



3960 Howard Hughes Parkway  
Suite 440  
Las Vegas, Nevada 89169  
702.640.5050  
[www.frazierdeeter.com](http://www.frazierdeeter.com)

October 28, 2020

The Board of Directors  
Communities In Schools of Nevada, Inc.  
Las Vegas, Nevada

We have audited the financial statements of Communities In Schools of Nevada, Inc. (the Organization) as of and for the year ended June 30, 2020, and issued our report thereon dated October 28, 2020. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility Under Auditing Standards Generally Accepted in the United States of America**

We have a responsibility to conduct our audit of the financial statements in accordance with professional standards. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected.

In addition, in planning and performing our audit of the financial statements, we considered the internal control of the Organization in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit of the financial statements does not include examining the effectiveness of internal control and does not provide assurance on internal control.

### **Significant Accounting Policies**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new significant accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

## **Management Judgments and Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the valuation of in-kind contributions.

Management's estimate of the valuation of in-kind contributions is based on market rates for goods or services received. We evaluated the key factors and assumptions used to develop the valuation of in-kind contributions in determining that it is reasonable in relation to the financial statements taken as a whole.

## **Financial Statement Disclosures**

Management is responsible for the selection and use of appropriate financial statement disclosures to ensure that the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. No matters have come to our attention that would require us, under professional standards, to inform you that the financial statement disclosures selected and prepared by management do not comply with accounting principles generally accepted in the United States of America. The significant financial statement disclosures include the Organization's Paycheck Protection Program loan.

## **Audit Adjustments and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the Organization, either individually or in the aggregate, indicate matters that could have a significant effect on the Organization's financial reporting process. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Issues Discussed Prior to Retention of Independent Auditors and During the Audit**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Other Matters**

In March 2020, the World Health Organization declared the novel Coronavirus (COVID-19) outbreak a public health emergency. There have been mandates from international, federal, state, and local authorities requiring closures of various businesses, schools, and other facilities and organizations. While the closures and limitations on movement, domestically and internationally, are expected to be temporary, the duration of the disruption and related financial impact cannot be estimated at this time. Should the closures continue for an extended period of time, the impact could have a material adverse effect on the Organization's financial position, results of activities, and cash flows.

### **Other Material Written Communications**

Those written communications that we believe constitute other material written communications between management and us related to the year ended June 30, 2020 include:

- Representation letter dated October 28, 2020 for the June 30, 2020 financial statements.
- Tax representation letter dated September 23, 2020 for the June 30, 2020 financial statements.

A copy of each communication has been attached to this letter.

### **Independence**

Our professional standards suggest that we communicate to you, at least annually, matters that we have considered in determining that we are independent of the Organization and provide confirmation that we are independent accountants with respect to the audit of the Organization.

We were also engaged to perform additional procedures, including preparation of income tax returns. We also provided administrative assistance in preparing the financial statements. These services were provided in accordance with AICPA Ethics Interpretation 101-3 and we do not believe our independence was impaired by providing these services.

We hereby confirm that as of the date of this letter, we are independent accountants with respect to the Organization under the relevant professional standards.

This information is intended solely for the use of the Board of Directors and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

  
Frazier & Deeter, LLC



Communities  
In Schools

Nevada

8350 W Sahara Ave, Ste. 110  
Las Vegas, NV 89117

PH: 702.550.3799  
[www.cisnevada.org](http://www.cisnevada.org)

October 28, 2020

Frazier & Deeter, LLC  
1230 Peachtree Street, N.E.  
Suite 1500  
Atlanta, Georgia 30309

This representation letter is provided in connection with your audit of the financial statements of Communities In Schools of Nevada, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, as of October 28, 2020:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 3, 2020, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility 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.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. There are no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the ability to record, process, summarize, and report financial data.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America. We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.
7. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed.
8. Guarantees, whether written or oral, under which the Organization is contingently liable, including guarantee contracts and indemnification agreements, have been properly accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
9. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.
10. We have provided you with:
  - a) Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - b) Additional information that you have requested from us for the purpose of the audit;
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
  - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared; and
  - e) All correspondence, if any, with relevant licensing and regulatory authorities.

