

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC.**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED  
JUNE 30, 2014

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Communities in Schools of North Texas, Inc.

We have audited the accompanying financial statements of Communities in Schools of North Texas, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 North Texas, Inc. as of June 30, 2014, 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.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2014, on our consideration of Communities in Schools of North Texas, 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 that 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 Communities in Schools of North Texas, Inc.'s internal control over financial reporting and compliance.

*Hankins, Eastup, Deaton, Tonn & Seay*

Hankins, Eastup, Deaton, Tonn & Seay  
A Professional Corporation  
Certified Public Accountants  
Denton, Texas

November 17, 2014

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC**

STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2014.

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**ASSETS**

**Current assets:**

Cash and cash equivalents	\$ 675,851
Due from state	740,067
Grants receivable	123,555
Other receivables	3,706
Total current assets	<u>1,543,179</u>

TOTAL ASSETS \$ 1,543,179

**LIABILITIES AND NET ASSETS**

**Current liabilities:**

Accounts payable	\$ 183,847
Accrued wages and vacation	194,923
Total current liabilities	<u>378,770</u>

**Net assets:**

Unrestricted	1,107,694
Temporarily restricted	56,715
Permanently restricted	-
	<u>1,164,409</u>

TOTAL LIABILITIES AND NET ASSETS \$ 1,543,179

The accompanying notes are an integral part of these financial statements

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

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**Changes in unrestricted net assets**

Revenues:	
Federal grants	\$ 3,477,075
State grants	591,134
Local support	1,462,701
In-Kind contributions	245,776
Net assets released from restriction	<u>94,756</u>
Total unrestricted revenues	<u>5,871,442</u>
Expenses:	
Program services	5,004,888
Management and general	533,878
Fundraising	<u>108,714</u>
Total expenses	<u>5,647,480</u>
<b>Increase in unrestricted net assets</b>	<u>223,962</u>
<b>Changes in temporarily restricted net assets</b>	
Contributions - temporarily restricted	86,715
Net assets released from restrictions	<u>(94,756)</u>
<b>Decrease in temporarily restricted net assets</b>	<u>(8,041)</u>
<b>Changes in permanently restricted net assets</b>	
Contributions - permanently restricted	-
Interest income - permanently restricted	<u>-</u>
<b>Increase in permanently restricted net assets</b>	<u>-</u>
<b>Increase in net assets</b>	<u>215,921</u>
<b>Net assets, beginning of year</b>	<u>948,488</u>
<b>Net assets, end of year</b>	<u>\$ 1,164,409</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Program Services</u>	<u>Mgmt. and General</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Salaries	\$ 3,205,172	\$ 267,776	\$ 54,458	\$ 3,527,406
Payroll taxes	45,124	3,836	573	49,533
Employee benefits	411,134	41,836	5,705	458,675
Total salaries and related expenses	<u>3,661,430</u>	<u>313,448</u>	<u>60,736</u>	<u>4,035,614</u>
Curriculum	199,871	-	-	199,871
Fundraising	-	-	41,155	41,155
Insurance	16,916	23,350	-	40,266
Misc.	49,416	2,068	3,520	55,004
Lease expense	-	15,736	-	15,736
Professional services	550,155	150,577	-	700,732
Supplies	443,440	15,191	583	459,214
Travel	81,706	12,395	2,720	96,821
Office expense	1,954	1,113	-	3,067
Total expenses	<u>\$ 5,004,888</u>	<u>\$ 533,878</u>	<u>\$ 108,714</u>	<u>\$ 5,647,480</u>

The accompanying notes are an integral part of these financial statements



**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014

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<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 215,921
Adjustments to reconcile change in net assets to cash from operating activities:	
Increase in due from state	(356,412)
Increase in grants and other receivables	(14,735)
Increase in accounts payable	89,639
Increase in accrued wages and vacation	<u>33,303</u>
Net adjustments	<u>(248,205)</u>
Net cash flows from operating activities	<u>(32,284)</u>
<b>Cash flows from investing activities:</b>	-
<b>Cash flows from financing activities:</b>	-
Net decrease in cash and cash equivalents	(32,284)
Cash and cash equivalents, beginning of year	<u>708,135</u>
Cash and cash equivalents, end of year	<u>\$ 675,851</u>

