

**Financial Statements and Supplementary Information  
and  
Reports as Required by the Comptroller  
General of the United States**

**Communities In Schools of Jacksonville, Inc.**

*Years Ended June 30, 2010 and 2009  
with Independent Auditors' Report*

## Contents

Independent Auditors' Report on Basic Financial Statements and Supplementary Information .....	2
<b>Financial Statements</b>	
Statements of Financial Position.....	4
Statement of Activities and Changes in Net Assets 2010.....	5
Statement of Activities and Changes in Net Assets 2009.....	6
Statement of Functional Expenses for 2010 .....	7
Statement of Functional Expenses for 2009 .....	8
Statements of Cash Flows.....	9
Notes to Financial Statements.....	10
<b>Other Reports</b>	
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 <i>Government Auditing Standards</i> .....	19
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	21
Schedule of Expenditures of Federal Awards for 2010 .....	24
Schedule of Source and Expenditure of City Grant Funds Per Ordinance Code Chapter 118.205(e).....	25
Notes to Schedules of Expenditures of Federal Awards and City of Jacksonville, Florida, Public Service Grant Assistance.....	31
Schedule of Findings and Questioned Costs.....	32



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS

**Independent Auditors' Report on Basic  
Financial Statements and Supplementary Information**

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

We have audited the accompanying statements of financial position of Communities In Schools of Jacksonville, Inc. (a nonprofit organization), as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2010, on our consideration of Communities In Schools of Jacksonville, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



**CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of expenditures of federal awards and the schedules of the City of Jacksonville, Florida Public Service Grant Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, and as required by the City of Jacksonville, Florida, Ordinance Section 118.301 and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Cornelius, Schou, Leone & Matteson, LLC

October 15, 2010

Communities In Schools of Jacksonville, Inc.  
 Statements of Financial Position  
 June 30, 2010 and 2009

<b>Assets</b>	<b>2010</b>	<b>2009</b>
<b>Current Assets:</b>		
Cash and cash equivalents		
Unrestricted	\$ 23,380	\$ 658,745
Restricted	<u>1,190</u>	<u>5,184</u>
Total cash and cash equivalents	<u>24,570</u>	663,929
Investments	445,011	177,122
Prepaid scholarships	8,506,523	8,121,166
Pledges and support receivable	712,576	560,521
Property and equipment, net	<u>96,810</u>	<u>110,052</u>
<b>Total Assets</b>	<b><u>\$9,785,490</u></b>	<b><u>\$9,632,790</u></b>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	<u>\$ 365,045</u>	<u>\$ 287,232</u>
 <b>Net Assets</b>		
Unrestricted	913,922	1,224,392
Temporarily restricted	<u>8,506,523</u>	<u>8,121,166</u>
<b>Total Net Assets</b>	<b><u>9,420,445</u></b>	<b><u>9,345,558</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$9,785,490</u></b>	<b><u>\$9,632,790</u></b>

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
Statement of Activities and Changes in Net Assets  
Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues and Other Support</b>			
Contributions and Grants	\$6,414,328	\$ 589,006	\$ 7,003,334
Event revenue	35,840	-	35,840
Investment income	13,667	-	13,667
Miscellaneous	17,309	-	17,309
Net assets released from restrictions	203,649	(203,649)	-
Gain (loss) on investments	(5,228)	-	(5,228)
<b>Total Revenue and Other Support</b>	<u>6,679,565</u>	<u>385,357</u>	<u>7,064,922</u>
<b>Expenses</b>			
Program services	6,239,979	-	6,239,979
Supporting services - management and general	463,108	-	463,108
Fund and resource development	286,948	-	286,948
<b>Total Expenses</b>	<u>6,990,035</u>	<u>-</u>	<u>6,990,035</u>
Change in Net Assets	(310,470)	385,357	74,887
<b>Net Assets, Beginning of Year</b>	<u>1,224,392</u>	<u>8,121,166</u>	<u>9,345,558</u>
<b>Net Assets, End of Year</b>	<u>\$ 913,922</u>	<u>\$8,506,523</u>	<u>\$ 9,420,445</u>

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
Statement of Activities and Changes in Net Assets  
Year Ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues and Other Support</b>			
Contributions and Grants	\$6,345,651	\$ 1,034,531	\$ 7,380,182
Event revenue	30,419	-	30,419
Investment income	4,520	-	4,520
Miscellaneous	12,056	-	12,056
Net assets released from restrictions	311,580	(311,580)	-
Gain (loss) on investments	(54,188)	-	(54,188)
	<u>6,650,038</u>	<u>722,951</u>	<u>7,372,989</u>
<b>Expenses</b>			
Program services	5,560,359	-	5,560,359
Supporting services - management and general	549,152	-	549,152
Fund and resource development	210,509	-	210,509
	<u>6,320,020</u>	<u>-</u>	<u>6,320,020</u>
Change in Net Assets	330,018	722,951	1,052,969
<b>Net Assets, Beginning of Year</b>	<u>894,374</u>	<u>7,398,215</u>	<u>8,292,589</u>
<b>Net Assets, End of Year</b>	<u><u>\$1,224,392</u></u>	<u><u>\$ 8,121,166</u></u>	<u><u>\$ 9,345,558</u></u>

