

**COMMUNITIES IN SCHOOLS
OF
GREATER WICHITA FALLS AREA**

**FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

FOR THE YEAR ENDED AUGUST 31, 2023



COMMUNITIES IN SCHOOLS OF GREATER WICHITA FALLS AREA

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

FOR THE YEAR ENDED AUGUST 31, 2023

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Review Report	1-2
Financial Statements:	
Statement of Assets, Liabilities, and Fund Balance - Modified Cash Basis	3
Statement of Revenues and Expenses - Modified Cash Basis	4
Statement of Functional Expenses - Modified Cash Basis	5
Notes to Financial Statements	6-10



Independent Accountant's Review Report

Board of Directors
Communities in Schools
of Greater Wichita Falls Area
Wichita Falls, Texas

We have reviewed the accompanying financial statements of Communities in Schools of Greater Wichita Falls Area (a nonprofit organization), which comprise the statement of assets, liabilities, and fund balance— modified cash basis as of August 31, 2023, and the related statement of revenues and expenses— modified cash basis and functional expenses – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Communities in Schools of Greater Wichita Falls Area and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

MWH Group, P.C.

MWH GROUP, P.C.

Wichita Falls, Texas
December 9, 2024

**COMMUNITIES IN SCHOOLS
OF GREATER WICHITA FALLS AREA**
STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCE - MODIFIED CASH BASIS
AUGUST 31, 2023

		<u>2023</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$	506,479
Grants receivable		8,478
Total current assets		<u>514,957</u>
Property and equipment (net)		<u>-</u>
Total assets	\$	<u><u>514,957</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Current liabilities:		
Accrued payroll		<u>3,984</u>
Total current liabilities		<u>3,984</u>
Total liabilities		<u>3,984</u>
Fund balances:		
Without donor restrictions		510,973
With donor restrictions		<u>-</u>
Total fund balance		<u>510,973</u>
Total liabilities and fund balance	\$	<u><u>514,957</u></u>

See accompanying notes and independent accountant's review report.

**COMMUNITIES IN SCHOOLS
OF GREATER WICHITA FALLS AREA**

**STATEMENT OF REVENUES AND
EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2023**

	2023
Support and revenue:	
Texas Education Agency	\$ 436,231
TANF	55,810
North Texas Area United Way	16,000
McCoy Foundation	30,000
Wichita Falls ARPA	45,454
Superior HealthPlan	2,000
Wichita Falls Area Community Foundation	10,000
Henrietta Independent School District	25,000
Petrolia Independent School District	30,000
Bryson Independent School District	33,000
Contributions	4,859
Fundraising	30,346
Interest	1,529
Total support and revenue	720,229
Expenses:	
Program	570,665
General and administration	90,650
Fundraising	38,049
Total expenses	699,364
Change in fund balance	20,865
Fund balance at beginning of year	490,108
Fund balance at end of year	\$ 510,973

See accompanying notes and independent accountant's review report.

**COMMUNITIES IN SCHOOLS
OF GREATER WICHITA FALLS AREA**
STATEMENT OF FUNCTIONAL EXPENSES -
MODIFIED CASH BASIS
AUGUST 31, 2023

