

**COMMUNITIES IN SCHOOLS  
OF GREENVILLE COUNTY, INC.**

**FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2018**

**POPE, SMITH, BROWN & KING, P.A.**

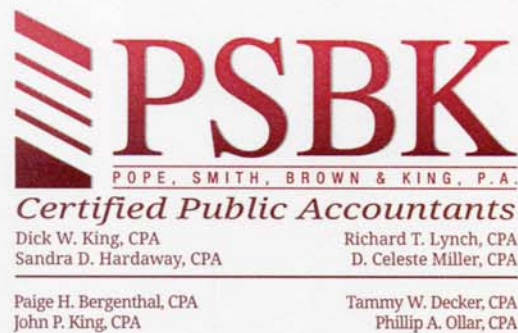
*Certified Public Accountants*

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
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**For the Year Ended June 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

**To the Board of Directors  
Communities in Schools of Greenville County, Inc.  
Greenville, South Carolina**



We have audited the accompanying financial statements of Communities in Schools of Greenville County, Inc. (a nonprofit "Organization"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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.

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 Greenville County, Inc. as of June 30, 2018 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Greenville, South Carolina  
February 15, 2019**

*Psbk*

**Certified Public Accountants**

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2018**

**ASSETS**

Cash and cash equivalents	\$	446,541
Investments, at fair value		185,474
Grants and contracts receivable		67,727
Prepaid Expenses		4,897
Property and equipment, net of accumulated depreciation		<u>396</u>

**TOTAL ASSETS** **\$ 705,035**

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable	\$	28,885
Accrued salaries and wages		<u>20,651</u>

**TOTAL LIABILITIES** **49,536**

**NET ASSETS**

Unrestricted net assets		319,551
Temporarily restricted net assets		<u>335,948</u>

**TOTAL NET ASSETS** **655,499**

**TOTAL LIABILITIES AND NET ASSETS** **\$ 705,035**

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2018**

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Total Net Assets</u>
<b>SUPPORT AND REVENUE</b>			
Federal grants	\$ -	\$ 508,666	\$ 508,666
Contracts	15,000	-	15,000
Local grants	310,694	730,712	1,041,406
Contributions	36,896	-	36,896
Investment income	4,350	-	4,350
Fund raising	28,428	-	28,428
Released from restrictions	<u>965,252</u>	<u>(965,252)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,360,620</u>	<u>274,126</u>	<u>1,634,746</u>
<b>EXPENSES</b>			
Program services	1,098,379	-	1,098,379
Supporting services	167,977	-	167,977
Fund raising	<u>38,055</u>	<u>-</u>	<u>38,055</u>
<b>TOTAL EXPENSES</b>	<u>1,304,411</u>	<u>-</u>	<u>1,304,411</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	56,209	274,126	330,335
<b>NET LOSS ON INVESTMENTS</b>	<u>(1,644)</u>	<u>-</u>	<u>(1,644)</u>
<b>CHANGE IN NET ASSETS</b>	<u>54,565</u>	<u>274,126</u>	<u>328,691</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>264,986</u>	<u>61,822</u>	<u>326,808</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 319,551</u>	<u>\$ 335,948</u>	<u>\$ 655,499</u>

See accompanying notes and independent auditors' report.

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2018**

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund Raising</u>	<u>Total</u>
<b>PAYROLL AND BENEFITS</b>				
Professional salaries and wages	\$ 802,907	\$ 82,134	\$ 24,341	\$ 909,382
Payroll taxes and benefits	<u>122,994</u>	<u>27,002</u>	<u>1,813</u>	<u>151,809</u>
	<u>925,901</u>	<u>109,136</u>	<u>26,154</u>	<u>1,061,191</u>
<b>OTHER FUNCTIONAL EXPENSES</b>				
Transportation	15,884	-	-	15,884
Purchased services	46,388	-	-	46,388
Travel	7,257	5,292	-	12,549
Payroll fees	19,993	5,393	-	25,386
Insurance	-	5,348	-	5,348
Office supplies	-	2,456	-	2,456
Professional fees	-	8,300	-	8,300
Assistance to individuals	-	1,876	-	1,876
Program supplies	79,797	-	-	79,797
Telephone	3,159	8,220	-	11,379
Special events	-	-	11,901	11,901
Occupancy	-	21,000	-	21,000
Depreciation	-	763	-	763
Miscellaneous	<u>-</u>	<u>193</u>	<u>-</u>	<u>193</u>
<b>TOTAL OTHER FUNCTIONAL EXPENSES</b>	<u>172,478</u>	<u>58,841</u>	<u>11,901</u>	<u>243,220</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 1,098,379</u>	<u>\$ 167,977</u>	<u>\$ 38,055</u>	<u>\$ 1,304,411</u>

See accompanying notes and independent auditors' report.

