

**COMMUNITIES IN SCHOOLS
OF LAREDO, INC.**

AUDITED FINANCIAL STATEMENTS

For the Fiscal Year Ended August 31, 2022

Communities In Schools of Laredo, Inc.
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Aaron Canales, CPA
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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Communities in Schools of Laredo, Inc.
Laredo, Texas

Opinion

We have audited the accompanying financial statements of Communities in Schools of Laredo, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2022, and the related statements of activities, functional expenses and cash flows for the year 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 Communities in Schools of Laredo, Inc. as of August 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Laredo, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 Laredo, 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 the Communities in Schools of Laredo, 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 the Communities in Schools of Laredo, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate 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.

Canales, Hargis & Baum, PLLC

Laredo, Texas
March 17, 2023

**Communities in Schools of Laredo, Inc.
Statement of Financial Position
Year Ended August 31, 2022**

ASSETS

	2022
Current Assets	
Cash and Cash Equivalents	\$ 548,074
Certificates of Deposit	531,418
Grant Receivable	82,866
Other Current Assets	105,281
Prepaid Expenses	9,506
Total Current Assets	1,277,144
Non Current Assets	
Property & Equipment, net of Accumulated Depreciation	11,591
Total Non Current Assets	11,591
Total Assets	\$ 1,288,735

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ 30,817
Deferred Revenue	54,397
Accrued Payroll Liabilities	1,297
Total Current Liabilities	86,511
Total Liabilities	86,511
Net Assets	
Without Donor Restrictions	1,202,224
Total Net Assets	1,202,224
Total Liabilities and Net Assets	\$ 1,288,735

See accompanying notes to financial statements

Communities in Schools of Laredo, Inc.
Statement of Activities
Year Ended August 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
Revenues, Gains, and Other Support			
Grant Revenue	\$ -	\$ 1,297,819	\$ 1,297,819
Fund Raising Income	18,977	-	18,977
Service Fees	627,000	-	627,000
In Kind Rent Income	194,145	-	194,145
In Kind Other	160,450	-	160,450
Interest Income	2,934	-	2,934
Donations	28,926	-	28,926
Other Income	2,066	-	2,066
Net assets released from restrictions:			
Expiration of time restriction on Grant Revenue	<u>1,297,819</u>	<u>(1,297,819)</u>	<u>-</u>
Total Support	2,332,317	-	2,332,318
Expenses			
Program Services	312,169	-	312,169
Supporting Services			
Management and General	2,083,815	-	2,083,815
Fundraising	<u>43,767</u>	<u>-</u>	<u>43,767</u>
Total Expenses	<u>2,439,751</u>	<u>-</u>	<u>2,439,751</u>
Increase (Decrease) in Net Assets	(107,434)	-	(107,434)
Net Assets at Beginning of Year	<u>1,312,826</u>	<u>-</u>	<u>1,312,826</u>
Prior Period Adjustment	(3,168)	-	(3,168)
Net Assets at End of Year	<u>\$ 1,202,224</u>	<u>\$ -</u>	<u>\$ 1,202,224</u>

See accompanying notes to financial statements

Communities in Schools of Laredo, Inc.
Statement of Functional Expenses
Year Ended August 31, 2022

	Program Services	Supporting Services		2022 Total Expenses
		Management and General	Fundraising	
Bank Charges	\$ 160	\$ 1,034	\$ -	\$ 1,194
Contractual	7,186	6,709	-	13,895
Dues and Subscriptions	797	9,425	-	10,222
Insurance	13,910	179,360	-	193,270
Marketing	5,600	350	-	5,950
Meetings and Conferences	211	2,820	-	3,031
Miscellaneous Expenses	138	2,203	-	2,341
Participant Enrichment	208,489	4,504	-	212,993
Participant Enrichment - In Kind	30,804	127,646	-	158,450
Payroll Taxes	2,251	110,240	-	112,491
Personnel	28,842	1,371,919	-	1,400,761
Postage and Shipping	-	290	-	290
Printing and Reproduction	380	45	-	425
Professional Fees	-	12,485	-	12,485
Professional Development	2,330	279	-	2,609
Rent	270	1,275	-	1,545
Rent - In Kind	-	194,145	-	194,145
Repairs and Maintenance	5	5,619	-	5,624
Scholarships	-	-	24,500	24,500
Special Events	-	18,161	19,267	37,428
Supplies	7,347	8,119	-	15,466
Telephone	819	7,658	-	8,477
Travel	2,524	7,178	-	9,702
Utilities	106	6,974	-	7,080
Total Expenses before Depreciation	312,169	2,078,438	43,767	2,434,374
Depreciation	-	5,377	-	5,377
Total Expenses	\$ 312,169	\$ 2,083,815	\$ 43,767	\$ 2,439,751

