

**COMMUNITIES IN SCHOOLS OF BRUNSWICK COUNTY, INC.**  
**Southport, NC**  
**Financial Statements**  
**For the Year Ended June 30, 2024**

**COMMUNITIES IN SCHOOL OF BRUNSWICK COUNTY, INC.**

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For the Year Ended June 30, 2024

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**Alan W. Thompson, CPA  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Communities in Schools of Brunswick County, Inc,  
Southport, North Carolina

### **Opinions**

We have audited the accompanying financial statements of Communities in Schools of Brunswick County, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2024, 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, based upon our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of Communities in School of Brunswick County, Inc. as of June 30, 2024, 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 Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements of our report. We are required to be independent of Communities in Schools of Brunswick County, 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 opinions.

### **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 School of Brunswick County, Inc's. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Members**

**American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section**

## Auditors' 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 auditors' 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 GAAS and *Government 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement 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 as 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 Brunswick County, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Communities in Schools of Brunswick County, 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.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the Communities in Schools of Brunswick County, Inc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Communities in School of Brunswick County, Inc's internal control over financial reporting and compliance.

*Thompson, Rice, Scott, Adams & Co., P.A.*

Whiteville, North Carolina

November 21, 2024

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

## Statement of Financial Position

June 30, 2024

**ASSETS**

Cash and Cash Equivalents	\$	552,749
Investments		564,367
Grants and Contract Receivable		35,453
Prepaid and Other Current Assets		7,543
Thrift Shop Inventory		118,708
Leasehold Improvements, net		115,901
Right-of- Use Asset - Operating		<u>201,250</u>
<b>TOTAL ASSETS</b>	\$	<u><u>1,595,971</u></u>

**LIABILITIES AND NET ASSETS:****LIABILITIES**

Accounts Payable and Accrued Liabilites	\$	68,082
Lease Liability - Operating		<u>205,317</u>
<b>TOTAL LIABILITIES</b>		<u>273,399</u>

**NET ASSETS**

Without Donor Restrictions		1,309,336
With Donor Restrictions		<u>13,236</u>
<b>TOTAL NET ASSETS</b>		<u><u>1,322,572</u></u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$	<u><u>1,595,971</u></u>
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**COMMUNITIES IN SCHOOL OF BRUNSWICK COUNTY, INC.**Statement of Activities  
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Private Grants and Contributions	\$ 112,073	\$ 14,961	\$ 127,034
Government Grants and Contracts	450,066	-	450,066
In-Kind Inventory Donations	863,792	-	863,792
In-Kind Contribution - Donated other	175,730	-	175,730
Thrift Shop Sales	870,201	-	870,201
Less: Cost of Sales	(870,201)	-	(870,201)
Net Sales Revenue	-	-	-
Investment Income	43,119	-	43,119
Net Assets Released from Restriction	8,340	(8,340)	-
Total Revenue, Support, and Gains	1,653,120	6,621	1,659,741
<b>EXPENSES AND LOSSES</b>			
Program Service Expense	864,728	-	864,728
Management and General	150,401	-	150,401
Fundraising and Development	28,332	-	28,332
Thrift Shop	569,737	-	569,737
Total Expenses and Losses	1,613,198	-	1,613,198
<b>CHANGE IN NET ASSETS</b>	39,922	6,621	46,543
<b>NET ASSETS AT BEGINNING OF YEAR</b>	1,269,414	6,615	1,276,029
<b>NET ASSETS AT END OF YEAR</b>	\$ 1,309,336	\$ 13,236	\$ 1,322,572

The notes to the financial statements are an integral part of this statement.