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended June 30, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ <u>328,691</u>
Adjustments to reconcile increase net assets to net cash provided by operating activities	
Depreciation	763
Changes in operating assets and liabilities:	
(Increase) in grants and contracts receivable	(57,802)
Decrease in accounts receivables	1,399
Unrealized loss on investments	1,443
Realized loss on investments	201
(Increase) in prepaid expenses	(463)
Increase in accounts payable	14,784
Increase in accrued salaries and wages	<u>691</u>
Total adjustments	<u>(38,984)</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** 289,707

**CASH FLOW FROM INVESTING ACTIVITIES**

Proceeds on the sale of investments	6,000
Purchase of investments	<u>(10,319)</u>

**NET CASH USED IN INVESTING ACTIVITIES** (4,319)

**NET INCREASE (DECREASE) IN CASH** 285,388

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** 161,153

**CASH AND CASH EQUIVALENTS AT END OF YEAR** \$ 446,541

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities*

Communities In Schools of Greenville County, Inc. (the "Organization") is a nonprofit organization founded in 1991 to assist local schools in reducing their drop-out rates. The Organization is supported through federal and local grants, contracts, and donor contributions. The Organization must adhere to the legal and contractual requirements of each funding source entity.

*Basis of Accounting*

The financial statements of Communities In Schools of Greenville County, Inc. have been prepared on the accrual basis of accounting and in accordance with the American Institute of Certified Public Accountants' industry audit guide, *Not-for-Profit Entities – AICPA Audit and Accounting Guide*. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

*Basis of Presentation*

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets - Net assets consist of resources available for the various programs and administration of the Organization which have not been restricted by a donor or other outside party. Unrestricted, undesignated net assets are available for the various programs and administration of the Organization.
- Temporarily restricted net assets - Net assets consist of donor restricted contributions. Amounts restricted by the donor, grantor or other outside party for a particular purpose are recognized as revenue when received and such unexpended amounts are reported as temporarily restricted net assets at year end.

Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

- Permanently restricted net assets - Permanently restricted net assets consist of donor restricted contributions which are required to be held in perpetuity and income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

There were no permanently restricted net assets at June 30, 2018.



**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**For the Year Ended June 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***Cash and Cash Equivalents***

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchasing of property and equipment, payment of long-term debt, or endowment. There were no restricted cash or cash equivalents as of June 30, 2018.

***Grants and Contracts Receivable***

Grants and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. All are from recurring sources. Based on prior experience with these entities, management has concluded that realized losses on balances outstanding at year-end will be immaterial.

***Property and Equipment***

The Organization has a policy of capitalizing all property and equipment acquisitions in excess of \$500. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. 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 the 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.

The cost of property, plant and equipment, including major renewals and betterments, is depreciated over the estimated useful lives of the related assets using the straight-line method; maintenance and repairs are expensed as incurred. Estimated useful lives are as follows:

Furniture and Equipment	5-7 Years
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***Contributed Services***

Contributed services are recognized at fair market value if the services (a) create or enhance long-lived assets or (b) require specialize skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the year ended June 30, 2018, the Organization received no material contributions of services.

***Contributions***

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence and nature of donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, as applicable. Within temporarily restricted net assets amounts are reclassified to unrestricted net assets when restrictions expire.

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**For the Year Ended June 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*Income Tax Status*

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, therefore, no income taxes are provided for in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Management of the Organization considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the Organization's status as a not-for-profit entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore, no provision for income taxes has been provided in these financial statements. The Organizations tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

*Uncertain Tax Positions*

The Organization has adopted *FASB ASC 740-10-25, Accounting for Uncertainty in Income Taxes*. The Organization will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Organization's evaluations on June 30, 2018 revealed no uncertain tax positions that would have a material impact on the financial statements. The June 30, 2015 through June 30, 2018 tax years remain subject to examination by the IRS. The Organization does not believe that any reasonably possible changes will occur within the next twelve months that would have a material impact on the financial statements.

*Functional Allocation of Expenses*

The costs of providing the Organization's 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 support services benefited.

Expenses are charged directly to program, support, or fundraising based on a combination of specific identification and allocation by management. Fringe benefits, supplies, telephone, depreciation and occupancy are allocated to specific programs based on the allocation of salaries.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Specifically, the Organization estimates the allocation of its functional expenses. Accordingly, actual results could differ from those estimates.

