Foundation	15,000	20,000
Elizabeth C. Walters	-	2,000
Fidelity Charitable	-	1,000
FIS Foundation	2,250	2,000
Florida Blue Foundation	9,000	12,000
Gooding - Bell Endowment	2,000	-
Haskell	2,785	2,500
Howard, David and Jan	2,000	2,000
I'm A Star Foundation	-	1,000
Jacksonville Aviation Authority	-	1,000
Jerry Gilbert	5,000	5,000
Jim Moran Foundation	349,833	225,780

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
June 30, 2019 and 2018

**Note E - Contributions and Grants (continued)**

	<u>2019</u>	<u>2018</u>
Joyce Camille Chuhran	\$ 1,500	\$ -
JP Morgan Chase	2,500	2,500
Kid's Hope Alliance	4,188,583	4,272,417
Lastinger Family Foundation	25,000	-
Len Mattiace Foundation, Inc.	1,400	-
Lillie Evans	-	1,500
Linda Edwards	-	1,000
Lucy Gooding Charitable Trust	40,000	-
Cheryl & Sonny Martin	-	1,250
Medtronic	1,500	4,300
Merrill Lynch Employee's Philanthropic Fund	-	4,250
Nimnicht Chevrolet	2,500	2,500
Northeast Florida Association of Realtors	-	2,000
Pajcic & Pajcic, P.A.	-	2,500
PGA Tour	10,000	5,000
Publix Corporation	5,500	10,000
Purcell, Flanagan, Hay & Greene	2,500	1,500
Mr. & Mrs. Ken Sanders	5,000	4,029
Renaissance Charitable Foundation	5,000	-
Reynolds, Smith & Hills	8,000	-
Rick Schart	1,500	1,200
Stellar Group	2,030	-
SunTrust Foundation	5,000	-
Taylor Wilson Thompson Family Fund	-	1,000
Thomas & Irene Kirbo Charitable Foundation	5,000	-
Todd Johnson	2,500	-
Tracey Arthur	1,500	3,500
TruTechnology	27,649	21,508
United Way of Northeast Florida - Achievers for Life	684,800	678,000
United Way - Unrestricted Contributions	22,555	42,793
Variable Annuity Life Insurance Company	99,320	-
Vulcan Materials	5,000	5,000
Volunteer Florida Foundation	336,232	303,521
Wells Fargo Foundation	10,500	-
Woolsey Morcom	-	1,500
Other (\$1,000 or less)	42,215	35,095
<b>Total Unrestricted Contributions and Grants</b>	<b><u>7,803,378</u></b>	<b><u>7,578,137</u></b>
<b>Total Contributions and Grants</b>	<b><u>\$ 7,803,378</u></b>	<b><u>\$ 7,578,137</u></b>

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
June 30, 2019 and 2018

**Note F - Retirement Plan**

The Corporation has adopted a discretionary 403(b) Retirement & Thrift Plan effective October 1, 1991 (the “Plan”). Eligible employees include all salaried full-time employees having completed one year of service or more. The Corporation makes base contributions to the Plan equal to 3% of participating employees’ base salary. Also, the Corporation matches 100% of each employee’s voluntary contribution up to 2% of the employee’s base salary. Employer contributions are at the discretion of the Board of Directors and may be changed annually.

Employee contributions are always 100% vested. The Employer’s contributions become vested as follows: 20% after two years of service, 40% after three years of service, 60% after four years of service, and 100% after five years of service. The Plan is administered by Variable Annuity Life Insurance Company. Total employer contributions for the years ended June 30, 2019 and 2018 were approximately \$103,004 and \$88,740, respectively.

**Note G – Fair Value Measurements**

Fair market measurements of net assets as of June 30, 2019 and 2018 were as follows:

	<b>2019</b>			
	Total	Level 1	Level 2	Level 3
Managed Investment in Equity Securities	\$ 53,070	\$ 53,070	\$ -	\$ -
	<b>2018</b>			
	Total	Level 1	Level 2	Level 3
Managed Investment in Equity Securities	\$ 3,270	\$ 3,270	\$ -	\$ -

Level 1 is quoted prices in active markets and is principally comprised of certificates of deposits, money market deposits, and traded securities.