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2010

	<b>Program Services</b>	<b>Supporting Services Management and General</b>	<b>Fund and Resource Development</b>	<b>Total</b>
Computer and technology	\$ 6,327	\$ 4,395	\$ -	\$ 10,722
Conferences, conventions and meetings	88,176	12,295	2,071	102,542
Contracted services	189,803	3,913	1,957	195,673
Depreciation	13,242	-	-	13,242
Employee benefits	638,496	50,153	28,843	717,492
Insurance	-	56,343	-	56,343
Miscellaneous	1,007	5,197	1,552	7,756
Occupancy	113,658	37,271	49,668	200,597
Postage and shipping	3,225	2,567	790	6,582
Printing and copying	8,501	2,532	7,055	18,088
Professional fees	81,669	36,692	-	118,361
Rental and maintenance of equipment	7,272	1,772	279	9,323
Salaries	4,167,953	228,963	183,252	4,580,168
Scholarship awards and application fees	203,649	-	-	203,649
Specific assistance to students	261,502	-	-	261,502
Supplies	99,871	13,563	9,865	123,299
Telephone	24,049	5,784	610	30,443
Travel and transportation	331,579	1,668	1,006	334,253
<b>Total Expenses</b>	<b>\$ 6,239,979</b>	<b>\$ 463,108</b>	<b>\$ 286,948</b>	<b>\$ 6,990,035</b>

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2009

	<b>Program Services</b>	<b>Supporting Services Management and General</b>	<b>Fund and Resource Development</b>	<b>Total</b>
Computer and technology	\$ 2,102	\$ 1,460	\$ -	\$ 3,562
Conferences, conventions and meetings	82,336	11,488	1,916	95,740
Contracted services	174,065	3,589	1,794	179,448
Depreciation	10,032	-	-	10,032
Employee benefits	562,647	44,253	25,288	632,188
Insurance	-	29,114	-	29,114
Miscellaneous	1,008	5,198	1,551	7,757
Occupancy	-	206,454	-	206,454
Postage and shipping	3,038	2,418	744	6,200
Printing and copying	3,739	1,114	3,102	7,955
Professional fees	31,501	14,152	-	45,653
Rental and maintenance of equipment	6,465	1,575	248	8,288
Salaries	3,718,939	204,337	163,470	4,086,746
Scholarship awards and application fees	311,580	-	-	311,580
Specific assistance to students	180,645	2,949	738	184,332
Supplies	101,499	13,784	10,025	125,308
Telephone	22,927	5,514	581	29,022
Travel and transportation	347,836	1,753	1,052	350,641
<b>Total Expenses</b>	<b>\$ 5,560,359</b>	<b>\$ 549,152</b>	<b>\$ 210,509</b>	<b>\$ 6,320,020</b>

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
 Statements of Cash Flows  
 Years Ended June 30, 2010 and 2009

	<b>2010</b>	<b>2009</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ <b>74,887</b>	\$ 1,052,969
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	<b>13,242</b>	10,032
Changes in operating assets and liabilities:		
Decrease in prepaid expenses	-	105,000
Increase in prepaid Scholarships	<b>(385,357)</b>	(827,951)
(Increase) in pledges receivable	<b>(152,055)</b>	(129,768)
Increase in accounts payable	<b>77,813</b>	62,949
	<b>(371,470)</b>	273,231
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment - net	-	(25,869)
Sale of investments	<b>311,660</b>	274,423
(Purchase) of investments	<b>(579,549)</b>	(20,783)
	<b>(267,889)</b>	227,771
Net Cash Provided by (Used in) Investing Activities	<b>(267,889)</b>	227,771
Net Increase (Decrease) in Cash and Cash Equivalents	<b>(639,359)</b>	501,002
<b>Cash - Beginning of Year</b>	<b>663,929</b>	162,927
<b>Cash - End of Year</b>	<b>\$ 24,570</b>	<b>\$ 663,929</b>

*See accompanying notes to financial statements.*

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements  
For the Years Ended June 30, 2010 and 2009

**Note A - Organization**

Communities In Schools of Jacksonville, Inc. (the "Corporation"), a non-profit 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 restricted. 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 bank. Cash equivalents consist of money market funds.

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. The Corporation's uninsured cash balance totaled \$0 and \$401,198 at June 30, 2010 and 2009, respectively.

**Investments**

Investments are carried at their fair market value with realized and unrealized gains and losses reflected in the statement of activities.

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
For the Years Ended June 30, 2010 and 2009

**Note B - Summary of Significant Accounting Policies (continued)**

**Prepaid Scholarships**

Prepaid scholarships consist of amounts transferred to the Florida Prepaid College Foundation for scholarships for youth designated by the Corporation. The scholarships are carried at fair value with realized and unrealized increases and decreases reflected in the statement of activities. These amounts will be expensed as the scholarships are utilized by the recipients.

**Pledges and Support Receivable**

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

**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. Depreciation is recorded using the straight-line method over estimated useful lives of the respective assets. Maintenance and repairs are expensed as incurred. Depreciation expense for the years ended June 30, 2010 and 2009 was \$13,242 and \$10,032, respectively.