See accompanying notes to financial statements

**Communities in Schools of Laredo, Inc.
Statement of Cash Flows
Year Ended August 31, 2022**

Cash Flows From Operating Activities:

Increase (Decrease) in Net Assets	\$ (107,434)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operations:	
(Increase) Decrease in Assets:	
Certificates of Deposit	(2,664)
Grant Receivable	78,706
Other Current Assets	(14,231)
Prepaid Expenses	21,691
Increase (Decrease) in Liabilities:	
Accounts Payable	18,482
Accrued Payroll Liabilities	(31,688)
Deferred Revenue	54,397
Depreciation	5,377
Prior Period Adjustment	5,025
	135,095
Total Adjustments	135,095
Net Cash Provided (Used) by Operating Activities	27,661
Net Increase (Decrease) in Cash	27,661
Cash and Cash Equivalents at Beginning of Year	520,413
Cash and Cash Equivalents at End of Year	\$ 548,074

See accompanying notes to financial statements

Communities In Schools, Laredo, Texas, Inc.
Notes to Financial Statements
August 31, 2022

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Communities In Schools, Laredo, Texas, Inc. (“CIS”) was incorporated on January 18, 1996 as a nonprofit corporation. Its purpose is to give technical assistance to educational, social and governmental institutions in order that resources and services to the public can be coordinated and maximized. This involves becoming involved in the school system in order to provide an in-school multidisciplinary approach to decreasing the number of students drop out of area schools. CIS’s goals are to improve participants’ academic, pre-employment/vocational, social and interpersonal training and/or to enable the students to enter the labor force with an improved chance of succeeding.

Basis of Accounting

CIS’s financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

Net assets of the Organization are classified based on existence or absence of donor-imposed restrictions. Net assets are classified as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Earnings related to net assets with donor restrictions will be included in net assets without donor-restrictions unless specifically required to be included in donor restricted net assets by the donor or by applicable state law.

All net assets of the Organization at August 31, 2022 were considered to be net assets without donor restrictions.

Adoption of Accounting Pronouncement

In August 2016, the Financial Accounting Standards Boards (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two – net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes

Communities In Schools, Laredo, Texas, Inc.
Notes to Financial Statements
August 31, 2022

in the way certain information is aggregated and reported by the Organization, including required disclosures about liquidity and availability of resources. The new standard is effective for the year ending December 31, 2018 and thereafter and must be applied on a retrospective basis. The Organization adopted the ASU effective September 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements to net assets or changes in net assets.

Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of board restrictions. Amounts not available include amounts set aside for financial contingencies.

Net assets, at year end	<u>\$ 1,202,224</u>
Less those unavailable due to board designations	
Board designations:	
Scholarships	176,211
Building	<u>300,000</u>
Total Board designations	476,211
Net assets without board designations	<u>\$ 726,013</u>

The Organization has financial assets on hand to meet 60 days of normal operating expense, which are, on average, approximately \$405,729. The Organization is structured so that its financial assets are available as its general expenditures, liabilities and other obligations come due.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

Income Taxes

CIS is a not-for-profit corporation other than a private foundation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501 (a) of the Code.

Communities In Schools, Laredo, Texas, Inc.
Notes to Financial Statements
August 31, 2022

Cash and Cash Equivalents

For purposes of the Statement 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 are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The value of contributed services meeting these requirements for recognition in the financial statements are recorded if considered material.

NOTE 2 – Cash and Cash Equivalents

Cash and cash equivalents include cash held in bank accounts and other accounts with original maturities of three months or less from date of purchase. Bank balances are insured up to the federal depository insurance corporation limit of \$250,000 at each of the participating financial institutions.

NOTE 3 – Certificates of Deposit

Certificates of deposit includes funds held in bank accounts and other accounts with original maturities of more than three months from date of purchase. Bank balances are insured up to the federal depository insurance corporation limit of \$250,000 at each of the participating financial institutions.

