

Financial Statements

Communities In Schools of Jacksonville, Inc.

*Years Ended June 30, 2025 and 2024
with Independent Auditor's Report*

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Independent Auditor's Report

Board of Directors
Communities In Schools of Jacksonville, Inc.
Jacksonville, Florida

Opinion

We have audited the accompanying financial statements of Communities In Schools of Jacksonville, Inc. (a nonprofit Corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Communities In Schools of Jacksonville, Inc. as of June 30, 2025, and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Communities In Schools of Jacksonville, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Communities In Schools of Jacksonville, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment 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 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 Communities In Schools of Jacksonville, 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, in our judgment, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Communities In Schools of Jacksonville, Inc.'s ability to continue as a going concern for a reasonable period of time.

Board of Directors
Communities In Schools of Jacksonville, Inc.
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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.

Jacksonville, Florida
October 27, 2025

Communities In Schools of Jacksonville, Inc.
 Statements of Financial Position
 June 30, 2025 and 2024

Assets	2025	2024
Current Assets:		
Cash and cash equivalents - unrestricted		
Operating	\$ 33,265	\$ 101,796
Cash in investment account	<u>226,363</u>	<u>83,478</u>
Total Cash and Cash Equivalents - Unrestricted	<u>259,628</u>	<u>185,274</u>
Pledges and support receivable	1,069,345	1,119,886
Other receivables	-	-
Employee receivable	-	5,000
Current portion of operating lease right-of-use asset	170,176	160,541
Prepaid expenses	6,019	17,870
Investments	3,779,272	3,288,807
Investments - restricted	<u>260,350</u>	<u>270,000</u>
Total Current Assets	<u>5,544,790</u>	<u>5,047,378</u>
Property and equipment, net	138,647	119,654
Other Assets:		
Operating lease right-of-use asset	920,753	1,047,044
Beneficial interest in asset held by community foundation	<u>1,266,744</u>	<u>100,496</u>
Total Other Assets	<u>2,187,497</u>	<u>1,147,540</u>
Total Assets	<u>\$ 7,870,934</u>	<u>\$ 6,314,572</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 309,654	\$ 338,779
Current portion of operating lease liability	\$ 170,176	\$ 160,541
Refundable advance	101,500	-
Line of credit	<u>(84)</u>	<u>1,100</u>
Total Current Liabilities	<u>581,246</u>	<u>500,420</u>
Long Term Liabilities:		
Operating lease liability	<u>\$ 920,753</u>	<u>\$ 1,047,044</u>
Total Long Term Liabilities	<u>\$ 920,753</u>	<u>\$ 1,047,044</u>
Net Assets		
With Donor Restrictions	1,428,771	270,000
Without Donor Restriction	<u>4,940,164</u>	<u>4,497,108</u>
Total Net Assets	<u>6,368,935</u>	<u>4,767,108</u>
Total Liabilities and Net Assets	<u>\$ 7,870,934</u>	<u>\$ 6,314,572</u>

See accompanying notes to financial statements.

Communities In Schools of Jacksonville, Inc.
 Statements of Activities
 Year Ended June 30, 2025

	Without Donor Restriction	With Donor Restriction	Total
Revenue and Other Support			
Contributions and grants	\$ 10,159,179	\$ 190,000	\$ 10,349,179
Net assets released from restriction	\$ 199,650	(199,650)	-
In-kind contributions	90,136		90,136
Endowment Contributions		1,099,280	1,099,280
Investment income, net of fees	167,923		167,923
Endowment earnings, net of fees	10,076	69,141	79,217
Gain (loss) on investments	<u>159,704</u>	-	<u>159,704</u>
Total Revenue and Other Support	<u>10,786,668</u>	<u>1,158,771</u>	<u>11,945,439</u>
Expenses			
Program services	9,167,437	-	9,167,437
Supporting services - management and general	889,944	-	889,944
Fund and resource development	<u>286,231</u>	-	<u>286,231</u>
Total Expenses	<u>10,343,612</u>	-	<u>10,343,612</u>
Change in net assets from operations	443,056	1,158,771	1,601,827
Net Assets, Beginning of Year	<u>4,497,108</u>	<u>270,000</u>	<u>4,767,108</u>
Net Assets, End of Year	<u>\$ 4,940,164</u>	<u>\$ 1,428,771</u>	<u>\$ 6,368,935</u>

See accompanying notes to financial statements.