Level 2 is significant other observable inputs and is principally comprised of mutual funds.

Level 3 is significant other inputs such as sales of similar or comparable assets.

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
June 30, 2019 and 2018

**Note H - Commitments**

The Corporation is obligated under certain noncancelable operating leases for office equipment. Total rental expense related to noncancelable leases for the years ended June 30, 2019 and 2018 was \$4,971 in each year. The following is a schedule of future minimum lease payments on noncancelable leases at June 30, 2019 and 2018:

	<b>2019</b>	2018
Year ending June 30, 2019	\$ -	\$ 4,557
Year ending June 30, 2020	<b>8,088</b>	-
Year ending June 30, 2021	<b>8,088</b>	-
Year ending June 30, 2022	<b>8,088</b>	-
Year ending June 30, 2023	<b>8,088</b>	-
Year ending June 30, 2024	<b>4,718</b>	
	<b>\$ 37,070</b>	\$ 4,557

**Note I – Line of Credit**

During the year ended June 30, 2018, the Corporation utilized a line of credit obtained through UBS Financial Services, Inc. (UBS), which managed the investments of the Corporation. The line of credit was secured by the investments of the Corporation that were managed by UBS, and was due on demand. The line of credit bore an interest rate that varied from 5.50% to 1.75% in excess of the LIBOR rate. The percentage excess over the LIBOR rate was determined by the balance of the line of credit. Interest in the amount of \$7,869 was paid during the year ended June 30, 2018.

During the year ended June 30, 2018, the Corporation moved its investment and Line of Credit account to Wells Fargo Bank, N.A. The line of credit with Wells Fargo Bank, N.A., carries an interest rate of 6% per annum, and, as of June 30, 2019, had a ceiling of approximately \$45,000. The maximum line of credit amount is governed by the level of investments of the Corporation that are managed by Wells Fargo Bank, N.A. As long as the Corporation maintains sufficient collateral to support the line of credit, there are no payment stipulations. As of June 30, 2019, the Corporation’s balance on the line of credit was \$11,214. The Corporation incurred \$8,552 of interest expense during the year ended June 30, 2019.

**Note J – Remaining Tax Years Subject to Examination**

The Corporation is no longer subject to tax examinations by the Internal Revenue Service for years before year end June 30, 2015.

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
June 30, 2019 and 2018

**Note K – Cash in Excess of Insurance**

The Corporation uses financial institutions in which it maintains cash balances, which at times may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash. The Corporation had uninsured cash balances of \$11,069 and \$600,888 as of June 30, 2019 and 2018, respectively.

**NOTE L – Annual Leave**

Effective July 1, 2016, the Corporation's annual leave policy was amended. Under the previous policy, vacation leave was earned at varying rates depending on length of continuous service of the employee, while sick leave was earned at a standard rate per pay period. Under this policy, unused annual vacation leave was allowed to accumulate to a maximum of 200 hours, while the annual sick leave was allowed to accumulate to a maximum of 240 hours.

Under the revised leave policy, annual vacation leave and sick leave continue to accrue under the same methods as the previous policy. However, annual vacation leave is not allowed to be carried over to future years. In order to facilitate employees with accumulated unused vacation leave, the revised policy allows for the carryover of the unused time. However, the revised policy requires the use of 40 hours of the unused time during each of the years, beginning with the year ended June 30, 2018, in addition to any time that is earned in those years. Any prior accumulation of time that is not used will be forfeited on an annual basis, such that the reduction in the accumulated balance of vacation leave will total 40 hours each year.

**Independent Auditors' 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 Jacksonville, Inc.  
Jacksonville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Communities In Schools of Jacksonville, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 4, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Communities In Schools of Jacksonville, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Communities In Schools of Jacksonville, Inc.'s internal control. Accordingly, we 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors  
Communities In Schools of Jacksonville, Inc.  
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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Communities In Schools of Jacksonville, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

*Cornelius, Schou & Leone, LLC*

November 4, 2019