The accompanying notes are an integral part of these financial statements

# COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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

#### Nature of Activities

Established in 1993, Communities In Schools of North Texas, Inc. ("CISNT") is a school-based dropout prevention program offered to socio-economically disadvantaged and at-risk students living in situations that put them at-risk for academic failure. The mission of CISNT is to surround students with a community of support, empowering them to stay in school and achieve in life. CISNT uses an in-school multi-disciplinary approach to decrease the dropout rate in Denton ISD, Lake Dallas ISD, Lewisville ISD, Little Elm ISD and Northwest ISD across Denton and Wise counties. This is accomplished through CISNT staff addressing the needs of the total child, determine what a student may require to stay and succeed in school, and deliver those services and/or resources.

#### Promises to Give

Contributions are recognized when the donor makes a promise to give to CISNT that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### Contributed Services and In-Kind Donations

No amounts have been reflected in the financial statements for donated services. CISNT generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist CISNT, but these services do not meet the criteria for recognition as contributed services. In-Kind donations of supplies, clothing and food are recorded at their estimated fair market value when received.

#### 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.

#### Property and Equipment

CISNT capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

#### Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the existence or nature of any donor restrictions.

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC.**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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

Income Taxes

CISNT is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents

For purposes of the statements of cash flows, CISNT considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

CISNT values cash, cash equivalents, receivables and current liabilities at their carrying amounts reported in the financial statements due to the short maturities of those instruments.

Functional Allocation of Expense

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

Fiscal Agent

CISNT uses Northwest Independent School District ("NWISD") as its fiscal agent. As fiscal agent, NWISD maintains CISNT's funds within NWISD bank accounts and includes CISNT's income and expenses in NWISD's financial statements. CISNT's employees are considered employees of NWISD and eligible for Teacher Retirement benefits (see Note 5).

Date of Management's Review

Management has evaluated subsequent events through November 17, 2014, the date on which the financial statements were available to be issued.

**NOTE 2 – RESTRICTIONS ON NET ASSETS**

Temporary restrictions on net assets at June 30, 2014 are related to funds raised through grants restricting the use of funds and restrictions on grants for subsequent periods.

Temporarily restricted net assets are available for the following purposes or periods at June 30, 2014:

For a specific program	\$ 2,715
For subsequent periods	<u>54,000</u>
Total	<u>\$ 56,715</u>

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC.**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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**NOTE 3 – GRANTS RECEIVABLE**

Grants receivable consists of the following at June 30, 2014:

Government Grants	\$ 27,222
United Way Grants	72,833
Corporate Grant	<u>23,500</u>
Total	\$ <u>123,555</u>

**NOTE 4 – DUE FROM STATE**

Due from State represents amounts due under reimbursable Federal grants administered through the Texas Education Agency and consist of the following at June 30, 2014:

21 <sup>st</sup> Century Learning Centers	\$ 713,162
TANF	3,014
TEA Formula	<u>23,891</u>
Total	\$ <u>740,067</u>

**NOTE 5 – PENSION PLAN**

Plan Description - CISNT contributes to the Teacher Retirement System of Texas (the System), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by CISNT, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates under the authority of provisions contained primarily in Texas Government code, Title 8, Public Retirement Systems, Subtitle C, Teacher Retirement System of Texas, which is subject to amendment by the Texas Legislature. The System's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 233-8778.

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC.**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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**NOTE 5 – PENSION PLAN (Continued)**

Funding Policy - Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.8% of CISNT's covered payroll. In certain instances CISNT is required to make all or a portion of the state's 6.8% contribution. Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system during that fiscal year; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. The amount contributed by the State, for the year ended June 30, 2014 was \$193,749.

**NOTE 6 – LEASE**

The Organization entered into a lease agreement for office space beginning June 2014. The organization had previously shared administrative offices with the Lewisville Independent School District. The lease expires in May 2019. The future minimum lease payments under this lease agreement at June 30, 2014 are as follows:

2015	\$	50,182
2016		52,190
2017		52,268
2018		53,124
2019		48,697
Thereafter		-
Total	\$	<u>256,461</u>

Office rent expense totaled \$4,167 for the year ended June 30, 2014.