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
For the Year Ended June 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***Restricted and Unrestricted Revenue and Support***

Contributions that are restricted by the donor are reported as increases in unrestricted net assets 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 temporarily or permanently restricted net assets, depending on the nature of restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

***Financial Instruments***

The Organization's financial instruments consist of accounts receivable, investments, accounts payable, and other accrued liabilities. The investments are adjusted to fair value based on quoted market price (Level 1 inputs) at each balance sheet date. Therefore, those assets are exposed to significant market fluctuation, which is recorded as Net gain / (loss) on investments and is included in the change in net assets. It is management's opinion that the Organization is not exposed to significant interest rate risk or credit risk arising from any of the aforementioned instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

**NOTE 2 - CONCENTRATIONS AND OTHER RISKS**

Credit risk: The Organization maintains demand deposits, certificates of deposit, and government money market funds with commercial banks and financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portion of cash and cash equivalents are backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution could result in financial loss to the Organization. At June 30, 2018, the Organization had funds in excess of FDIC limits of \$196,541.

Market risk: The Organization invests funds in mutual funds marketable securities. Such investments are exposed to market and credit risks. The Organization's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**For the Year Ended June 30, 2018**

**NOTE 3 - GRANTS AND CONTRACTS RECEIVABLE**

At June 30, 2018, grants and contracts receivable consist of the following:

Strengthening Families	\$ 22,330
Welcome Elementary School	7,109
Chandler Creek Elementary School	1,656
Grove Road Elementary School	1,571
Social Innovation Fund	<u>35,061</u>
	<u>\$ 67,727</u>

Management has determined that the receivables are fully collectible; therefore, no allowance for uncollectable accounts is considered necessary at June 30, 2018.

**NOTE 4 - INVESTMENTS**

In accordance with generally accepted accounting principles, the Organization uses the different prioritized input levels to measure fair value. The input levels used for investments are not necessarily an indication of risk.

Investments are measured on a recurring basis at fair value using Level 1 inputs (see Note 12) and consist of the following at June 30, 2018:

Cash	\$ 322
Mutual Funds	<u>185,152</u>
	<u>\$ 185,474</u>
Adjusted cost on investments	\$ 190,464
Accumulated net unrealized gains (losses)	<u>(4,990)</u>
Investments at fair value	<u>\$ 185,474</u>

Investment return consists of the following for the year ended June 30, 2018

Interest and dividends	<u>\$ 4,350</u>
Unrealized loss	\$ (1,443)
Realized loss	<u>(201)</u>
	<u>\$ (1,644)</u>

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30, 2018:

Furniture and equipment	\$ 26,276
Less accumulated depreciation	<u>(25,880)</u>
	<u>\$ 396</u>

Depreciation expense for the year ended June 30, 2018 was \$763.

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**For the Year Ended June 30, 2018**

**NOTE 6 - NET ASSETS**

Unrestricted Net Assets: Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

Undesignated: Undesignated net assets are used for the general operations of the Organization.

Designated: Designated net assets are set aside by the Organization to be used for a specific program. There were no designated new assets at June 30, 2018.

Temporarily Restricted Net Assets: Temporarily restricted net assets include those net assets whose use by the Organization has been donor restricted by specified time or purpose limitations. Temporarily restricted net assets consist of the following at June 30, 2018.

Healthy Greenville - GHA Grant	\$ 335,948
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Net assets are released from restriction either as a result of the expiration of a time restriction or to the satisfaction of a purpose restriction. The following net assets were released from restriction due to the satisfaction of their purpose restrictions during the year ended June 30, 2018.

Middle Grades Success Social Innovation Fund	School Activities and Child Development Program	\$ 295,815
Community Foundation of Greenville County	School Activities and Child Development Program	254,877
Strengthening Families Grant	School Activities and Child Development Program	105,189
21st Century Grant - Welcome Elementary School	School Activities and Child Development Program	89,614
21st Century Grant - Chandler Creek Elementary School	School Activities and Child Development Program	66,089
21st Century Grant - Grove Road Elementary School	School Activities and Child Development Program	57,148
Community Foundation of Greenville County	School Activities and Child Development Program	34,000
Strengthening Families Grant	School Activities and Child Development Program	22,202
St. Francis Health Initiative	School Activities and Child Development Program	15,000
Greenville School District	School Activities and Child Development Program	5,000
AT&T Grant	School Activities and Child Development Program	3,820
Greer State Bank	School Activities and Child Development Program	3,000
GE Foundation	School Activities and Child Development Program	2,870
Kiwanis Foundation	School Activities and Child Development Program	2,750
Miscellaneous Restricted	School Activities and Child Development Program	<u>7,878</u>
		<u><u>965,252</u></u>

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**For the Year Ended June 30, 2018**

**NOTE 7 - FAIR VALUE MEASUREMENTS**

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The three levels of the fair value hierarchy under the authoritative accounting literature are described as follows:

Level 1	The fair value of mutual funds is based on quoted net asset values of the shares held by the Organization at year-end. The fair values of common stocks, corporate bonds, and U.S. Government securities are based on the closing price reported on the active market where the individual securities are traded.
Level 2	<p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none"> <li>• Quoted prices for similar assets or liabilities in active markets;</li> <li>• Quoted prices for identical or similar assets or liabilities in inactive markets;</li> <li>• Inputs other than quoted prices that are observable for the asset or liability;</li> <li>• Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li> </ul> <p>If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p>
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
For the Year Ended June 30, 2018**

**NOTE 7 - FAIR VALUE MEASUREMENTS, CONTINUED**

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy.