	Program Expenses						General & Administrative Expenses						Fundraising	Total
	Communities in Schools	WFISD	Henrietta ISD	Petrolia ISD	Bryson ISD	Total Program	Communities in Schools	WFISD	Henrietta ISD	Petrolia ISD	Bryson ISD	Total General & Administrative		
Salaries and wages	\$ 128,822	\$ 172,930	\$ 35,819	\$ 35,117	\$ 45,166	\$ 417,854	\$ 8,211	\$ 8,211	\$ 8,210	\$ 8,210	\$ 8,211	\$ 41,053	\$ 24,153	\$ 483,060
Employee benefits	18,895	37,835	7,647	1,230	7,940	73,547	8,811	-	-	-	-	8,811	-	82,358
Payroll taxes	9,445	12,680	2,626	2,575	3,312	30,638	602	602	602	602	602	3,010	1,771	35,419
Rent	10,854	-	-	-	-	10,854	5,025	-	-	-	-	5,025	4,221	20,100
Travel, training, registration	1,899	1,898	1,898	1,898	1,898	9,491	2,340	-	-	-	-	2,340	-	11,831
Accounting	-	-	-	-	-	-	3,500	-	-	-	-	3,500	-	3,500
Insurance	514	-	-	-	-	514	9,760	-	-	-	-	9,760	-	10,274
Supplies and materials	2,575	2,571	2,571	2,571	2,571	12,859	700	-	-	-	-	700	301	13,860
Membership dues	-	-	-	-	-	-	3,939	-	-	-	-	3,939	-	3,939
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	5,637	5,637
Phone, fax, internet	3,173	-	-	-	-	3,173	1,057	-	-	-	-	1,057	-	4,230
Depreciation	701	-	-	-	-	701	324	-	-	-	-	324	272	1,297
Fingerprinting	-	-	-	-	-	-	-	39	-	39	39	117	-	117
Food costs	1,729	1,728	1,728	1,728	1,728	8,641	1,278	-	-	-	-	1,278	-	9,919
Professional services	-	-	-	-	-	-	7,428	-	-	-	-	7,428	-	7,428
Printing	-	125	125	125	125	500	500	-	-	-	-	500	494	1,494
Copier	-	-	-	-	-	-	1,000	131	129	129	129	1,518	-	1,518
Postage	-	-	-	-	-	-	236	-	-	-	-	236	-	236
Marketing	-	-	-	-	-	-	49	-	-	-	-	49	1,200	1,249
Awards	240	239	239	239	239	1,196	-	-	-	-	-	-	-	1,196
CISGWFA alumni expenses	-	147	-	-	-	147	-	-	-	-	-	-	-	147
Miscellaneous	114	109	109	109	109	550	-	-	-	-	-	-	-	550
Bank service charges	-	-	-	-	-	-	5	-	-	-	-	5	-	5
Total expenses	\$ 178,961	\$ 230,262	\$ 52,762	\$ 45,592	\$ 63,088	\$ 570,665	\$ 54,765	\$ 8,983	\$ 8,941	\$ 8,980	\$ 8,981	\$ 90,650	\$ 38,049	\$ 699,364

See accompanying notes and independent accountant's review report.

COMMUNITIES IN SCHOOLS OF GREATER WICHITA FALLS AREA

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2023

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Communities in Schools of Greater Wichita Falls Area (CISGWFA) is a nonprofit organization with the mission of surrounding students with a community of support, empowering them to stay in school and achieve in life. CISGWFA implements programming to support Texas Education Agency's (TEA) goal of keeping students in the classroom, promoting, and connecting high school to college and career by supporting students most at-risk of dropping out on secondary campuses in the Independent School Districts in the Greater Wichita Falls Area.

CISGWFA implements a three-tier level of Integrated Student Support Services addressing the campus needs.

Tier 1 – School wide services addressing the needs of the full campus population; available to all students on campus and the community.

- Non case managed: any student on campus

Tier 2 & 3 – Services provided to group and individuals targeted to individual needs. Tier 2 being group setting for common need; Tier 3 being one-on-one setting.

- Case managed: students that meet the definition of at-risk as defined by Texas Education Code §29.081, eligible for free and reduced lunch, or is in family conflict or crisis.

Case managed students undergo an intentional series of steps to include recommendation for service, parental consent, student registration and assessment, service plan development, service delivery, monitoring, and closeout.

Each campus site coordinator is responsible for tracking and monitoring academics, behavior and attendance of the case managed students on their caseload; to ensure the students stay in the classroom, promote, graduate and prepares for life.

Basis of Presentation

The accompanying financial statements have been prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, certain revenues and related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred. Consequently, CISGWFA has not recognized accounts receivable, pledges receivable from donors, accounts payable, or their related effects on the change in net assets in the accompanying financial statements.

CISGWFA reports information regarding its financial position and activities according to the following fund balance classifications:

Fund balances without donor restrictions: Fund balances that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of CISGWFA management and the board of directors.

Fund balances with donor restrictions: Fund balances subject to stipulations imposed by donors, and granters. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CISGWFA or by the passage of time. Other

COMMUNITIES IN SCHOOLS OF GREATER WICHITA FALLS AREA

NOTES TO FINANCIAL STATEMENTS (CONT'D.) AUGUST 31, 2023

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Basis of Presentation (Cont'd.)

donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

We report contributions restricted by donors as increases in fund balances without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in fund balances with donor restrictions, depending on the nature of the restrictions. When a restriction expires, fund balances with donor restrictions are reclassified to fund balances without donor restrictions and reported in the statements of activities as fund balances released from restrictions.

Cash and Cash Equivalents

CISGWFA considers all investments with an original maturity of three months or less to be cash equivalents.

Cash Deposits

At August 31, 2023, the carrying amount of CISGWFA's interest-bearing savings account was fully insured by the FDIC. The carrying amount CISGWFA's cash account was underinsured by \$12,059. The balances maintained by CISGWFA in individual accounts may, at times, exceed federally insured limits. CISGWFA does not believe that its risk for amounts in excess of federally insured limits is significant.

Property and Equipment

CISGWFA capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives ranging from 5-39 years.