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INDEPENDENT AUDITORS' 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

To the Board of Directors  
Communities in Schools of North Texas, Inc.  
Lewisville, 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 North Texas, Inc., which comprise the statement of financial position as of June 30, 2014, 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 dated November 17, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Communities in Schools of North Texas, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Communities in Schools of North Texas, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 organization'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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Communities in Schools of North Texas, 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 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 the 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.

*Hankins, Eastup, Deaton, Tonn & Seay*  
Hankins, Eastup, Deaton, Tonn & Seay, PC  
A Professional Corporation  
Certified Public Accountants  
Denton, Texas

November 17, 2014



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors  
Communities in Schools of North Texas, Inc.  
Lewisville, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Communities in Schools of North Texas, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Communities in Schools of North Texas, Inc.'s major federal programs for the year ended June 30, 2014. Communities in Schools of North Texas, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of finding and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Communities in Schools of North Texas, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Communities in Schools of North Texas, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Communities in Schools of North Texas, Inc.'s compliance.



## ***Opinion on Each Major Federal Program***

In our opinion, Communities in Schools of North Texas, Inc. 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 federal programs for the year ended June 30, 2014.

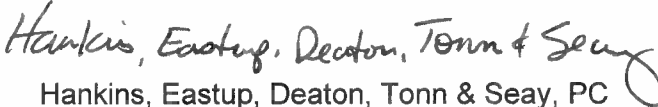
## **Report on Internal Control Over Compliance**

Management of Communities in Schools of North Texas, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Communities in Schools of North Texas, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Communities in Schools of North Texas, Inc.'s 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 federal 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 federal 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 federal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Hankins, Eastup, Deaton, Tonn & Seay, PC  
A Professional Corporation  
Certified Public Accountants  
Denton, Texas

November 17, 2014

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.
2. Internal control over financial reporting:  
Material weakness(es) identified: None  
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
3. Noncompliance which is material to the financial statements: None
4. Internal controls over major federal programs:  
Material weakness(es) identified: None  
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
5. Type of auditor's report on compliance for major federal programs: Unmodified.
6. Did the audit disclose findings which are required to be reported under Section .510(a)2-7 of OMB Circular A-133: No
7. Major programs include:  

CFDA 84.287	Twenty-First Century Community Learning Centers
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8. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Other Findings

None

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC.**

**SCHEDULE OF STATUS OF PRIOR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

**FINDING/NONCOMPLIANCE**

None

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC.**

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2014**

**CORRECTIVE ACTION PLAN**

None required

**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
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**U.S. DEPARTMENT OF EDUCATION**

Passed Through State Department of Education

Twenty-First Century Community Learning Centers	84.287	6950197110006	\$ 1,755,601
Twenty-First Century Community Learning Centers	84.287	6950167110013	1,544,831
Twenty-First Century Community Learning Centers	84.287	6950127110006	<u>31,855</u>
<b>Total Twenty-First Century Community Learning Centers</b>			<u>3,332,287</u>
<b>Total U. S. Department of Education</b>			<u>3,332,287</u>

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Passed Through State Department of Education

Temporary Assistance for Needy Families	93.558	3630027120019	70,373
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Passed Through State Health and Human Services Commission

Refugee and Entrant Assistance_Discretionary Grants	93.576	529-13-0049-00005A	<u>76,513</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>146,886</u>

**U.S. DEPARTMENT OF JUSTICE**

Passed Through Communities in Schools

Juvenile Mentoring Program	16.726	N/A	<u>68,676</u>
<b>Total U. S. Department of Justice</b>			<u>68,676</u>

<b>Total Expenditures of Federal Awards</b>	<b>\$ <u>3,547,849</u></b>
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**COMMUNITIES IN SCHOOLS OF NORTH TEXAS, INC.**

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2014

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Communities in Schools of North Texas, Inc. under programs of the federal government for the year ended June 30, 2014. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Communities in Schools of North Texas, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Communities in Schools of North Texas, Inc.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.