**COMMUNITIES IN SCHOOLS OF BRUNSWICK COUNTY, INC.**Statement of Functional Expenses  
For the Year Ended June 30, 2024

	Program Services	Management and General	Fundraising and Development	Thrift Shop	Total
Employee Compensation	\$ 526,815	\$ 108,623	\$ 21,438	\$ 262,915	\$ 919,791
Payroll Taxes	39,698	7,912	1,622	20,054	69,286
Employee Benefits	29,764	19,484	1,229	7,668	58,145
Contracted Services	3,087	2,581	51	5,108	10,827
Telephone and Internet	499	999	200	5,083	6,781
Bank Fees	-	268	153	12,808	13,229
Rental Space	255	255	255	157,588	158,353
Donated Space	122,418	-	-	-	122,418
Thrift Store Cost of Sales	-	-	-	870,201	870,201
Postage Shipping	9	261	-	100	370
Utilities	-	-	-	19,335	19,335
Trash Removal	-	-	-	4,015	4,015
Equipment	5,455	1,730	-	5,212	12,397
Repairs and Maintenance	-	-	-	2,390	2,390
Printing	-	-	-	350	350
Dues and Subscriptions	2,272	2,690	304	2,133	7,399
Travel Expenses	13,061	2,486	733	9,780	26,060
Training and Professional Development	2,369	-	-	-	2,369
Supplies	2,448	607	367	9,897	13,319
Legal and Audit Fees	19,467	4,192	1,245	15,958	40,862
Insurance	10,387	(140)	404	7,530	18,181
Employee Relations	-	108	-	-	108
Miscellaneous Expenses	-	(2,642)	-	-	(2,642)
Depreciation Expense	-	-	-	13,635	13,635
Fundraising Expense	-	-	139	-	139
Advertising	171	-	192	1,742	2,105
Indirect Program Cost	10,484	-	-	-	10,484
Program Snacks	2,513	-	-	-	2,513
Program Activities	5,206	-	-	1,288	6,494
Program Supplies	67,568	-	-	4,286	71,854
Public Relations	-	246	-	20	266
Incentives	598	-	-	-	598
CIS Recognition	184	741	-	842	1,767
Total Expense					
by Function	864,728	150,401	28,332	1,439,938	2,483,399
Less: Thrift Store Cost of Sales	-	-	-	(870,201)	(870,201)
Total Expense per Statement of Activities	\$ 864,728	\$ 150,401	\$ 28,332	\$ 569,737	\$ 1,613,198

**COMMUNITIES IN SCHOOLS OF BRUNSWICK COUNTY, INC.**Statement of Cash Flows  
For the Year Ended June 30, 2024**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 46,543
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Unrealized gain on investment, net	(22,565)
Depreciation	13,635
Changes in Operating Assets and Liabilities:	
(Increase) decrease in Grants and Contracts Receivable	146,007
(Increase) decrease in Prepaid Expenses and Other Assets	1,257
(Increase) decrease in Thrift Shop Inventory	6,409
Increase (decrease) in Accounts Payable and Accrued Liabilities	9,282
Increase (decrease) in Lease Liability - Operating	(112,529)
Increase (decrease) in Funds Held for Others	(75,742)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>12,297</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of leasehold improvements	<u>(129,536)</u>
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>	<u>(129,536)</u>

**NET DECREASE IN CASH** (117,239)

**CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR** 669,988

**CASH AND CASH EQUIVALENTS - END OF YEAR** \$ 552,749

**SUPPLEMENT CASH FLOW INFORMATION**

During the year, CIS entered into two new operating lease agreements in the amount of \$230,558.

During the year, CIS terminated early an operating lease agreement with an outstanding lease liability balance of \$15,732 and a right-to-use balance of \$15,287.



## **COMMUNITIES IN SCHOOLS OF BRUNSWICK COUNTY, INC.**

### **Notes to the Financial Statements**

**For the Year Ended June 30, 2024**

#### **Note A - Organization and Summary of Significant Accounting Policies**

##### Organization

Communities in Schools of Brunswick County, Inc. (CIS) is a North Carolina nonprofit corporation organized in June 1995. CIS works in partnership with Brunswick County Schools and other partners to serve at-risk students. CIS provides tutors, mentors, academic assistance, attendance monitoring, behavioral interventions, parent engagement opportunities, and social-emotional learning groups. During the fiscal year, more than 579 students received individualized support and over 5,090 benefited from school-wide support, basic needs items, and enrichment activities.