Communities In Schools of Jacksonville, Inc.
 Statements of Activities
 Year Ended June 30, 2024

	Without Donor Restriction	With Donor Restriction	Total
Revenue and Other Support			
Contributions and grants	\$ 9,191,799	\$ 320,000	\$ 9,511,799
Net assets released from restriction	\$ 50,000	(50,000)	-
In-kind contributions	214,471	-	214,471
Miscellaneous	-		
Endowment earnings, net of fees	496	-	496
Gain (loss) on investments	112,745	-	112,745
 Total Revenue and Other Support	 9,690,063	 270,000	 9,960,063
 Expenses			
Program services	8,988,429	-	8,988,429
Supporting services - management and general	873,358	-	873,358
Fund and resource development	251,965	-	251,965
 Total Expenses	 10,113,752	 -	 10,113,752
 Change in net assets from operations	 (423,689)	 270,000	 (153,689)
Employee Retention Credit	-	-	-
Payroll protection plan loan forgiven	-	-	-
 Change in Net Assets	 (423,689)	 270,000	 (153,689)
 Net Assets, Beginning of Year	 4,920,797	 -	 4,920,797
 Net Assets, End of Year	 \$ 4,497,108	 \$ 270,000	 \$ 4,767,108

See accompanying notes to financial statements.

Communities In Schools of Jacksonville, Inc.
 Statement of Functional Expenses
 Year Ended June 30, 2025

	Program Services	Supporting Services Management and General	Fund and Resource Development	Total
Computer and technology	\$ 19,811	\$ 879	\$ -	\$ 20,690
Conferences, conventions, and meetings	16,726	3,765	437	20,929
Contracted services	9,233	8,722	11,925	29,880
Depreciation	-	15,715	-	15,715
Employee benefits	1,071,573	202,429	42,265	1,316,267
Events	-	-	57,748	57,748
Insurance	80,985	61,095	-	142,080
Interest	3,494	523	-	4,017
Miscellaneous	1,153	17,090	37,735	55,978
Occupancy	132,083	18,199	-	150,282
Professional fees	849,528	90,226	-	939,754
Rental and maintenance of equipment	-	58,181	-	58,181
Salaries	6,073,286	335,245	128,281	6,536,812
Specific assistance to students	332,045	-	-	332,045
Supplies	358,256	41,733	5,233	405,222
Telephone	38,426	35,411	1,508	75,345
Travel and transportation	180,838	730	1,099	182,667
Total Expenses	\$ 9,167,437	\$ 889,944	\$ 286,231	\$ 10,343,612

See accompanying notes to financial statements.

Communities In Schools of Jacksonville, Inc.
 Statement of Functional Expenses
 Year Ended June 30, 2024

	Program Services	Supporting Services	Management and General	Fund and Resource Development	Total
Computer and technology	\$ 15,096	\$ 669	\$ -	\$ 15,765	
Conferences, conventions, and meetings	47,168	10,619	1,234	59,021	
Contracted services	10,689	10,098	13,806	34,593	
Depreciation	-	16,235	-	16,235	
Employee benefits	1,013,717	191,500	39,983	1,245,200	
Events	-	-	34,254	34,254	
Insurance	70,608	53,267	-	123,875	
Interest	931	139	-	1,070	
Miscellaneous	838	12,416	27,414	40,668	
Occupancy	138,087	19,026	-	157,113	
Postage and shipping	-	-	-	-	
Printing and copying	-	-	-	-	
Professional fees	748,093	79,453	-	827,546	
Rental and maintenance of equipment	-	54,194	-	54,194	
Salaries	5,951,412	328,517	125,707	6,405,636	
Specific assistance to students	347,876	-	-	347,876	
Supplies	500,278	58,277	7,307	565,862	
Telephone	41,817	38,537	1,641	81,995	
Travel and transportation	101,819	411	619	102,849	
Total Expenses	<u>\$ 8,988,429</u>	<u>\$ 873,358</u>	<u>\$ 251,965</u>	<u>\$ 10,113,752</u>	

See accompanying notes to financial statements.