**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 restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. When donor restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Corporation reports the support as unrestricted.

**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

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
For the Years Ended June 30, 2010 and 2009

**Note B - Summary of Significant Accounting Policies (continued)**

**Contributions (continued)**

contributions in-kind totaled \$184,579 and \$206,454, respectively, in 2010 and 2009. In addition, certain volunteer workers have donated periodic services to the Corporation. 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.

**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 15, 2010, which is the date the financial statements were available to be issued.

**Note C - Pledges and Support Receivable**

Pledges and support receivable at June 30, 2010 and 2009 are expected to be received by the Corporation within the following time periods:

	<u>2010</u>	<u>2009</u>
Less than one year	\$ 712,576	\$ 560,521
One to five years	-	-
	<u>\$ 712,576</u>	<u>\$ 560,521</u>

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
For the Years Ended June 30, 2010 and 2009

**Note D – Property and Equipment**

The estimated carrying value of property and equipment as of June 30, 2010 and 2009 is as follows:

	<b>2010</b>	<b>2009</b>
Furniture and equipment	\$ 226,278	\$ 226,278
Less accumulated depreciation	<b>129,468</b>	116,226
	<b>\$ 96,810</b>	\$ 110,052

**Note E – Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2010 and 2009 are available for the following purposes:

	<b>2010</b>	<b>2009</b>
Purchase of Florida Prepaid College Foundation Scholarship	<b>\$8,506,523</b>	\$8,121,166

**Note F – Net Assets Released from Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	<b>2010</b>	<b>2009</b>
Utilization of previously purchased scholarships	<b>\$ 203,649</b>	\$ 311,580

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
For the Years Ended June 30, 2010 and 2009

**Note G - Contributions and Grants**

Unrestricted contributions and grants in the accompanying statement of activities for 2010 and 2009 consist of the following:

	<b>2010</b>	<b>2009</b>
AT&T	\$ 100,000	\$ 100,000
Aetna	7,000	33,000
Bank of America	35,100	25,025
Barker, Patricia	-	1,000
Blue Cross Blue Shield	-	1,000
Chartrand Foundation	2,500	-
City of Jacksonville, Community Services Division	63,025	49,384
City of Jacksonville, Jacksonville Children's Commission	3,784,832	3,921,094
City of Jacksonville, JAG Funds	81,661	-
Clarkson Companies - in-kind contribution	71,700	75,474
Comcast Foundation	15,000	-
Community Foundation in Jacksonville - Steps to Success	-	121,688
Community Foundation in Jacksonville - Literacy Program	1,000	-
Community Foundation in Jacksonville - Grants	135,500	-
Communities in Schools - Florida	2,990	23,997
Communities in Schools - National	11,000	41,000
Crowley Maritime Corporation	7,500	-
CSX Corporation	2,903	175,480
Dubow Family Foundation	51,000	48,000
Duval County Public School - DOP	62,376	120,294
Duval County Public School - Biltmore	21,016	-
Duval County Public School - Lake Forest	19,208	238,336
Duval County Public School - in-kind contribution	124,431	130,980
ERG Partners	-	1,000
Fidelity Investments	-	3,850
Florida Community College Jacksonville	5,050	-
General private contributions	-	7,134
Greene, Chris	-	1,000
Hazel, Curtis	1,500	-
Healthcare of Florida	-	1,000
ICF Consulting Group	7,500	-
Jacksonville Jaguars Foundation - DOP	35,000	35,000
JP Morgan Chase	15,000	20,100

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
For the Years Ended June 30, 2010 and 2009

**Note G - Contributions and Grants (continued)**

	<u>2010</u>	<u>2009</u>
Junior Achievement Collaboration	\$ 11,130	\$ -
Let Us Play Foundation	1,954	-
Masucci, Ron	-	1,200
Morris Communications	7,500	3,000
Newton, Russell	10,000	-
Outward Bound	4,000	-
PGA Tour	6,000	-
Pilot Clubs of Jacksonville	-	1,200
Rayonier Foundation	2,000	-
Remmer Family Foundation	15,000	-
Russell Newton	-	10,000
Safariland, LLC	2,000	-
Scheidel Foundation	20,750	22,098
Silber Foundation	5,000	-
Take Stock In Children - Operating Expenses	159,963	-
United Healthcare	-	2,000
United States Department of Education - Mentoring	201,436	155,175
United Way of Northeast Florida - Achievers for Life	409,805	277,751
United Way of Northeast Florida - Student Enrichment	145,270	-
United Way of Northeast Florida - DOP	-	156,592
University of North Florida	3,000	1,700
Various United Way entities and designated gifts via UW	34,951	34,858
Volunteer Florida Foundation	694,777	337,306
WalMart Foundation	1,000	-
Walton, Bill	10,000	-
Weaver Family Foundation	5,000	-
Water Recover Golf	-	1,000
Weinstein, Mike	-	20,000
Other (\$1,000 or less)	-	146,935
<b>Total Unrestricted Contributions and Grants</b>	<b><u>6,414,328</u></b>	<b><u>6,345,651</u></b>

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
For the Years Ended June 30, 2010 and 2009