Communities In Schools, Laredo, Texas, Inc.
Notes to Financial Statements
August 31, 2022

NOTE 4 – Grant Receivable

Grant receivable is comprised of revenues earned to the extent of expenses incurred which have not been collected as of August 31, 2022. Grant receivable as of August 31, 2022, consists of the following:

<u>Granting Agencies</u>	<u>2022</u>
Texas Education Agency	<u>\$ 74,914</u>
Total	<u><u>\$ 74,914</u></u>

NOTE 5 – Depreciable Assets

Property and Equipment consist of the following:

	<u>Estimated Useful Life (Years)</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Equipment	5	<u>\$ 62,828</u>	<u>\$ 56,607</u>
Furniture and Fixtures	5 to 7	<u>64,286</u>	<u>58,916</u>
Total		<u><u>\$ 127,114</u></u>	<u><u>\$ 115,523</u></u>

Depreciation expense for the year ended August 31, 2022, was \$5,377.

NOTE 6 – In-Kind Rent Income

The value of donated classroom and office space included in the financial statements totals \$194,145 In-kind rent income consists of donated classroom space for twenty-one (21) school campuses for a total of \$105,497 per year. Additionally, office space donated by Commerce Bank amounts to \$88,648 per year.

NOTE 7 – Prior Period Adjustments

The Statement of Activities includes (\$3,168) of a Prior Period Adjustment. Such adjustment is related to adjusting the Property & Equipment and the correction of prior year transactions.



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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**

Members of the Board of Directors
Communities in Schools of Laredo, Inc.
Laredo, Texas

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 Laredo, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2022, 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 our report thereon dated March 17, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Communities in Schools of Laredo, 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Communities in Schools of Laredo, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Communities in Schools of Laredo, Inc.’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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Communities in Schools of Laredo, 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 financial statement. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Canales, Garza & Baum, PLLC

Laredo, Texas
March 17, 2023



Aaron Canales, CPA
Juan José Garza, CPA
† J. Clayton Baum, CPA

Guadalupe Garcia-Wright, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF TEXAS
GRANT MANAGEMENT STANDARDS**

Members of the Board of Directors
Communities in Schools of Laredo, Inc.
Laredo, Texas

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Communities of Schools of Laredo, Inc. (the "Organization") compliance with the types of compliance requirements described in the *State of Texas Grant Management Standards* that could have a direct and material effect on each of the Organization's major state programs for the year ended August 31, 2022. The Organization's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Texas Grant Management Standards*. Our Responsibilities under those standards and the *State of Texas Grant Management Standards* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Communities of School of Laredo Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Organization's compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grants agreements applicable to the Organization's state program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the *State of Texas Grant Management Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State of Texas Grant Management Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedure as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State of Texas Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all

deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Texas Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

Canales, Garza & Baum, PLLC

Laredo, Texas
March 17, 2023

**Communities in Schools of Laredo, Inc.
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2022**

STATE GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	STATE EXPENDITURES
STATE AWARDS	
<u>Texas Education Agency</u>	
Communities in Schools	\$ 1,030,955
Total Texas Education Agency	1,030,955
TOTAL EXPENDITURES OF STATE AWARDS	\$ 1,030,955

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the grant activity of Communities in Schools of Laredo and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State of Texas Grant Management Standards, therefore some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.

NOTE B - 10% DE MINIMIS INDIRECT COST RATE

Communities in Schools of Laredo did not elect to use the 10% De Minimis Indirect Cost Rate

Communities in Schools of Laredo, Inc.
Schedule of Findings and Questioned Costs
Year Ended August 31, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? _____ yes X no
Significant deficiencies identified that are
not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

State Awards

Internal Control over major programs:
Material weakness(es) identified? _____ yes X no
Significant deficiencies identified that are
not considered to be material weaknesses? _____ yes X none reported

Type of auditors' report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with the
State of Texas Grant Management Standards? _____ yes X no

Identification of major programs:

<u>Number(s)</u>	<u>Name of State Program or Cluster</u>
None	TEA - Communities in Schools

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

Section II - Financial Statement Findings

None.

Section III - State Award Findings and Questioned Costs

None.

Communities in Schools of Laredo, Inc.
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2022

Summary of Prior Audit Findings

State Award Findings and Questioned Costs

None.