Communities In Schools of Jacksonville, Inc.
 Statements of Cash Flows
 Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 1,601,827	\$ (153,689)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	15,715	16,235
Changes in operating assets and liabilities:		
Unrealized (gain) loss on investments	(119,493)	(112,742)
(Gain) loss on sale of investments	(40,211)	(3)
(Increase) decrease in pledges receivable	50,541	(66,398)
(Increase) decrease in other receivables	-	1,048,494
(Increase) decrease in employee receivable	5,000	(5,000)
(Increase) decrease in prepaid expenses	11,851	(2,109)
Increase (decrease) in accounts payable	(29,125)	42,954
Increase (decrease) in refundable advance	101,500	-
Deferred revenues	-	(45,000)
Net Cash Provided by (used in) Operating Activities	<u>1,597,605</u>	<u>722,742</u>
Cash Flows from Investing Activities		
(Purchase) of property and equipment	(34,708)	(20,405)
(Purchase) sale of investments	<u>(321,111)</u>	<u>(1,151,279)</u>
Net Cash Provided by (used in) Investing Activities	<u>(355,819)</u>	<u>(1,171,684)</u>
Cash Flows from Financing Activities		
(Increase) decrease in endowment fund	(1,166,248)	(100,496)
Borrowings on line of credit	500,000	201,100
Payments on line of credit	<u>(501,184)</u>	<u>(200,000)</u>
Net Cash from Financing Activities	<u>(1,167,432)</u>	<u>(99,396)</u>
Net Increase in Cash and Cash Equivalents	74,354	(548,338)
Cash - Beginning of Year	<u>185,274</u>	<u>733,612</u>
Cash - End of Year	<u>\$ 259,628</u>	<u>\$ 185,274</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for interest	\$ 4,017	\$ 1,070
Amortization of operating lease right-of-use asset	160,541	161,310

See accompanying notes to financial statements.

Communities In Schools of Jacksonville, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Note A - Organization

Communities In Schools of Jacksonville, Inc. (the “Corporation”), a nonprofit corporation, was incorporated under the laws of the State of Florida on December 26, 1989. The Corporation is dedicated to coordinating human services and delivering them to at-risk youth in Jacksonville, Florida and to their families through the supportive environment of the public schools or alternate education sites. The Corporation endeavors to enable such youth and their families to have access to a broad range of needed social and educational services by establishing a coordinated delivery system of resources within an educational setting. The objective of the Corporation is to reduce the number of school dropouts in Jacksonville, Florida.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting. Assets expendable only for purposes specified by the grantor are reported as “with donor restriction”. The accounting and reporting policies of the Corporation conform to generally accepted accounting principles and to general practices of not-for-profit organizations.

Cash and Cash Equivalents

The Corporation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Cash consists of cash on hand and deposits in the bank. Cash equivalents consist of money market funds.

Investments

The Corporation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investments include \$260,350 of restricted funds for year ending June 30, 2025, and \$270,000 for year ending June 30, 2024.

Pledges and Support Receivable

The Corporation records pledge and support commitments at their estimated net realizable value.

Communities In Schools of Jacksonville, Inc.
Notes to Financial Statements (continued)
June 30, 2025 and 2024

Note B - Summary of Significant Accounting Policies (continued)

Fair Value Measurements

The Corporation follows professional standards for financial assets and liabilities. The standards establish a fair-value hierarchy that prioritizes inputs to valuation techniques used to measure fair values. The hierarchy consists of three broad levels:

1. Level 1 is comprised of inputs from unadjusted quoted prices in active markets for identical assets and liabilities and has the highest priority.
2. Level 2 is based upon observable inputs other than quoted market prices.
3. Level 3 is based upon speculation from unobservable inputs.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property and equipment, at estimated fair market value at the date of donation. Property and equipment with a cost in excess of \$1,000 is considered for capitalization. Depreciation is recorded using the straight-line method over estimated useful lives of the respective assets. Maintenance and repairs are expensed as incurred.

Income Taxes

The Corporation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax is required.

Support and Revenue Recognition

The Corporation recognizes contributions received, including unconditional promises to give, as assets and revenue in the period received at their fair values. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or that are restricted by the donor for specific purposes are reported as “with donor restriction” support which increase that net asset class. When donor restrictions expire, donor restricted net assets are reclassified to “without donor restriction” net assets and are reported in the Statement of Activities as “net assets released from donor restrictions”. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Corporation reports the support as “without donor restriction”.

During the year ended June 30, 2021, the Corporation considered the impact of *ASC 606 Revenue Recognition*. As the Standard does not apply to contribution revenue, which includes the grants received by the Corporation, the Standard did not have a material impact on the financial statements.