**Note G - Contributions and Grants (continued)**

Temporarily restricted contributions and grants in the accompanying statement of activities for 2010 and 2009 consist of the following:

	<u>2010</u>	<u>2009</u>
<b>Take Stock in Children Scholarships</b>		
Aqua East	\$ -	\$ 5,000
Crowley Maritime Corporation	-	7,500
Florida Prepaid College Foundation, Inc.	<b>390,238</b>	616,851
Forsyth, Allison	-	5,000
Hazel, Curtis	-	3,000
Jacksonville Children's Commission	<b>190,048</b>	233,293
Kufeldt Scholarship Foundation	<b>3,500</b>	2,500
Lakewood Presbyterian Church	-	2,500
PBSJ Foundation	-	5,000
Weinstein, Mike	-	10,000
Other (less than \$1,000)	<b>5,220</b>	2,051
	<u><b>589,006</b></u>	<u>892,695</u>
 <b>Take Stock In Children Operations</b>		
Take Stock in Children - State Office	<u>-</u>	<u>141,836</u>
 <b>Total Temporarily Restricted Contributions and Grants</b>	<u><b>589,006</b></u>	<u>1,034,531</u>
 <b>Total Contributions and Grants</b>	<u><b>\$ 7,003,334</b></u>	<u>\$ 7,380,182</u>

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
For the Years Ended June 30, 2010 and 2009

**Note H - 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 salary. Also, the Corporation matches 100% of each employee's voluntary contribution up to 2% of the employee's base salary. 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 become vested as follows: 20% after two years of service, 40% after three years of service, 60% after four years of service, and 100% after five years of service. The Plan is administered by Variable Annuity Life Insurance Company. Total employer contributions for the years ended June 30, 2010 and 2009 were approximately \$76,060 and \$66,025, respectively.

**Note I - Commitments**

The Corporation is obligated under certain noncancellable operating leases for office equipment. Rental expense for the years ended June 30, 2010 and 2009 was approximately \$9,152 and \$8,288. The following is a schedule of future minimum lease payments at June 30, 2010 and 2009:

	<b>2010</b>	<b>2009</b>
Year ending June 30, 2010	\$ -	\$ 8,195
Year ending June 30, 2011	<b>4,098</b>	4,098
Year ending June 30, 2012	-	-
Year ending June 30, 2013	-	-
Year ending June 30, 2014	-	-
Year ending June 30, 2015	-	-
	<b>\$ 4,098</b>	<b>\$ 12,293</b>

Communities In Schools of Jacksonville, Inc.  
Notes to Financial Statements (continued)  
For the Years Ended June 30, 2010 and 2009

**Note J – Investment Decline**

In September of 2008, the equity investment market began to suffer a decline in value. The Corporation's investment account was affected by this decline and suffered a 15.74% decrease in value as a result. The effect of this decline was mitigated by the fact that in July 2008, the Corporation had moved \$250,000 from the investment account to operating cash.

Although values continued to be sluggish during the year ended June 30, 2010, the decline on 2009 values was not as great as was experienced during the year ended June 30, 2009.



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS

**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 Jacksonville, Inc.  
Jacksonville, Florida

We have audited the financial statements of Communities In Schools of Jacksonville, Inc. (a nonprofit organization), as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon dated October 15, 2010. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and City of Jacksonville Ordinance Section 118.301.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Communities In Schools of Jacksonville, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Communities In Schools of Jacksonville, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Communities In Schools of Jacksonville, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 and other matters that are required to be reported under *Government Auditing Standards* or City of Jacksonville, Florida, Ordinance Section 118.301.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cornelius, Schou, Leone & Matteson, LLC

October 15, 2010



**Independent Auditors' Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal Control  
Over Compliance in Accordance with OMB Circular A-133**

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

**Compliance**

We have audited the compliance of Communities In Schools of Jacksonville, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Communities In Schools of Jacksonville, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Communities In Schools of Jacksonville, Inc.'s management. Our responsibility is to express an opinion on Communities In Schools of Jacksonville, Inc.'s compliance based on our audit.

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 Jacksonville, 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. Our audit does not provide a legal determination of Communities In Schools of Jacksonville, Inc.'s compliance with those requirements.

In our opinion, Communities In Schools of Jacksonville, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

### **Internal Control Over Compliance**

The management of Communities In Schools of Jacksonville, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Communities In Schools of Jacksonville, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Jacksonville, Inc.'s internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program or state projects on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.



**CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS**

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cornelius, Schou, Leone & Matteson, LLC

October 15, 2010

Communities In Schools of Jacksonville, Inc.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

<b>Federal Grantor / Pass - Through Grantor / Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Program Receipts</b>	<b>Federal Program Receivable June 30, 2009</b>	<b>Federal Program Expenditures</b>	<b>Federal Program Receivable June 30, 2010</b>
<b>Corporation for National and Community Service Americorps Program</b>					
Pass through programs from:					
Volunteer Florida Foundation - Duval Reads	94.006	\$ 532,602	\$ 24,306	\$ 673,685	\$ 165,389
Program Total		<u>532,602</u>	<u>24,306</u>	<u>673,685</u>	<u>165,389</u>
<b>Department of Education - Office of Elementary and Secondary Education</b>					
21st Century Community Learning Centers Program					
Pass through from Jacksonville Children's Commission	84.287	606,147	6,190	654,397	54,440
U.S. Department of Education - Mentoring (TSIC)		201,436	11,438	189,998	-
<b>U.S. Department of Justice</b>					
Jailed Juvenile Program					
Pass through from City of Jacksonville	16.580	90,031	3,527	97,838	11,334
Total Federal Awards		<u>\$ 1,430,216</u>	<u>\$ 45,461</u>	<u>\$ 1,615,918</u>	<u>\$ 231,163</u>

See accompanying notes to Schedules of Expenditures of Federal Awards and  
City of Jacksonville, Florida, Public Service Grant Assistance.

