GOING FURTHER

MAULDIN & JENKINS

CPAs & ADVISORS

COMMUNITIES IN SCHOOLS OF ATLANTA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023

COMMUNITIES IN SCHOOLS
OF ATLANTA, INC.

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FINANCIAL STATEMENTS
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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of **Communities In Schools of Atlanta, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Communities In Schools of Atlanta, Inc. as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Communities In Schools of Atlanta, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Communities In Schools of Atlanta, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Communities In Schools of Atlanta, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Communities In Schools of Atlanta, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 22, 2024

COMMUNITIES IN SCHOOLS OF ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash	**$ 837,425**	$ 686,265
Grants, contracts, and other receivable	**318,335**	99,847
Prepaid expenses and other assets	**59,878**	103,373
Investments	**4,269,639**	5,359,188
Property and equipment, net	**47,582**	65,871
Right-of-use asset	**96,461**	-
Total Assets	**$ 5,629,320**	$ 6,314,544
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	**$ 169,069**	$ 189,465
Accrued expenses	**445,260**	618,951
Deferred rent	**-**	44,392
Line of credit	**1,241,628**	429,005
Operating lease liability	**130,238**	-
Total liabilities	**1,986,195**	1,281,813
Net assets		
Without donor restrictions	**3,100,291**	4,043,906
With donor restrictions	**542,834**	988,825
Total net assets	**3,643,125**	5,032,731
Total Liabilities and Net Assets	**$ 5,629,320**	$ 6,314,544

See Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF ATLANTA, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Revenues			
Government service fees revenue	$ 5,111,773	$ -	$ 5,111,773
Contributions	1,085,640	921,104	2,006,744
In-kind contributions	146,334	-	146,334
Realized and unrealized gain on investments	216,123	-	216,123
Interest and dividend income	159,917	-	159,917
Special events revenue	439,214	-	439,214
Less: costs of direct benefits to donors	(133,307)	-	(133,307)
Total special events revenue, net	305,907	-	305,907
Net assets released from restrictions	1,367,095	(1,367,095)	-
Total revenues and other support	8,392,789	(445,991)	7,946,798
EXPENSES			
Program services			
Direct services	7,215,847	-	7,215,847
Supporting services			
Management and general	1,371,127	-	1,371,127
Fundraising	749,430	-	749,430
Total expenses	9,336,404	-	9,336,404
Change in net assets	(943,615)	(445,991)	(1,389,606)
Net assets at beginning of year	4,043,906	988,825	5,032,731
Net assets at end of year	$ 3,100,291	$ 542,834	$ 3,643,125

See Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF ATLANTA, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Revenues			
Government service fees revenue	$ 4,600,376	$ -	$ 4,600,376
Contributions	4,664,046	1,971,367	6,635,413
In-kind contributions	175,994	-	175,994
Realized and unrealized (losses) on investments	(836,732)	-	(836,732)
Interest and dividend income	82,859	-	82,859
Other income	140,608	-	140,608
Special events revenue	318,900	-	318,900
Less: costs of direct benefits to donors	(171,579)	-	(171,579)
Total special events revenue, net	147,321	-	147,321
Net assets released from restrictions	1,493,143	(1,493,143)	-
Total revenues and other support	10,467,615	478,224	10,945,839
EXPENSES			
Program services			
Direct services	6,527,468	-	6,527,468
Supporting services			
Management and general	1,441,464	-	1,441,464
Fundraising	237,310	-	237,310
Total expenses	8,206,242	-	8,206,242
Change in net assets	2,261,373	478,224	2,739,597
Net assets at beginning of year	1,782,533	510,601	2,293,134
Net assets at end of year	$ 4,043,906	$ 988,825	$ 5,032,731

See Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services	Supporting Services		
	Direct Services	Management and General	Fundraising	Total
Salaries	$ 4,285,235	$ 814,264	$ 445,059	$ 5,544,558
Taxes and benefits	1,043,446	198,272	108,371	1,350,089
Professional fees	541,177	102,832	56,206	700,215
Rent	88,598	16,835	9,202	114,635
School activities	85,173	16,184	8,846	110,203
Assistance to individuals	387,400	73,612	40,235	501,247
Office expenses	112,525	21,382	11,687	145,594
Depreciation	21,390	4,064	2,221	27,675
Other expenses	170,555	32,408	17,714	220,677
Staff development and conferences	93,616	17,789	9,723	121,128
Travel	51,055	9,701	5,303	66,059
Advertising/branding	5,481	1,042	569	7,092
Insurance	35,910	6,823	3,730	46,463
Events/meetings	124,791	23,712	12,961	161,464
Interest expense	58,850	11,183	6,112	76,145
Equipment and maintenance	110,645	21,024	11,491	143,160
Total	$ 7,215,847	$ 1,371,127	$ 749,430	$ 9,336,404

See Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Supporting Services		
	Direct Services	Management and General	Fundraising	Total
Salaries	$ 4,094,126	$ 409,326	$ 120,830	$ 4,624,282
Taxes and benefits	1,072,310	672	18,987	1,091,969
Professional fees	254,999	345,984	68,856	669,839
Rent	20,388	82,013	1,097	103,498
School activities	299,137	-	2,971	302,108
Assistance to individuals	458,580	4,078	4,954	467,612
Office expenses	24,329	27,275	1,400	53,004
Depreciation	24,418	13,597	407	38,422
Other expenses	31,054	18,988	4,176	54,218
Staff development and conferences	30,524	77,580	3,261	111,365
Travel	17,281	13,613	331	31,225
Advertising/branding	1,947	4,985	2,953	9,885
Insurance	8,244	33,162	443	41,849
Events/meetings	41,881	45,865	1,132	88,878
Interest expense	12,024	3,408	165	15,597
Equipment and maintenance	52,463	23,963	842	77,268
Bad debt - ERC	83,763	336,955	4,505	425,223
Total	$ 6,527,468	$ 1,441,464	$ 237,310	$ 8,206,242

See Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF ATLANTA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
OPERATING ACTIVITIES		
Change in net assets	**$ (1,389,606)**	$ 2,739,597
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	**27,675**	38,422
Realized and unrealized (gain) loss on investments	**(216,123)**	836,732
Bad debt - employee retention credit (ERC)	**-**	425,223
Change in assets and liabilities:		
(Increase) decrease in grants and contracts receivable	**(218,488)**	24,830
Decrease in prepaid expenses and other assets	**43,495**	1,765
(Increase) in right-of-use assets - operating	**(96,461)**	-
(Decrease) increase in accounts payable and accrued expenses	**(194,087)**	134,160
(Decrease) in deferred rent	**(44,392)**	(10,307)
Increase in lease liability - operating	**130,238**	-
(Decrease) in deferred revenue	**-**	(141,833)
Net cash (used in) provided by operating activities	**(1,957,749)**	4,048,589
INVESTING ACTIVITIES		
Purchases of property and equipment	**(9,386)**	(86,569)
Purchases of investments and reinvested earnings	**(494,328)**	(3,346,835)
Proceeds from sale of investments	**1,800,000**	350,820
Net cash provided by (used in) investing activities	**1,296,286**	(3,082,584)
FINANCING ACTIVITIES		
Borrowings on line of credit	**1,859,899**	5,758,055
Repayments on line of credit	**(1,047,276)**	(6,097,815)
Net cash provided by (used in) financing activities	**812,623**	(339,760)
Net increase in cash	**151,160**	626,245
Cash at beginning of year	**686,265**	60,020
Cash at end of year	**$ 837,425**	$ 686,265
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	**$ 76,145**	$ 15,597

See Notes to Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Communities In Schools of Atlanta, Inc. (the "Organization") is a Georgia nonprofit organization located in Atlanta, Georgia that was established in 1971 within the meaning of Section 501(c)(3) of the Internal Revenue Code. The mission of Communities In Schools of Atlanta, Inc. is to surround young people with a community of support, empowering them to stay in school and achieve in life. The Organization is part of the largest and most effective research-based dropout prevention organization in the nation. The Organization places trained staff in schools who build relationships with struggling students and their families. They help identify the noninstructional obstacles that are preventing children from succeeding in school, and then connect students and their families to resources and services already available in the community. When the needs of students are met, they can concentrate on learning, and teachers are free to teach. The Organization offers services to Atlanta Public Schools, the Clayton County School District, the DeKalb County School District, and the Fulton County School District.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions. It is the policy of the Board of Directors to review their financial standing from time to time and to designate sums of net assets without donor restrictions for specific efforts.

Net Assets With Donor Restrictions – Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. Expenses are recorded as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated passage of time has elapsed) are reported as net assets released from restrictions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Cash Equivalents

The Organization considers all short-term, interest-bearing deposits external of the investment accounts with maturities of three months or less to be cash equivalents.

Accounts Receivable

Grants and contracts receivable represent fees that have been billed but not collected as of the date of the accompanying financial statements. A provision for doubtful accounts is made to maintain adequate reserves to cover anticipated losses based upon management's evaluation of the collectability of grants and contracts receivable. At June 30, 2023 and 2022, the Organization considers all grants and contracts receivable fully collectible. Therefore, no allowance for doubtful accounts is recorded in the accompanying financial statements.

Investments

Investments are reported at fair value.