Communities In Schools of Jacksonville, Inc.
Notes to Financial Statements (continued)
June 30, 2025 and 2024

Note B - Summary of Significant Accounting Policies (continued)

Contributions

Donated supplies, equipment, facilities, space, and professional services are reflected in the accompanying financial statements at their estimated values at the date of receipt. Such contributions in-kind totaled \$90,136 and \$214,471 for the years ended June 30, 2025 and 2024, respectively. Of these totals, \$20,687 and \$35,726 represented the value of discounted rent for office space for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025, all of the contributed items had been distributed.

In addition, certain volunteer workers have donated periodic services to the Corporation to help accomplish its mission. No amounts have been reflected in the financial statements for these volunteer services as no objective basis is available to measure the value of such services.

Allocation of Costs

Personnel costs are allocated among program and support categories based on employee function. Other expenses are allocated based on purpose of the expenditure.

Fund-Raising Expense

Total fund-raising expense for the years ended June 30, 2025 and 2024 was \$286,231 and \$251,965.

Use of 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.

Date of Management's Review

Subsequent events have been evaluated through October 27, 2025, which is the date the financial statements were available to be issued.

Adoption of New Accounting Pronouncements

While there are many new accounting pronouncements issued that the Corporation has adopted or will be adopting in the near future, the following pronouncements have the most direct impact on the Corporation's financial statements.

Communities In Schools of Jacksonville, Inc.
Notes to Financial Statements (continued)
June 30, 2025 and 2024

Note B - Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Pronouncements (continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Codification Improvements*. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the Statement of Financial Position.

The Company elected to adopt these ASUs effective June 30, 2023 and utilized all of the available practical expedients. The adoption had a material impact on the Company's Statement of Financial Position, but did not have a material impact on the Statement of Activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard required the Company to restate amounts as of June 30, 2023 resulting in an increase in operating lease ROU asset of \$1,368,895, an increase in operating lease liabilities of \$1,368,895.

In June 2018, the FASB issued ASU 2018-08 *Not-for-Profit Entities (Topic 958-605)* clarifying the accounting guidance for contributions received and contributions made to further improve the scope and the accounting guidance on revenue recognition, to assist entities in distinguishing between contributions (non-reciprocal) and exchange (reciprocal) transactions, and to determine whether a contribution is conditional. The effective date of the pronouncement was delayed to the fiscal year ending June 30, 2021 and has been implemented. Due to the nature of its funding contracts, the Corporation has deemed them to be nonreciprocal (contribution) contracts.

Note C- Liquidity Considerations

The Corporation maintains brokerage accounts which do have various stock investments. The overall strategy of the accounts is to provide increased return through dividends. The investments are utilized when needed to provide operating cash for the Corporation. The investment balances within the accounts at June 30, 2025 and 2024 was \$4,039,622 and \$3,558,807, respectively.

Included in net assets without donor restrictions at June 30, 2025 and 2024 is \$138,647 and \$119,654, respectively, which is the Corporation's investment in fixed assets that is not available to spend on current operations.

Note D – Remaining Tax Years Subject to Examination

The Corporation is no longer subject to tax examinations by the Internal Revenue Service for years before year end June 30, 2021.

Communities In Schools of Jacksonville, Inc.
Notes to Financial Statements (continued)
June 30, 2025 and 2024

Note E - Pledges and Support Receivable

Pledges and support receivable at June 30, 2025 and 2024 are expected to be received by the Corporation within the following time periods:

	<u>2025</u>	<u>2024</u>
Less than one year	<u>\$ 1,069,345</u>	\$ 1,119,886
One to five years	-	-
	<u>\$ 1,069,345</u>	<u>\$ 1,119,886</u>

The Corporation receives a concentration of its funding by various grant programs through the City of Jacksonville, Florida, Kid's Hope Alliance. This funding represented 55.5% and 53.6% of the overall contributions and grants received by the Corporation during the years ended June 30, 2025 and 2024, respectively. Additionally, payments by the Duval County Public Schools represented 16.1% and 19.7% of the overall contributions and grants received for the years ended June 30, 2025 and 2024, respectively. Further, the Jacksonville Kid's Hope Alliance funding represented 70.4% and 66.5% of the pledges and support receivable as of June 30, 2025 and 2024, while receivables from the Duval County Public Schools represented 19.9% and 18.7% of the accounts receivable as of June 30, 2025 and 2024, respectively.