11. All transactions have been recorded in the accounting records and reflected in the financial statements.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
  - a) Management;
  - b) Employees who have significant roles in internal control; or
  - c) Others when the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, regulators, or others.
15. We have no knowledge of any officer or director of the Organization, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
16. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us. We believe that we have properly accounted for the impact of any contracts, laws, and regulations that have a direct and material impact on the financial statements.
17. We are not aware of any:
  - a) Instances of noncompliance or suspected noncompliance with the laws and regulations whose effects should be considered when preparing the financial statements.
  - b) Pending or threatened litigation, claims, or assessments or unasserted claims or assessments that should be considered when preparing the financial statements and we have not consulted a lawyer concerning litigation, claims, or assessments.
  - c) Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
  - d) Designations of net assets that were not properly authorized and approved or reclassifications of net assets that have not been properly reflected in the financial statements.

18. There have been no:
  - a) Circumstances that have resulted in communications from the Organization's external legal counsel to the Organization reporting evidence of a material violation of securities law or breach of fiduciary duty, or similar violation, by the Organization or any agent thereof or
  - b) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. Communities In Schools of Nevada, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
20. The Organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities or net asset balances.
21. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that *near term* means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Organization vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
22. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
23. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
24. There are no conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for at least one year after the date of this letter.



25. We are responsible for making the fair value measurements and disclosures included in the financial statements, including determining the fair value of investments for which a readily determinable fair value does not exist. As part of fulfilling this responsibility, we have established an accounting and financial reporting process for determining the fair value measurements and disclosures, selected appropriate valuation methods, identified and adequately supported any significant assumptions used, prepared the valuation, and ensured that the presentation and disclosure of the fair value measurements are in accordance with accounting principles generally accepted in the United States of America. We believe the assumptions and methods used by us, including those used by specialists engaged by us, are appropriate in the circumstances and the resulting valuations and disclosures are reasonable.
26. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the statement of financial position date and have been reduced to their estimated net realizable value.
27. The novel coronavirus (COVID-19) outbreak and public health emergency forced closures of schools, businesses and other facilities, which has negatively impacted the Organization. While the closures and limitations on movement, domestically and internationally, are expected to be temporary, we cannot estimate the duration of the disruption and related financial impact at this time. Should the closures and limitations continue for an extended period of time, the impact could have a material adverse effect on the financial position, results of activities, and cash flows.
28. With regards to our loan obtained under the Paycheck Protection Program (PPP), dated April 8, 2020, we represent the following:
  - a) The Organization, when considered together with all of its affiliates (using the affiliate determinations required by the PPP), had fewer than 500 employees at the date of the loan application. In addition, we have determined the number of full-time equivalent employees on payroll at the time of the application in a manner that is consistent with the clarification guidance released by the Small Business Administration.
  - b) During the period from February 15, 2020 through June 30, 2020, we have not received more than one loan under the PPP. In addition, we have confirmed with any affiliated entities (using the affiliate determinations required by the PPP) that the total of any PPP loans received by us and affiliates does not exceed \$20 million in the aggregate.
  - c) We have not used the proceeds from the PPP loan for expenditures that were covered by other funding sources, i.e., government grants or contracts.
  - d) We were not legally released from the PPP loan as of June 30, 2020, and through the date of this letter.

29. We have disclosed to you any and all cyber security incidents that have occurred during the reporting period or through the date of this letter.
30. We acknowledge that you do not provide hosting services as defined by the American Institute of Certified Public Accountants. We are responsible for the retention of all financial and non-financial information transmitted to you through an upload to a portal, electronic transfer, email correspondence, or provision of printed copies. We are also responsible for downloading in a timely manner and retaining anything you upload.
31. In regards to the additional services performed by you, including preparation of income tax returns, we have:
  - a) Made all management decisions and performed all management functions.
  - b) Designated an individual with suitable skill, knowledge, or experience to oversee the services.
  - c) Evaluated the adequacy and results of the services performed.
  - d) Accepted responsibility for the results of the services.
  - e) Established and maintained internal controls, including monitoring ongoing activities.
32. We are not aware of any potential uncertain tax positions that would, if necessary, meet the more likely than not threshold and require us to record a liability.
33. We are not aware of any violations of independence.
34. We acknowledge your administrative assistance in preparing our financial statements. We have reviewed the financial statements and confirm our responsibility for their completeness and accuracy. We have reviewed all proposed audit entries and have elected to make all audit entries other than those considered immaterial by us and included in the attached schedule.