##### Basis of Presentation

The financial statements of CIS have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

##### Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Actual results could differ from those estimates, and those differences could be material.

##### Cash and Cash Equivalents

For purposes of the statement of cash flows, CIS considers cash in the bank, all cash held on hand and highly liquid short-term investments with an original maturity of three months or less to be cash and cash equivalents.

##### Grants and Contracts Receivable

Grants and contracts receivable are stated at unpaid balances, less an allowance for doubtful accounts. CIS provides for losses on receivables using the allowance method. The allowance is based on experience, third party contracts, and other circumstances, which may affect the ability to collect. It is CIS's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Management has determined that all receivables are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at June 30, 2024.

##### Investments

CIS records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investment are reported at their fair values in the statement of financial position. Returns on investments is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investments expenses.

##### Inventory

Inventory donations are recorded at fair value of the date of donation, with any resulting gain or loss recognized in the statement of activities. Donated inventory is recognized as contribution revenue and as an increase in inventory in the period received. The fair value of donated inventory is determined based on the estimated selling price in the normal course of business, less any costs of disposal.

## **COMMUNITIES IN SCHOOLS OF BRUNSWICK COUNTY, INC.**

### **Notes to the Financial Statements**

**For the Year Ended June 30, 2024**

#### **Fixed Assets**

CIS capitalizes expenditures with an initial cost of \$5,000 or more and a useful life greater than one year for property and equipment. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight - line method over the estimated useful life of the assets. Leasehold improvements are depreciated at the shorter of the item useful live of the remaining length of the lease.

#### **Funds Held for Others**

CIS received funds to provide fiscal administration of funds to be distributed to agencies across a six-county region of North Carolina whose focus is the health and well-being of foster care children and foster families. CIS does not control the activities of the other agencies and therefore the funds remaining to be distributed are included on the statement of financial position as a liability.

#### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets without donor restrictions include net assets available for use in general operations and not subjected to donor restrictions

*Net Assets with Donor Restrictions* - Net assets with donor restrictions represent resources subject to donor restrictions that are restricted for certain purposes.

#### **Revenue Recognition**

To determine revenue recognition for the arrangements that CIS determines are within the scope of Topic 606, CIS performs the following five-steps: (1) identify the contract(s) with a customer, (2) identify the performance obligation(s) in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation(s) in the contract, (5) recognize revenue when CIS satisfies a performance obligation.

Performance obligations are determined based on the nature of the services provided by CIS. Revenue that consists of performance obligations satisfied at a point in time is generally recognized when criteria for the contract have been achieved , or when specific events have occurred, and when there are no additional services related to that obligation. CIS recognizes revenue from the thrift store sales at the time of purchase.

#### **Contributions and Grants**

All contributions and grants are classified as contributions without donor restrictions unless specifically restricted by the donor, grants and other contributions of cash are reported as "with donor restrictions" if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a purpose restriction is accomplished, net assets "with donor restrictions" are reclassified to net assets " without donor restrictions" as net assets released from restrictions. Contributions with donor- imposed restrictions that are met in the same year in which contributions are received are classified as unrestricted contributions. Conditional contributions and promises to give are recognized when the conditions are substantially met.

## COMMUNITIES IN SCHOOLS OF BRUNSWICK COUNTY, INC.

### Notes to the Financial Statements

For the Year Ended June 30, 2024

#### Donated Services and In-Kind Contributions

CIS follows Financial Accounting Standard Board (FASB) Accounting Standards Update (ASU 2020-07), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This standard requires enhancement to presentation and disclosure around contributed nonfinancial assets. This standard did not affect the recognition of these transactions.

Donated materials, furniture, equipment, space , and services are recorded at their estimated fair values at the date of receipt and are reflected as in-kind contributions in the accompanying financial statements. CIS does not imply time restrictions on gifts of long-lived assets. The amounts reflected in the accompanying statement of activities as in-kind contributions are offset by like amounts included in expense to the extent that amounts are not capitalized.