Communities In Schools of Jacksonville, Inc.  
Schedule of Source and Expenditure of  
City Grant Funds Per Ordinance Code  
Chapter 118.205(e)  
Year Ended June 30, 2010

**Take Stock in Children**

	City FY 08-09 Grant	City FY 09-10 Grant
Amount of Award (per City budget ordinance)	\$ 238,184	\$ 238,184
Actual Funds Received from City in Last Audit Period (08-09)	238,184	-
Actual Amount received this Audit Period (09-10)	-	233,831
Amount Remaining to be Distributed	<u>\$ -</u>	<u>\$ 4,353</u>

Expenditure of City Funds	Budgeted	Actual 10/1/08-6/30/09	Actual 7/1/09-9/30/09	Actual Total	Remaining Balance
City FY 08-09 Grant -- \$238,184					
Salaries and Wages -- Case Manager	\$ 32,302	\$ 32,302	\$ -	\$ 32,302	\$ -
Payroll Taxes and Benefits	7,471	7,470	-	7,470	1
Telephone	360	360	-	360	-
Office Expense	-	-	-	-	-
Travel -- Local	591	516	-	516	75
Travel -- Conferences and Workshops	97	97	-	97	1
Scholarship Purchases	80	40	-	40	40
Computers and Software	192,126	192,126	-	192,126	-
Management and General -- Overhead	5,157	5,154	-	5,154	3
<b>Program Total</b>	<u>\$ 238,184</u>	<u>\$ 238,064</u>	<u>\$ -</u>	<u>\$ 238,064</u>	<u>\$ 120</u>

Expenditure of City Funds	Budgeted	Actual 10/1/09-6/30/10	Actual 7/1/10-9/30/10	Actual Total	Remaining Balance
City FY 08-09 Grant -- \$238,184					
Salaries and Wages -- Case Manager	\$ 30,821	\$ 30,821	\$ -	\$ 30,821	\$ -
Payroll Taxes and Benefits	4,287	4,285	-	4,285	2
Telephone	360	360	-	360	-
Office Expense	-	-	-	-	-
Travel -- Local Mileage	610	610	-	610	-
Staff Travel -- Conferences and Workshops	1	-	-	-	1
Conferences and Staff Development	1	-	-	-	1
Scholarship Purchases	196,948	196,948	-	196,948	-
Computers and Software	-	-	-	-	-
Management and General -- Overhead	5,156	5,156	-	5,156	-
<b>Program Total</b>	<u>\$ 238,184</u>	<u>\$ 238,180</u>	<u>\$ -</u>	<u>\$ 238,180</u>	<u>\$ 4</u>

See accompanying notes to Schedules of Expenditures of Federal Awards and  
City of Jacksonville, Florida, Public Service Grant Assistance.

Communities In Schools of Jacksonville, Inc.  
Schedule of Source and Expenditure of  
City Grant Funds Per Ordinance Code  
Chapter 118.205(e) (continued)  
Year Ended June 30, 2010

**Homeless Student Case Management**

	City FY 08-09 Grant	City FY 09-10 Grant	Total
Amount of Award (per City budget ordinance)	\$ 50,000	\$ 50,000	\$ 100,000
Actual Funds Received from City in Last Audit Period (08-09)	41,819	-	41,819
Actual Amount received this Audit Period (09-10)	7,648	48,787	56,435
Amount Remaining to be Distributed	<u>\$ 533</u>	<u>\$ 1,213</u>	<u>\$ 1,746</u>

Expenditure of City Funds	Budgeted	Actual 10/1/08-6/30/09	Actual 7/1/09-9/30/09	Actual Total	Remaining Balance
City FY 08-09 Grant -- \$50,000					
Salaries and Wages -- Case Manager	\$ 29,943	\$ 29,943	\$ -	\$ 29,943	\$ -
Payroll Taxes and Benefits	5,662	5,660	-	5,660	2
Telephone	481	480	-	480	1
Office Expense	408	404	-	404	4
Local Mileage Reimbursement	1,692	1,541	-	1,541	151
Staff Travel (Conferences and Workshops)	1	-	-	-	1
Conferences and Staff Development	1	-	-	-	1
Direct Client Expenses	6,455	6,240	-	6,240	215
Computers and Software	-	-	-	-	-
Management and General -- Overhead	5,357	5,200	-	5,200	157
Program Total	<u>\$ 50,000</u>	<u>\$ 49,468</u>	<u>\$ -</u>	<u>\$ 49,468</u>	<u>\$ 532</u>