Note F - Endowment

The Corporation started an endowment fund in February of 2024 that will be established and maintained as a permanent endowed fund with The Community Foundation for Northeast Florida, (a Florida not-for-profit corporation located in Jacksonville, Florida.) The Foundation may use the Fund only for religious, charitable, scientific, literacy and educational purposes in furtherance of the charitable incentives of the Corporation. The endowment currently includes funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Corporation has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Corporation classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted

Communities In Schools of Jacksonville, Inc.
Notes to Financial Statements (continued)
June 30, 2025 and 2024

Note F – Endowment (continued)

endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Corporation, and (7) the Corporation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Corporation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Corporation expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Corporation has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value of the prior 20 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Corporation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions and the possible effects of inflation. The Corporation expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3% annually, which is consistent with the Corporation's objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through investment return. Since the endowment was established after September 30, 2023, distributions for grantmaking will not begin until calendar year 2025. As of June 30, 2024 the full balance of the fund was invested in the endowment and not available for grantmaking. The fund will receive the first calculation of availability in January 2025. As of June 30, 2025, \$4,151 was available for grantmaking.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Corporation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

Communities In Schools of Jacksonville, Inc.
 Notes to Financial Statements (continued)
 June 30, 2025 and 2024

Note F – Endowment (continued)

Endowment net asset composition by type of fund as of June 30, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds	\$ -	\$ 1,168,421	\$ 1,168,421
Board-designated endowment funds	<u>110,572</u>	-	<u>110,572</u>
Total Funds	<u>\$ 110,572</u>	<u>\$ 1,168,421</u>	<u>\$ 1,278,993</u>

Endowment net asset composition by type of fund as of June 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds	\$ -	\$ -	\$ -
Board-designated endowment funds	<u>100,496</u>	-	<u>100,496</u>
Total Funds	<u>\$ 100,496</u>	<u>\$ -</u>	<u>\$ 100,496</u>

At June 30, 2025, total endowment net assets of \$1,278,993 reconcile to endowment investments of \$1,266,744 and pledges receivable of \$12,250 expected to be collected within one year.

Changes in endowment net assets as of June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ 100,496	\$ -	\$ 100,496
Contributions with Donor Restrictions	-	1,087,030	1,087,030
Pledges receivable	-	12,250	12,250
Investment return, net	10,076	69,141	79,217
Amounts appropriated for expenditure	-	-	-
	<u>\$ 110,572</u>	<u>\$ 1,168,421</u>	<u>\$ 1,278,993</u>

Communities In Schools of Jacksonville, Inc.
 Notes to Financial Statements (continued)
 June 30, 2025 and 2024

Note F – Endowment (continued)

Changes in endowment net assets as of June 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Contribution of Board designated funds	100,000	-	100,000
Investment return, net	496	-	496
Amounts appropriated for expenditure	-	-	-
	<u>\$ 100,496</u>	<u>\$ -</u>	<u>\$ 100,496</u>

Note G – Property and Equipment

Depreciation expense for the years ended June 30, 2025 and 2024 was \$15,715 and \$16,235, respectively. The estimated carrying value of property and equipment as of June 30, 2025 and 2024 is as follows:

	2025	2024
Furniture and equipment	\$ 205,569	\$ 170,860
Less accumulated depreciation	<u>66,922</u>	<u>51,206</u>
	<u><u>\$ 138,647</u></u>	<u><u>\$ 119,654</u></u>

Note H – Line of Credit

In addition to its investment account, the Corporation has a line of credit with Wells Fargo Bank, N.A. The line of credit carried an interest rate 7.00% per annum at June 30, 2025 and a 8.00% per annum as of June 30, 2024. The maximum amount of the line of credit is governed by the level of investments of the Corporation that are managed by Wells Fargo Bank, N.A. Based on this criteria, the Corporation's line of credit had a ceiling of approximately \$2,650,219 and \$2,268,088 as of June 30, 2025, and 2024, respectively. As long as the Corporation maintains sufficient collateral to support the line of credit, there are no payment stipulations. As of June 30, 2025, the Corporations balance on the line of credit was a negative \$84 as they had a overpayment. As of June 30, 2024, the Corporation's balance on the line of credit was \$1,100. The Corporation incurred \$4,017 and \$1,070 of interest expense during the years ended June 30, 2025, and 2024, respectively.