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain cost have been allocated among programs and supporting services benefited.

#### Income Taxes

CIS is exempt from income taxes under Internal Revenue Code (IRC) Section 501(c )(3) and is not a private foundation. Accordingly, no income taxes have been provided in the accompanying financial statements.

Management has evaluated the effect of the guidance provided by U.S. GAAP on accounting for the uncertainty of income taxes. Management believes that CIS continues to satisfy the requirements of a tax-exempt entity at June 30, 2024. Management has evaluated all other tax positions that could have significant effect on the financial statements and determined that CIS had no uncertain income tax positions at June 30, 2024.

#### Leases

CIS follows FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires recognition of right-to-use (ROU) assets and lease liabilities on the statement of financial position. This standard was early adopted by CIS in 2022.

CIS applies Topic 842 in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant, or equipment for a period in excess of 12 months in exchange for consideration. CIS defines control of the asset as the right to obtain substantially all the economic benefits from the use of the identified asset as well as the right to direct the use of the identified asset. CIS does not have any short-term leases with a lease term of 12 months or less.

CIS has determined it has multiple existing leases that are material to the financial statements and those leases are operating leases, which are included as operating ROU asset and operating lease liabilities in the accompanying statement of financial position. ROU asset and operating leases liabilities in the accompanying statement of financial position. ROU assets represents CIS's right to used leased assets over the term of the lease. Lease liabilities represent CIS's contractual obligation to make lease payments and are measured at the present value of future lease payments adjusted by and deferred rent liability, ROU asses and lease liabilities are recognized at the lease commencement date.

## **COMMUNITIES IN SCHOOLS OF BRUNSWICK COUNTY, INC.**

### **Notes to the Financial Statements**

**For the Year Ended June 30, 2024**

CIS uses the incremental borrowing rate to determine the present value of the future lease payments. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

CIS has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and nonlease component as a single lease component.

#### Concentration of Credit Risk

Financial instruments, which potentially subject CIS to concentration of credit risk, consist primarily of cash and cash equivalents. At times, CIS has cash deposits at financial institutions which exceeds the Federal Deposit Insurance Corporation (FDIC) insurance limits.

#### Subsequent Events

CIS has evaluated subsequent events through November 21, 2024, the date the financial statements were available to be issued.

### **Note B - CONCENTRATIONS**

For the year ended June 30, 2024, CIS received funding from two grantors that comprise approximately 78% of the total private and governmental grants.

### **Note C - INVESTMENTS**

CIS reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market - corroborated inputs.

Level 3- Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

## COMMUNITIES IN SCHOOLS OF BRUNSWICK COUNTY, INC.

### Notes to the Financial Statements

For the Year Ended June 30, 2024

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset and liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to CIS's assessment of the quality , risk , or liquidity profile of the asset or liability.

The following table set forth by the level within the fair value hierarchy CIS's investments accounted for at fair value on a recurring basis as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Investments				
Exchange Traded Funds	\$ 164,408	\$ -	\$ -	\$ 164,408
Mutual Funds- Fixed Income	252,799	-	-	252,799
Certificates of Deposits	147,160	-	-	147,160
Total	<u>\$ 564,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 564,367</u>

#### Note D - DONATED SPACE

CIS receives the use of donated facilities for its program operation. CIS recognizes in-kind contribution revenue and a corresponding expense in an amount approximately the estimated fair value at the time of the donation. The fair value is estimated using the average price per square foot of publicly available commercial real estate listing in the Organization's service area. CIS estimates the value of its facilities to be \$122,418 for the year ended June 30, 2024. The donated facility agreement is short term in nature (less than 12 months) and thus there is no receivable for the long-term use of such space.