When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Support and Revenue

CISGWFA records program income, contributions, and grants when they are received. Contributions received are recorded as increases in fund balances with or without donor restrictions, depending on the existence and/or nature of donor restrictions. Fund balances that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of CISGWFA and used at the discretion of CISGWFA's management and the board of directors. Some fund balances subject to stipulations imposed by donors and granters are temporary in nature; those restrictions will be met by actions of CISGWFA or by the passage of time.

COMMUNITIES IN SCHOOLS OF GREATER WICHITA FALLS AREA

NOTES TO FINANCIAL STATEMENTS (CONT'D.) AUGUST 31, 2023

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Support and Revenue (Cont'd.)

Contributions restricted by donors are reported as increases in fund balances without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in fund balances with donor restrictions, depending on the nature of the restrictions. When a restriction expires, fund balances with donor restrictions are reclassified to fund balances without donor restrictions and reported in the statement of revenues and expenses as fund balances released from restrictions.

Donated Materials and Services

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. CISGWFA reports the donations as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulation about how long those long-lived assets must be maintained, CISGWFA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Services received from personnel of an affiliate are recorded at the cost recognized by the affiliate for the personnel providing the service. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient of the not-for-profit entity may elect to recognize that service be received at either (1) the cost recognized by the affiliate for the personnel providing that service or (2) the fair value of that service.

There is no cumulative effect on the comparative financial statements from the adoption of this principle. Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services.

Functional Allocation of Expenses

The cost of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses.

Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of CISGWFA providing those services. Other expenses that are common to several functions are allocated based on management's judgment.

Compensated Absences

CISGWFA utilizes a use or lose policy related to its compensated absences. Accordingly, no liability has been recorded in the accompanying financial statements.

COMMUNITIES IN SCHOOLS OF GREATER WICHITA FALLS AREA

NOTES TO FINANCIAL STATEMENTS (CONT'D.) AUGUST 31, 2023

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, fund balances, and disclosures. Accordingly, actual results could differ from those estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Income Taxes

CISGWFA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes is provided for in the accompanying financial statements.

Date of Management's Review

Management has evaluated subsequent events through December 9, 2024, the date on which the financial statements were available to be issued.

Note 2 - LIQUIDITY AND AVAILABILITY

The following reflects CISGWFA's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts are estimated to be \$0 at August 31, 2023.

Note 3 - CONCENTRATIONS OF RISK

Financial instruments, which potentially subject CISGWFA to concentration of credit risk, consist principally of cash and cash equivalents and concentrations of revenues from particular sources.

CISGWFA received \$595,495 from state and local grants during the year ended August 31, 2023, which is 83% of total revenues for the year ended. These grant concentrations are as follows:

	Amount	Concentration of Revenue
Texas Education Agency	\$ 436,231	73.25%
TANF	55,810	9.37%
North Texas Area United Way	16,000	2.69%
McCoy Foundation	30,000	5.04%
Wichita Falls ARPA	45,454	7.63%
Superior HealthPlan	2,000	0.34%
Wichita Falls Area Community Foundation	10,000	1.68%
	\$ 595,495	100.00%

Grantor agencies may provide further examinations and request reimbursement for disallowed

COMMUNITIES IN SCHOOLS OF GREATER WICHITA FALLS AREA

NOTES TO FINANCIAL STATEMENTS (CONT'D.) AUGUST 31, 2023

Note 3 - CONCENTRATIONS OF RISK (CONT'D.)

costs based on their examinations. In management's opinion, further examinations would not result in any significant disallowed costs. If CISGWFA was not able to successfully renew these grants, it would significantly impact its operations.

Note 4 - PROPERTY AND EQUIPMENT

At August 31, 2023, property and equipment consists of the following:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
Office equipment	\$ 27,752	\$ -	\$ -	\$ 27,752
Less accumulated depreciation	<u>(26,455)</u>	<u>(1,297)</u>	<u>-</u>	<u>(27,752)</u>
Net property and equipment	<u>\$ 1,297</u>	<u>\$ (1,297)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the year ended August 31, 2023, was \$1,297.

Note 5 - RETIREMENT PLAN

CISGWFA sponsors a SIMPLE IRA retirement plan covering qualified employees, as defined. Employees who receive a salary of at least \$5,000 are eligible to participate in the plan. CISGWFA matches the employee's contribution up to a maximum of three percent of the eligible employee's compensation. CISGWFA contributed \$12,997 in matching SIMPLE IRA contributions for the year.

Note 6 - CONTINGENCIES

Discontinuation or significant reduction of grant and contract funding received from governmental agencies and foundations could have a severe near-term impact on CISGWFA and its operations. These agencies and grantors require compliance with contract and grant terms. Non-compliance with the requirements could impact current or future funding. Management does not anticipate discontinuation of the funding by these sources.