Communities In Schools of Jacksonville, Inc.
 Notes to Financial Statements (continued)
 June 30, 2025 and 2024

Note I - Contributions and Grants

Unrestricted and restricted contributions and grants in the accompanying Statements of Activities for 2025 and 2024 consist of the following:

	Without Donor Restrictions (2025)	With Donor Restrictions (2025)	Total 2025	Without Donor Restrictions (2024)	With Donor Restrictions (2024)	Total 2024
	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 1,500
Adams, Arthur	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 1,500
Anonymous Donor	100,000	100,000	200,000	50,000	200,000	250,000
Arlington Optimist Club	-	-	-	3,665	-	3,665
Arthur, Tracy	2,623	4,041	6,664	2,450	-	2,450
Arthur Vining Davis Foundation	10,000	-	10,000	10,000	-	10,000
Baltazar, Jerome	-	-	-	2,768	-	2,768
BKS Partners	-	-	-	1,500	-	1,500
Bank of America Foundation	33,100	-	33,100	48,100	-	48,100
Barrett, Martha	-	10,000	10,000	-	-	-
Baxton, Leon	1,241	5,000	6,241	1,615	-	1,615
BestBet	-	-	-	1,000	-	1,000
Bi-Lo Winn-Dixie Foundation	10,000	-	10,000	-	-	-
Boeing Company	50,812	-	50,812	50,000	-	50,000
Bridgemont Wealth of NFLA Financial Partners	2,500		2,500	-	-	-
Coach Foundation	-	70,000	70,000	36,098	70,000	106,098
Communities in Schools - Florida	-	-	-	42,000	-	42,000
Community Foundation of Northeast Florida	10,000	20,000	30,000	30,000	-	30,000
CROP Media - In-Kind	5,000	-	5,000	-	-	-
CSX Corporation	2,500	-	2,500	2,500	-	2,500
Daigle Creative	625	-	625	-	-	-
Daigle Creative - In-Kind	1,890	-	1,890	-	-	-
Delores Barr Weaver Fund	25,000	-	25,000	25,000	-	25,000
Denk, Megan	-	-	-	1,040	-	1,040
Dubow Family Foundation	69,500	-	69,500	69,500	-	69,500
Duval County Public Schools - Student Enrichment	1,674,779	-	1,674,779	1,821,765	-	1,821,765
Edelman Family Advised Fund	-	10,000	10,000	-	-	-
Edna Sproull Williams Foundation	15,000	-	15,000	15,000	-	15,000
Everbank	5,000	-	5,000	20,000	-	20,000
Feeding Northeast Florida - In-Kind	38,959	-	38,959	149,038	-	149,038
Fidelity Investments	2,500	-	2,500	-	-	-
Fidelity National Financial	10,000	-	10,000	2,500	-	2,500
First Coast Career Source	-	-	-	97,500	-	97,500
First Coast Energy, LLP	2,500	-	2,500	-	-	-
Florida Blue - In-Kind	20,687	-	20,687	35,726	-	35,726
Gooding - Bell Endowment	2,000	-	2,000	2,000	-	2,000
Haskell	2,857	-	2,857	2,500	-	2,500
Horton, Abena	1,156	5,000	6,156	-	-	-
ICE	-	-	-	5,000	-	5,000
I'm A Star Foundation	2,041	-	2,041	1,500	-	1,500

Communities In Schools of Jacksonville, Inc
Notes to Financial Statements (continued)
June 30, 2025 and 2024

Note I - Contributions and Grants (continued)