Expenditure of City Funds	Budgeted	Actual 10/1/09-6/30/10	Actual 7/1/10-9/30/10	Actual Total	Remaining Balance
City FY 09-10 Grant -- \$50,000					
Salaries and Wages -- Case Manager	\$ 32,501	\$ 32,500	\$ -	\$ 32,500	\$ 1
Payroll Taxes and Benefits	9,406	9,404	-	9,404	2
Telephone	420	385	-	385	35
Office Expense	99	96	-	96	3
Local Mileage Reimbursement	900	900	-	900	-
Staff Travel (Conferences and Workshops)	1	-	-	-	1
Conferences and Staff Development	1	-	-	-	1
Direct Client Expenses	1,315	1,315	-	1,315	-
Computers and Software	-	-	-	-	-
Management and General -- Overhead	5,357	5,352	-	5,352	5
Program Total	<u>\$ 50,000</u>	<u>\$ 49,952</u>	<u>\$ -</u>	<u>\$ 49,952</u>	<u>\$ 48</u>

See accompanying notes to Schedules of Expenditures of Federal Awards and City of Jacksonville, Florida, Public Service Grant Assistance.

Communities In Schools of Jacksonville, Inc.  
Schedule of Source and Expenditure of  
City Grant Funds Per Ordinance Code  
Chapter 118.205(e) (continued)  
Year Ended June 30, 2010

**TEAM UP After-School (11 Sites)**

	City FY 08-09 Grant	City FY 09-10 Grant	Total
Amount of Award (per City budget ordinance)	\$ 1,617,737	\$ 2,023,120	\$ 3,640,857
Actual Funds Received from City in Last Audit Period (08-09)	1,608,184	-	1,608,184
Actual Amount received this Audit Period (09-10)	-	1,963,502	1,963,502
Amount Remaining to be Distributed	<u>\$ 9,553</u>	<u>\$ 59,618</u>	<u>\$ 69,171</u>

Expenditure of City Funds	Budgeted	Actual 10/1/08-6/30/09	Actual 7/1/09-9/30/09	Actual Total	Remaining Balance
City FY 08-09 Grant -- \$1,617,737					
Salaries and Wages -- Case Manager	\$ 982,628	\$ 978,104	\$ -	\$ 978,104	\$ 4,524
Payroll Taxes and Benefits	138,638	136,924	-	136,924	1,714
Telephone	2,249	1,858	-	1,858	391
Office Expense	20,867	20,357	-	20,357	510
Local Mileage Reimbursement	13,412	11,120	-	11,120	2,292
Staff Travel (Conferences and Workshops)	4,854	4,569	-	4,569	285
Conferences and Staff Development	3,870	3,861	-	3,861	9
Direct Client Expenses	277,072	258,323	-	258,323	18,749
Computers and Software	-	-	-	-	-
Management and General -- Overhead	174,147	168,897	-	168,897	5,250
<b>Program Total</b>	<u>\$ 1,617,737</u>	<u>\$ 1,584,013</u>	<u>\$ -</u>	<u>\$ 1,584,013</u>	<u>\$ 33,724</u>

Expenditure of City Funds	Budgeted	Actual 10/1/09-6/30/10	Actual 7/1/10-9/30/10	Actual Total	Remaining Balance
City FY 09-10 Grant -- \$2,023,120					
Salaries and Wages -- Case Manager	\$ 1,274,183	\$ 1,274,155	\$ -	\$ 1,274,155	\$ 28
Payroll Taxes and Benefits	193,042	192,748	-	192,748	294
Telephone	2,243	2,229	-	2,229	14
Office Expense	26,851	26,818	-	26,818	33
Local Mileage Reimbursement	10,077	10,014	-	10,014	63
Staff Travel (Conferences and Workshops)	205	203	-	203	2
Conferences and Staff Development	375	332	-	332	43
Direct Client Expenses	230,204	228,446	-	228,446	1,758
Consultants and Contracted Services	69,978	69,858	-	69,858	120
Computers and Software	-	-	-	-	-
Management and General -- Overhead	215,962	215,669	-	215,669	293
<b>Program Total</b>	<u>\$ 2,023,120</u>	<u>\$ 2,020,472</u>	<u>\$ -</u>	<u>\$ 2,020,472</u>	<u>\$ 2,648</u>

See accompanying notes to Schedules of Expenditures of Federal Awards and City of Jacksonville, Florida, Public Service Grant Assistance.