Property and Equipment

The Organization capitalizes property and equipment in excess of $500. Purchased property and equipment is recorded at cost. Donated items are recorded at fair market value at the time of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Property and equipment have estimated useful lives ranging from three to eight years.

Donated Services and Materials

Various individuals, corporations, and foundations donate materials and services to the Organization for use in its programs and are recorded at the estimated fair market value at the date of donation. For the years ended June 30, 2023 and 2022, contributed materials of $23,430 and $101,122, respectively, have been included in contributions and expenses in the accompanying statements of activities.

Contributed services are recognized if the services received: (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the years ended June 30, 2023 and 2022, contributed services of $122,904 and $74,872, respectively, have been included in contributions and expenses in the accompanying statements of activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

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

Certain categories of expenses 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 related expenses, professional fees, office expenses, and equipment and maintenance, which are allocated on the basis of estimates of time and effort and facility usage.

Income Taxes

The Organization formed as a non-profit corporation under the laws of the State of Georgia in 1971 and is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Organization is not required to pay federal taxes on income, and contributions to the Organization qualify for the charitable contributions deduction to the extent provided by Section 170 of the Internal Revenue Code.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management is not aware of any circumstances or transactions that would jeopardize its tax-exempt status.

All tax-exempt entities are subject to review and audit by federal, state, and other applicable agencies. Such agencies may review the taxability of unrelated business income or the qualification of the tax-exempt entity under the Internal Revenue Code and applicable state statutes. There currently are no audits of the Organization’s returns in progress.

Recent accounting pronouncements

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842) to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements.

For the year ended June 30, 2023, the Organization adopted ASU 2016-02 and has adjusted the presentation in these financial statements accordingly. This adjustment did not have an effect on total net assets or the change in total assets for 2022.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2023	2022
Financial assets:		
Cash and cash equivalents	**$ 837,425**	$ 686,265
Investments	**4,269,639**	5,359,188
Grants and contracts receivable	**318,335**	99,847
Less:		
Assets held for net assets with donor restriction	**(542,834)**	(988,825)
Financial assets available for general expenditures	**$ 4,882,565**	$ 5,156,475
Funds available – line of credit	**$ 799,810**	$ 3,339,056

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in order to meet its liabilities and other obligations as they become due.

NOTE 3. FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted, quoted market prices for identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, or other observable inputs other than quoted market prices. Level 3 within the hierarchy states that valuations are derived from valuation techniques in which one or more significant inputs are unobservable. At June 30, 2023 and 2022, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments.

The following are valuation methodology descriptions used for assets measured at fair value:

Common stocks and exchange-traded funds ("ETFs"): Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Certificate of deposit: Does not meet the definition of a debt security as it is not traced on a market or exchange; therefore, it is not subject to fair value leveling and is reported at cost.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

U.S. government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Foreign bonds: Valued using pricing models maximizing the use of observable inputs for similar securities.

NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Common stock and ETFs	**$ 526,749**	**$ -**	**$ -**	**$ 526,749**
Mutual funds	**3,488,557**	**-**	**-**	**3,488,557**
Cash and money markets	**254,333**	**-**	**-**	**254,333**
Total investments	**$ 4,269,639**	**$ -**	**$ -**	**$ 4,269,639**

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Common stock and ETFs	$ 1,752,082	$ -	$ -	$ 1,752,082
Mutual funds	3,355,546	-	-	3,355,546
Corporate bonds	-	89,472	-	89,472
U.S. government securities	-	72,628	-	72,628
Cash and money markets	89,460	-	-	89,460
Total investments	$ 5,197,088	$ 162,100	$ -	$ 5,359,188

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2023	2022
Computers and software	**$ 243,167**	$ 233,781
Furniture, fixtures, and equipment	**210,299**	210,299
Vehicles	**69,041**	69,041
Improvements	**25,519**	25,519
Total	**548,026**	538,640
Less accumulated depreciation	**(500,444)**	(472,769)
Total property and equipment, net	**$ 47,582**	$ 65,871

Depreciation expense was $27,675 and $38,422 for the years ended June 30, 2023 and 2022, respectively.

NOTE 5. LINE OF CREDIT

The Organization entered into a line of credit agreement with a financial institution that holds a portion of the Organization's investments. The agreement allows for borrowings based on a percentage of the eligible securities maintained in the investment account that serves as collateral. Interest is charged monthly at the lender's calculated base rate with an additional rate above or below the base rate depending on the amount of assets held under management of the institution (3.500% at June 30, 2023). As of June 30, 2023 and 2022, the outstanding balance on the line of credit was $1,241,628 and $429,005, respectively. Interest expense related to this line of credit was $76,145 and $15,597 for the years ended June 30, 2023 and 2022, respectively.