#### Note E - THRIFT SHOP DONATIONS AND INVENTORY

CIS receives support in the form of in-kind donations of personal and household items. It operates four thrift stores in Brunswick County in order to sell these items. The fair values of the in-kind donation of inventory are recorded at their fair value on the date of the contribution. Fair value is the price that would be received to sell an asset in an orderly transactions between market participants at the measurement date. For donated items, fair value is determined based on the estimated retail value of the item or similar items in the market.

The amount of in-kind inventory donations received during the year was \$863,792 and is included in the accompanying statement of activates. The remaining inventory on hand at year end is \$118,708, included in the accompanying statement of financial position.

#### Note F - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024, are summarized as follows by major classification:

Leasehold Improvements	\$ 129,536
Accumulated depreciation	<u>13,635</u>
Fixed assets, net	<u>\$ 115,901</u>

Depreciation expense for the year ended June 30, 2024 totaled \$13,635.

## COMMUNITIES IN SCHOOLS OF BRUNSWICK COUNTY, INC.

### Notes to the Financial Statements

For the Year Ended June 30, 2024

#### Note G - LEASES

CIS leases building space under various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2027 and some of the leases provide for flexible renewal options. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. The agreements generally require CIS to pay for repairs and maintenance.

As of June 30, 2024, the CIS leases consisted of four operating leases. The following table provides quantitative information concerning the CIS's leases for the year ended June 30, 2024:

Other Information:

Operating Lease Costs	\$ 115,506
Operating Cash Flow for Operating Leases	\$ 112,529
Weighted - Average Remaining Lease Term- Operating leases	31 months
Weighted - Average Discount Rate - Operating Leases	4.25%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024, is as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2025	\$ 86,154
2026	72,338
2027	58,914
Total Minimum Lease Payments	217,406
Less: Amount Representing Interest	(12,089)
	<u>\$ 205,317</u>

#### Note H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2024.

Subject to Expenditure for Specific Purpose

St. James Service Club	\$ 8,100
Publix	4,636
Rotary Foundation	500
Total Net Assets With Donor Restrictions	<u>\$ 13,236</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2024:

Satisfaction of Purpose Restriction	
Publix	\$ 5,590
Total	<u>5,590</u>

Satisfaction of Time Restrictions:

Southport Realty	750
GFWC South Brunswick Island	2,000
Total	<u>2,750</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 8,340</u>

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

Notes to the Financial Statements

For the Year Ended June 30, 2024

**Note I - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, this is, without donor or other restrictions limiting their use, within one year of June 30, 2024, comprise the following:

Cash and Cash Equivalents	\$ 552,749
Investment	564,367
Grants and Contract Receivable	35,453
Total financial assets available within one year	<u>\$ 1,152,569</u>



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**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***

**Independent Auditors' Report**

To the Board of Directors of  
Communities in Schools of Brunswick County, Inc.  
Southport, North Carolina

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 Brunswick County, Inc. (a nonprofit organization), which comprise the statement of fund financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Communities in Schools of Brunswick County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Communities in Schools of Brunswick County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Communities in Schools of Brunswick County, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Thompson, Rice, Scott, Adams & Co., P.A.*

Whiteville, North Carolina  
November 21, 2024

**COMMUNITIES IN SCHOOL OF BRUNSWICK COUNTY, INC.**

Schedule of Findings and Responses

For the Year Ended June 30, 2024

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**Section I      Summary of Auditors' Results**

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Financial Statements

Type of auditors' report issued:                      Unmodified

Internal control over financial reporting:

\*    Material weakness(es) identified?                      \_\_\_\_\_ Yes                        X   No

\*    Significant deficiency(ies) identified  
that are not considered to be  
material weaknesses                      \_\_\_\_\_ Yes                        X   None reported

Noncompliance material to financial  
statements                      \_\_\_\_\_ Yes                        X   No

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**Section II   Financial Statement Findings**

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None reported

**COMMUNITIES IN SCHOOL OF BRUNSWICK COUNTY, INC.**  
Summary of Prior Year Audit Findings  
For the Year Ended June 30, 2024

Finding: 2023-001 - Improper valuation of the thrift store inventory.

Status: Management corrected the finding during the current year.