Communities In Schools of Jacksonville, Inc.  
 Schedule of Source and Expenditure of  
 City Grant Funds Per Ordinance Code  
 Chapter 118.205(e) (continued)  
 Year Ended June 30, 2010

**TEAM UP After-School (Jacksonville Journey - 5 Sites)**

	City FY 08-09 Grant	City FY 09-10 Grant	Total
Amount of Award (per City budget ordinance)	\$ 765,500	\$ 773,249	\$ 1,538,749
Actual Funds Received from City in Last Audit Period (08-09)	460,149	-	460,149
Actual Amount received this Audit Period (09-10)	199,217	703,276	902,493
Amount Remaining to be Distributed	<u>\$ 106,134</u>	<u>\$ 69,973</u>	<u>\$ 176,107</u>

Expenditure of City Funds	Budgeted	Actual 10/1/08-6/30/09	Actual 7/1/09-9/30/09	Actual Total	Remaining Balance
City FY 08-09 Grant -- \$765,500					
Salaries and Wages -- Case Manager	\$ 462,467	\$ 337,840	\$ -	\$ 337,840	\$ 124,627
Payroll Taxes and Benefits	54,507	33,593	-	33,593	20,914
Telephone	675	260	-	260	415
Office Expense	11,893	5,668	-	5,668	6,225
Local Mileage Reimbursement	4,914	2,228	-	2,228	2,686
Staff Travel (Conferences and Workshops)	900	-	-	-	900
Conferences and Staff Development	350	-	-	-	350
Direct Client Expenses	146,840	94,219	-	94,219	52,621
Computers and Software	950	-	-	-	950
Management and General -- Overhead	82,004	56,966	-	56,966	25,038
Program Total	<u>\$ 765,500</u>	<u>\$ 530,774</u>	<u>\$ -</u>	<u>\$ 530,774</u>	<u>\$ 234,726</u>

Expenditure of City Funds	Budgeted	Actual 10/1/09-6/30/10	Actual 7/1/10-9/30/10	Actual Total	Remaining Balance
City FY 09-10 Grant -- \$773,249					
Salaries and Wages -- Case Manager	\$ 467,928	\$ 467,501	\$ -	\$ 467,501	\$ 427
Payroll Taxes and Benefits	61,693	61,678	-	61,678	15
Telephone	270	270	-	270	-
Office Expense	10,540	9,420	-	9,420	1,120
Local Mileage Reimbursement	1,448	1,447	-	1,447	1
Staff Travel (Conferences and Workshops)	-	-	-	-	-
Conferences and Staff Development	114	109	-	109	5
Direct Client Expenses	98,253	96,374	-	96,374	1,879
Consultants and Contracted Services	50,159	49,207	-	49,207	952
Computers and Software	-	-	-	-	-
Management and General -- Overhead	82,844	82,319	-	82,319	525
Program Total	<u>\$ 773,249</u>	<u>\$ 768,325</u>	<u>\$ -</u>	<u>\$ 768,325</u>	<u>\$ 4,924</u>

See accompanying notes to Schedules of Expenditures of Federal Awards and City of Jacksonville, Florida, Public Service Grant Assistance.

Communities In Schools of Jacksonville, Inc.  
Schedule of Source and Expenditure of  
City Grant Funds Per Ordinance Code  
Chapter 118.205(e) (continued)  
Year Ended June 30, 2010

**TEAM UP After-School (21st Century  
Community Learning Centers - 2 Sites)**

	City FY 08-09 Grant	City FY 09-10 Grant	Total
Amount of Award (per City budget ordinance)	\$ 736,403	\$ 756,080	\$ 1,492,483
Actual Funds Received from City in Last Audit Period (08-09)	594,398	-	594,398
Actual Amount received this Audit Period (09-10)	60,865	545,283	606,148
Amount Remaining to be Distributed	<u>\$ 81,140</u>	<u>\$ 210,797</u>	<u>\$ 291,937</u>

Expenditure of City Funds	Budgeted	Actual 10/1/08-6/30/09	Actual 7/1/09-9/30/09	Actual Total	Remaining Balance
City FY 08-09 Grant -- \$736,403					
Salaries and Wages -- Case Manager	\$ 453,782	\$ 361,738	\$ -	\$ 361,738	\$ 92,044
Payroll Taxes and Benefits	61,221	49,151	-	49,151	12,070
Telephone	612	400	-	400	212
Office Expense	22,887	12,400	-	12,400	10,487
Local Mileage Reimbursement	2,925	1,656	-	1,656	1,269
Staff Travel (Conferences and Workshops)	3,994	3,334	-	3,334	660
Conferences and Staff Development	1,590	1,588	-	1,588	2
Direct Client Expenses	82,023	66,594	-	66,594	15,429
Consultants and Contracted Services	36,682	16,385	-	16,385	20,297
Computers and Software	-	-	-	-	-
Management and General -- Overhead	70,687	54,756	-	54,756	15,931
Program Total	<u>\$ 736,403</u>	<u>\$ 568,002</u>	<u>\$ -</u>	<u>\$ 568,002</u>	<u>\$ 168,401</u>

Expenditure of City Funds	Budgeted	Actual 10/1/09-6/30/10	Actual 7/1/10-9/30/10	Actual Total	Remaining Balance
City FY 09-10 Grant -- \$756,080					
Salaries and Wages -- Case Manager	\$ 452,729	\$ 446,639	\$ -	\$ 446,639	\$ 6,090
Payroll Taxes and Benefits	60,073	57,279	-	57,279	2,794
Telephone	455	391	-	391	64
Office Expense	24,760	17,248	-	17,248	7,512
Local Mileage Reimbursement	2,346	2,042	-	2,042	304
Staff Travel (Conferences and Workshops)	6,857	6,856	-	6,856	1
Conferences and Staff Development	1,031	1,030	-	1,030	1
Direct Client Expenses	86,340	69,741	-	69,741	16,599
Consultants and Contracted Services	41,753	28,174	-	28,174	13,579
Computers and Software	-	-	-	-	-
Management and General -- Overhead	79,736	62,108	-	62,108	17,628
Program Total	<u>\$ 756,080</u>	<u>\$ 691,508</u>	<u>\$ -</u>	<u>\$ 691,508</u>	<u>\$ 64,572</u>

See accompanying notes to Schedules of Expenditures of Federal Awards and  
City of Jacksonville, Florida, Public Service Grant Assistance.