NOTE 6. LEASES

The Organization is currently obligated under several noncancelable operating leases for office space and equipment which expire at various dates through 2028.

In 2022, the Organization adopted FASB Accounting Standards Update (ASU) No. 2016-02, ASC 842, Leases, which requires the recognition of a right-of-use asset and a lease liability based on the present value of the remaining lease payments. The Organization's incremental borrowing rate of 8.25% was used as the discount rate in order to determine present value. The following is a schedule by years of minimum future rentals on noncancelable operating leases and the amortization of the net present value (NPV) of the lease liability as of June 30, 2023:

For the year ending June 30:	Minimum annual lease payments	Amortization of operating lease liability	Amortization of right-to-use asset
2024	$ 97,390	$ 90,955	$ 71,961
2025	34,672	33,768	18,788
2026	4,279	4,014	4,290
2027	1,060	980	927
2028	530	521	495
	$ 137,931	$ 130,238	$ 96,461

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose:		
Traditional programs	**$ 100,151**	$ 251,437
Specific program services	**406,755**	691,678
Family literacy	**35,928**	45,710
Total	**$ 542,834**	$ 988,825

Net assets with donor restrictions consist of cash and investments at June 30, 2023 and 2022.

Net assets with donor restrictions totaling $1,367,095 and $1,493,143 were released from restrictions during the years ended June 30, 2023 and 2022, respectively, by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

NOTE 8. EMPLOYEE RETENTION CREDIT

The Organization was eligible for and participated in the Employee Retention Credit program initially established under the CARES Act. This credit is based on qualifying wages paid to employees and is received through a reduction of federal employment tax.

During the year ended June 30, 2021, the Organization claimed through the original and amended quarterly Form 941 returns credits totaling $425,223. In November 2021, the Organization claimed additional $1,077,954 for qualifying wages paid to employees.

Due to uncertainties related to the collectability of credits, management did not recognize revenue for credits claimed in fiscal year 2022 and incurred bad debt expense related to credits claimed in fiscal year 2021.

NOTE 9. CONTRIBUTED SERVICES AND MATERIALS

For the years ended June 30, 2023 and 2022, nonfinancial contributions recognized included:

	2023	2022
Pro bono legal services	**$ 122,904**	$ 74,872
Program materials	**23,430**	85,255
Personal protective equipment	**-**	15,867
	$ 146,334	$ 175,994

The Organization recognized nonfinancial contributions within revenue, including contributed program materials and equipment. Unless otherwise noted, nonfinancial contributions were used for programmatic purposes and did not have donor-imposed restrictions.

In valuing contributed materials, the Organization estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. In valuing contributed services, the Organization estimated fair value based on current rates for similar services.

NOTE 10. CONCENTRATIONS

During the year ended June 30, 2023, the Organization received funding from four government agencies representing approximately 81% of total government service fees revenue. During the year ended June 30, 2022, the Organization received funding from three government agencies representing approximately 85% of total government service fees revenue.

During the year ended June 30, 2023, the Organization received contributions from ten donors representing approximately 72% of total contributions revenue. During the year ended June 30, 2022, the Organization received contributions from eleven donors representing approximately 81% of total contributions revenue.

At June 30, 2023, two agencies represented approximately 95% of grants and contracts receivable. At June 30, 2022, three agencies represented approximately 76% of grants and contracts receivable.

NOTE 11. RELATED PARTY TRANSACTIONS

The Organization receives grants and subgrants from Communities In Schools of Georgia, a nonprofit organization which supports the work of the local Communities In Schools affiliates in the State of Georgia, and from Communities In Schools, the national affiliate.

During the years ended June 30, 2023 and 2022, the Organization received $180,675 and $248,290, respectively, from these related parties.

NOTE 12. RETIREMENT PLAN

The Organization provides an employee benefit retirement plan established pursuant to Section 403(b) of the Internal Revenue Code. An employee is eligible to join the Plan immediately upon employment and elect to voluntarily contribute up to the maximum allowed in accordance with Section 403(b) of the Internal Revenue Code. Participants are immediately vested in any elected deferrals and in the earnings on those deferrals. The Organization may also elect to make additional matching or nonelective contributions to the Plan on behalf of all eligible employees. Employees are eligible to receive the employer contributions after one year of service. All benefits payable under the Plan are to be provided from tax-sheltered annuities which are not assets of the Organization. Employer contributions to the Plan were $73,884 and $85,066 for the years ended June 30, 2023 and 2022, respectively.

NOTE 13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 22, 2024, the date these financial statements were available to be issued.

Subsequent to the year end, the Organization signed an office lease agreement for 12 years.