	Without Donor Restrictions (2025)	With Donor Restrictions (2025)	Total 2025	Without Donor Restrictions (2024)	With Donor Restrictions (2024)	Total 2024
Jackson Walker, LLP	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
Jacksonville Aviation Authority	2,500	-	2,500	1,500	-	1,500
Jacksonville Jaguars Foundation, Inc.	3,500	-	3,500	1,000	-	1,000
Jim Moran Foundation	367,000	1,000,000	1,367,000	357,500	-	357,500
Johnson and Johnson	35,000	-	35,000	21,852	-	21,852
Kid's Hope Alliance	5,787,583	-	5,787,583	4,960,129	-	4,960,129
Kimmie Winston Advised Fund	5,000	-	5,000	5,000	-	5,000
Krishnamurthy, Aneesa	1,366	-	1,366	-	-	-
Lastinger Family Foundation	35,000	-	35,000	40,000	-	40,000
Linda Edwards	1,125		1,125	-	-	-
Lucy Gooding Charitable Foundation Trust	230,000	-	230,000	130,000	-	130,000
Martin, Cheryl & Sonny	2,376	-	2,376	1,862	-	1,862
Miller Electric Company	1,000	-	1,000	1,000	-	1,000
Mitchell, John	-	2,082	2,082	2,636	-	2,636
Nimnicht Chevrolet	25,550	-	25,550	10,375	-	10,375
PGA Tour	-	-	-	15,000	-	15,000
Plotkin, Jay	-	2,000	2,000	-	-	-
Pratt-Dannals, Ed	4,912	10,000	14,912	2,500	-	2,500
Publix Corporation	5,000	-	5,000	5,000	-	5,000
SoFi - In-Kind	-	-	-	1,098	-	1,098
Reynolds, Smith & Hills	7,500	-	7,500	5,000	-	5,000
Rotary Club of South Jacksonville	2,000	-	2,000	-	-	-
Sanders, Mr. & Mrs. Ken	5,000	10,000	15,000	10,000	-	10,000
SEG Gives	-	-	-	10,000	-	10,000
Smith, Robert	10,612	25,000	35,612	-	-	-
Stewart, Michael	-	2,000	2,000	-	-	-
Susan and Edgar New Donor Advised Fund	1,500	-	1,500	-	-	-
Tapestry	5,149		5,149	-	-	-
Terracon	-	-	-	1,659	-	1,659
Tessie Family Fund	1,500	-	1,500	3,000	-	3,000
The Players Championship	13,164	-	13,164	-	-	-
Thomas & Irene Kirbo Charitable Foundation	7,500	-	7,500	7,500	-	7,500
TruTechnology - In-Kind	23,600	-	23,600	18,600	-	18,600
United Way - Unrestricted Contributions	2,947	-	2,947	2,054	-	2,054
United Way of Northeast Florida - Achievers for Life	925,449	-	925,449	870,533	-	870,533
Vulcan Materials	5,000	-	5,000	-	-	-
Volunteer Florida Foundation	573,577	-	573,577	416,721	-	416,721
Vystar	5,500	-	5,500	5,447	-	5,447
Warren and Augusta Hume Foundation	5,000	-	5,000	-	-	-
White, Tashima	3,500	2,000	5,500	-	-	-
Woolsey Morcom	3,564	10,000	13,564	-	-	-
Woolsley, Joshua	-	-	-	2,000	-	2,000
Other (\$1,000 or less)	38,071	2,157	40,228	15,039	-	15,039
Total Unrestricted Contributions and Grants	10,249,315	1,289,280	11,538,595	9,456,270	270,000	9,726,270
Total Contributions and Grants	\$ 10,249,315	\$ 1,289,280	\$ 11,538,595	\$ 9,456,270	\$ 270,000	\$ 9,726,270

Communities In Schools of Jacksonville, Inc.
 Notes to Financial Statements (continued)
 June 30, 2025 and 2024

Note J - Retirement Plan

The Corporation has adopted a discretionary 403(b) Retirement & Thrift Plan effective October 1, 1991 (the “Plan”). Eligible employees include all salaried full-time employees having completed one year of service or more. The Corporation makes base contributions to the Plan equal to 3% of participating employees’ base salaries. Also, the Corporation matches 100% of each employee’s voluntary contribution up to 2% of the employee’s base salary.

As of October 1, 2023 the employer contributions were changed and they now have a tax deferred annuity plan. The Corporation will now match 100% of the employees’ contributions that are not in excess of 6% of the employees’ compensation. Employer contributions are at the discretion of the Board of Directors and may be changed annually.

Employee contributions are always 100% vested. The Employer’s contributions are immediately vested 100%. The Plan was initially administered by Variable Annuity Life Insurance Company. During the year ended June 30, 2020, the administration was transferred to Principal Financial Group. Total employer contributions for the years ended June 30, 2025 and 2024 were approximately \$94,503 and \$97,790, respectively.