Communities In Schools of Jacksonville, Inc.  
Schedule of Source and Expenditure of  
City Grant Funds Per Ordinance Code  
Chapter 118.205(e) (continued)  
Year Ended June 30, 2010

**Jacksonville Children's Commission  
Summer Camps (10 Sites)**

	City FY 08-09 Grant	City FY 09-10 Grant	Total
Amount of Award (per City budget ordinance)	\$ 240,950	\$ 169,700	\$ 410,650
Actual Funds Received from City in Last Audit Period (08-09)	120,000	-	120,000
Actual Amount received this Audit Period (09-10)	120,950	90,000	210,950
Amount Remaining to be Distributed	\$ -	\$ 79,700	\$ 79,700

	Budgeted	Actual 10/1/08-6/30/09	Actual 7/1/09-9/30/09	Actual Total	Remaining Balance
Expenditure of City Funds					
City FY 08-09 Grant -- \$240,950					
Salaries and Wages -- Case Manager	\$ 153,000	\$ 32,814	\$ 119,608	\$ 152,422	\$ 578
Payroll Taxes and Benefits	15,000	2,510	11,992	14,502	498
Telephone	50	-	45	45	5
Office Expense	5,000	2,588	1,992	4,580	420
Local Mileage Reimbursement	28,000	2,491	25,143	27,634	366
Staff Travel (Conferences and Workshops)	-	-	-	-	-
Conferences and Staff Development	-	-	-	-	-
Direct Client Expenses	22,500	12,122	10,363	22,485	15
Consultants and Contracted Services	800	-	783	783	17
Computers and Software	-	-	-	-	-
Management and General -- Overhead	16,600	5,533	11,067	16,600	-
<b>Program Total</b>	<b>\$ 240,950</b>	<b>\$ 58,058</b>	<b>\$ 180,993</b>	<b>\$ 239,051</b>	<b>\$ 1,899</b>

	Budgeted	Actual 10/1/09-6/30/10	Actual 7/1/10-9/30/10	Actual Total	Remaining Balance
Expenditure of City Funds					
City FY 09-10 Grant -- \$169,700					
Salaries and Wages -- Case Manager	\$ 82,000	\$ 8,513	\$ 65,975	\$ 74,488	\$ 7,512
Payroll Taxes and Benefits	7,421	552	5,302	5,854	1,567
Telephone	250	-	165	165	85
Office Expense	16,000	223	14,437	14,660	1,340
Local Mileage Reimbursement	18,347	-	17,810	17,810	537
Staff Travel (Conferences and Workshops)	-	-	-	-	-
Conferences and Staff Development	-	-	-	-	-
Direct Client Expenses	25,000	12,479	6,803	19,282	5,718
Consultants and Contracted Services	2,500	-	2,250	2,250	250
Computers and Software	-	-	-	-	-
Management and General -- Overhead	18,182	6,061	12,121	18,182	-
<b>Program Total</b>	<b>\$ 169,700</b>	<b>\$ 27,828</b>	<b>\$ 124,863</b>	<b>\$ 152,691</b>	<b>\$ 17,009</b>

See accompanying notes to Schedules of Expenditures of Federal Awards and  
City of Jacksonville, Florida, Public Service Grant Assistance.

Communities In Schools of Jacksonville, Inc.  
Notes to Schedules of Expenditures of Federal Awards  
and City of Jacksonville, Florida Public Service Grant Assistance  
For the Years Ended June 30, 2010 and 2009

**Note A - Organization**

Communities In Schools of Jacksonville, Inc. (the “Corporation”), a non-profit 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 restricted. The accounting and reporting policies of the Corporation conform to generally accepted accounting principles and to general practices of not-for-profit organizations.

**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 restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. When donor restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Corporation reports the support as unrestricted.

**Pledges and Support Receivable**

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

**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.

Communities In Schools of Jacksonville, Inc.  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2010

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Communities In Schools of Jacksonville, Inc.
2. There were no significant deficiencies disclosed during the audit of the financial statements of Communities In Schools of Jacksonville, Inc.
3. No instances of noncompliance material to the financial statements of Communities In Schools of Jacksonville, Inc., which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No instances of significant deficiencies over major federal award programs were disclosed in the audit of Communities In Schools of Jacksonville, Inc.
5. The auditor's report on compliance for the major federal award programs of Communities In Schools of Jacksonville, Inc. expresses an unqualified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major federal programs included:  
    Volunteer Florida Foundation – Duval Reads (CFDA 94.006)
8. The threshold used to distinguish between Type A and B programs was \$300,000 for major federal programs and major state projects.
9. Communities In Schools of Jacksonville, Inc. did qualify as a low risk auditee.