*Investments:* The assets in all investment accounts are based on quoted market price (Level 1 inputs) at the balance sheet date.

The following table presents assets that are measured at fair value by classification within the fair value hierarchy as of June 30, 2018:

ASSETS	Fair Value Measurement using:			Total
	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments:				
Cash	\$ 322	-	-	\$ 322
Mutual Funds	185,152	-	-	185,152
Total	\$ 185,474	-	-	\$ 185,474

**NOTE 8 - LEASE COMMITMENTS**

The Organization maintains office space provided by a local technical college. The Organization does not have a lease and does not pay any rent expense. The estimated fair market value of this in-kind donation is included in support and revenue and an offsetting expense is recorded for rent. For the year ended June 30, 2018, the value of the office space was \$21,000.

**NOTE 9 - ECONOMIC DEPENDENCY**

The Organization participates in a number of federal, state, and local grant programs, and a significant reduction in the level of this support, if it were to occur, would have a material effect on the programs and activities of the Organization. The governmental funding is subject to compliance audits by the respective governmental agencies. Assessments from such audits, if any, are recorded when the amounts of such assessments are reasonably determinable.

**NOTE 10 - COMPENSATED ABSENCES**

Compensated absences for sick pay and personal time have not been accrued since they were not considered material to the financial statements. The Organization's policy is to recognize these costs when actually paid.

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**For the Year Ended June 30, 2018**

**NOTE 11 - RETIREMENT PLAN**

The Organization has adopted a Simple Employee Pension Plan (Simple IRA) qualified retirement plan. All employees are eligible to participate in the Association's retirement plan as long as they are at least 21 years of age and have completed two years of employment. The Association matches up to 3% of eligible participant contributions.

The expense charged to operations for the plan totaled \$5,799 for the year ended June 30, 2018.

**NOTE 12 - SUBSEQUENT EVENTS - DATE OF MANAGEMENT EVALUATION**

Subsequent events were evaluated through February 15, 2019, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

**NOTE 13 - ISSUED ACCOUNTING PRONOUNCEMENTS**

During 2016, the FASB issued ASU 2016-02, *Leases* (Subtopic 842). The ASU states that companies will have to recognize lease assets and lease liabilities on the balance sheet. The ASU requires that companies disclose key information about leasing agreements. This standard is effective for private companies with annual reporting periods beginning after December 15, 2019, and early adoption is permitted. Management is currently evaluating the impact of this standard on its financial position, results of operations, and cash flows.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities* (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which significantly amends the standards for the presentation and accompanying disclosures of the financial statements of nonprofit organizations. This standard is effective for nonprofit entities with annual periods beginning after December 31, 2018.

Management has evaluated the impact of other standards that have been issued or proposed by the FASB and the standards are not expected to have a material impact on the Company's financial position, results of operations or cash flows.



**SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

**To the Board of Directors of  
Communities in Schools of Greenville County, Inc.  
Greenville, South Carolina**

We have audited the financial statements of Communities in Schools of Greenville County, Inc. as of and for the year ended June 30, 2018, and have issued our report thereon dated February 15, 2019, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The Schedule of Federal Awards is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Pope, Smith, Brawner & King PA*

**Certified Public Accountants**

**Greenville, South Carolina  
February 15, 2019**

**COMMUNITIES IN SCHOOLS OF GREENVILLE COUNTY, INC.  
SCHEDULE OF FEDERAL AWARDS  
For the Year Ended June 30, 2018**

<b>Federal Grantor/Pass-Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Grantor's Number</b>	<b>Program or Award Amount</b>	<b>Cash/Accrued or (Deferred) Revenue at June 30, 2017</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Cash/Accrued or (Deferred) Revenue at June 30, 2018</b>
U.S Department of Education Development Passed through South Carolina Dept of Education Formula Grant - 21st Century Learning Centers	84.287C	SC287C170041	67,500	\$ 2,130	\$ 66,563	\$ 66,089	\$ 1,656
Chandler Creek Elementary School	84.287C	SC287C160041	57,375	660	56,237	57,148	1,571
Grove Road Elementary School	84.287C	SC287C160041	100,000	3,277	85,782	89,614	7,109
Welcome Elementary School							
United Way of Greenville County Inc. Social Innovation Fund Grant	94.019		341,529	3,858	264,612	295,815	35,061
				<u>\$ 9,925</u>	<u>\$ 473,194</u>	<u>\$ 508,666</u>	<u>\$ 45,397</u>

See accompanying notes and independent auditors' report on supplementary information.