Note K – Investments

Fair market measurements of net assets as of June 30, 2025 and 2024 were as follows:

	2025			
	Total	Level 1	Level 2	Level 3
Managed Investment in Equity Securities	<u>\$4,039,622</u>	<u>\$4,039,622</u>	<u>\$ -</u>	<u>\$ -</u>
2024				
	Total	Level 1	Level 2	Level 3
Managed Investment in Equity Securities	<u>\$3,558,807</u>	<u>\$3,558,807</u>	<u>\$ -</u>	<u>\$ -</u>

The following schedule summarizes the investment return in the Statements of Activities:

	2025	2024
Interest and dividend income, net of fees	<u>\$ 167,923</u>	<u>\$ 120,552</u>
Net realized and unrealized gains (losses)	<u>159,704</u>	<u>112,746</u>
	<u>\$ 327,627</u>	<u>\$ 233,298</u>

Communities In Schools of Jacksonville, Inc.
Notes to Financial Statements (continued)
June 30, 2025 and 2024

Note K – Investments (continued)

Investment revenues are reported net of related external and direct internal investment expenses in the Statements of Activities. The amount of expenses netted with revenues was \$29,021 and \$23,034 for the years ended June 30, 2025 and 2024, respectively.

Note L – Cash in Excess of Insurance

The Corporation uses financial institutions in which it maintains cash balances, which at times may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash. Additionally, the Corporation had uninsured cash balances of \$0 as of June 30, 2025 and 2024, respectively.

Note M – Annual Leave

Under the Corporation's leave policy, annual vacation leave and sick leave continue to accrue under the same methods as the previous policy. However, annual vacation leave is not allowed to be carried over to future years. In order to facilitate employees with accumulated unused vacation leave, the revised policy allows for the carryover of the unused time. However, the revised policy requires the use of 40 hours of the unused time during each of the years, beginning with the year ended June 30, 2018, in addition to any time that is earned in those years. Any prior accumulation of time that is not used will be forfeited on an annual basis, such that the reduction in the accumulated balance of vacation leave will total 40 hours each year.

As of June 30, 2025 and 2024, the Corporation had no liability for compensated absences.

Note N – Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	<u>2025</u>	<u>2024</u>
Endowment Campaign	\$ 35,350	\$ 200,000
Afterschool Program & Scholarships	125,000	70,000
Workforce Program	100,000	-
Endowment Fund	<u>1,168,421</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 1,428,771</u>	<u>\$ 270,000</u>

Communities In Schools of Jacksonville, Inc.
 Notes to Financial Statements (continued)
 June 30, 2025 and 2024

Note O - Leases

The Company has operating leases of its offices, copiers, and computers. These leases have terms of three to ten years. Most leases include one or more options to renew, with renewal terms that can extend the lease term. The exercise of lease renewal options is at the Corporation's sole discretion. The renewal options have not been included in the amounts below as part of the Corporation's right-of-use assets and lease liabilities.

The following summarizes the line items in the Statements of Activities which include amounts for operating leases as of June 30, 2025 and 2024, respectively:

Operating Lease	2025	2024
Current Portion of right-of-use asset	\$ 170,176	\$ 160,541
Operating lease right-of-use asset	<u>920,753</u>	1,047,044
Total operating lease right-of-use asset	<u><u>\$ 1,090,929</u></u>	<u><u>\$ 1,207,585</u></u>
Current lease liability	\$ 170,176	\$ 160,541
Long term lease liability	<u>920,753</u>	1,047,044
Total operating lease liability	<u><u>\$ 1,090,929</u></u>	<u><u>\$ 1,207,585</u></u>

Other Information:

Lease assets obtained in exchange for lease obligations:

Operating lease	\$ 1,090,929	\$ 1,207,585
Weighted average remaining lease term (years)	6.99	7.87
Weighted average discount rate	4.11%	4.10%

Maturities of operating lease liabilities as of June 30, 2025 and 2024:

Year Ending June 30, 2025	\$ -	\$ 206,445
Year Ending June 30, 2026	211,869	201,854
Year Ending June 30, 2027	169,240	159,224
Year Ending June 30, 2028	169,240	159,224
Year Ending June 30, 2029	169,240	159,224
Year Ending June 30, 2030 and after	<u>538,260</u>	737,194
Total lease payments	<u>1,257,849</u>	1,416,720
Less: Interest	<u>166,920</u>	209,135
Present value of lease liabilities	<u><u>\$ 1,090,929</u></u>	<u><u>\$ 1,207,585</u></u>