  
Signature

Director of Finance  
Title

  
Signature

CEO / State Director  
Title

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

**TB. 6**

Year End: June 30, 2020

Adjusting journal entries

Date: 07/01/2019 To 06/30/2020

<b>Associate</b>	<b>Senior</b> WVJ 09/24/2020	<b>Senior Manager</b> KNO 09/24/2020
<b>Partner</b> JKP 10/06/2020	<b>Tech. Reviewer</b> RS 10/16/2020	

Number	Date	Name	Account No	Reference	Debit	Credit
4	06/30/2020	Accounts Payable	2000	AA. 3		7,000.00
4	06/30/2020	Public Relations & Advertising	6161	AA. 3	7,000.00	
		PAJE to record AP not accrued for at year end				
					<b>7,000.00</b>	<b>7,000.00</b>
<b>Net Income (Loss)</b>					<b>(173,482.59)</b>	

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

**TB. 7**

Year End: June 30, 2020

Adjusting journal entries

Date: 07/01/2019 To 06/30/2020

<b>Associate</b>	<b>Senior</b> WVJ 09/24/2020	<b>Senior Manager</b> KNO 09/24/2020
<b>Partner</b> JKP 10/06/2020	<b>Tech. Reviewer</b> RS 10/16/2020	

Number	Date	Name	Account No	Reference	Debit	Credit
3	06/30/2020	Accrued Salaries & Vacation	2150	BB. 3		71,715.52
3	06/30/2020	Vacation Expense	6105	BB. 3	71,715.52	
		PAJE to increase the PTO accrual from a max of 40 hours to 80 hours.				
5	06/30/2020	Unrestricted Net Assets	3200	PL.2C	37,560.00	
5	06/30/2020	Vacation Expense	6105	PL.2C		37,560.00
		PAJE to show the impact of the prior year error related to increasing the PTO accrual from a max of 40 hours to 80 hours.				
					<b>109,275.52</b>	<b>109,275.52</b>

**Net Income (Loss) (200,638.11)**

## FIN 48 Client Representation Statement - Nonprofit Entities (non 501(c)(7))

In order for us to provide the best level of service as regards to the requirements of FIN 48, please complete the following representation statement. This questionnaire is intended to streamline the FIN 48 documentation process. If you have any questions or are unsure of any item, please be sure to get clarification from us prior to signing off on the statement.

<b>CLIENT</b> <b>FINANCIAL STMT YEAR-ENDED</b> <b>OPEN TAX YEARS</b> <b>PREPARED BY</b>	Communities in Schools of Nevada, Inc.
	30-Jun-20
	2016, 2017, 2018, and 2019
	_____

Please initial in the "Yes" or "No" column as appropriate specifically for the entity listed above. Please attach a brief description or add rows below the item in the excel document as needed.

YES	NO	INFO ATTACHED	
		✓	Please forward a copy of the organization's IRS Determination Letter which states that the organization is exempt from Federal income tax.
✓			Is the entity organized under the laws of Nevada? If not, please indicate the state of organization.
✓			Is the entity registration current in the state of Nevada or other state of organization? If not, please give a brief explanation.
	✓		Are you aware of any issues regarding the possible revocation of the exempt status for income taxation purposes (i.e. an IRS approved Form 1023 is not on file for the entity). If so, please give a brief explanation.
	✓		Are there any business operations conducted outside the state of Nevada? If so, please give a brief description and list the states.
	✓		Are there any business operations that include operations outside the United States of any type? If so, please give a brief description.
	✓		Have any IRS or State tax audits been conducted for the open tax years listed above? If so, please give the year and jurisdiction for which the audit was conducted and whether the audit resulted in a change to taxable income.
	✓		To your knowledge, are there any Federal or State informational tax returns that have not been timely filed? If so, please give a brief explanation.
	✓		At any time since inception, has the entity been involved in an acquisition, disposition or merger with another legal entity? If so, please give a brief description.



**FIN 48 Client Representation Statement - Nonprofit Entities (non 501(c)(7))**

\_\_\_\_\_ ✓ \_\_\_\_\_

At any time since inception, has the entity operated as other than a tax-exempt organization? If so, please give a brief explanation.

\_\_\_\_\_ ✓ \_\_\_\_\_

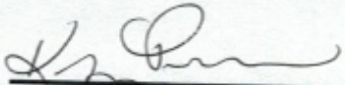
Are there any related parties to the organization? If so, please list their names, the type of entity (individual, non-profit, corporation, partnership, etc.)

\_\_\_\_\_ ✓ \_\_\_\_\_

Is the entity carrying on any activities that are not related to the tax-exempt purpose of the entity? If so, please provide a brief description.

Below is a list of activities which may be considered UBIT issues reported on Form 990-T. Please mark each that applies and provide a description of how UBIT is calculated:

- |   |   |
|---|---|
| <input type="checkbox"/> Sponsorships               | <input type="checkbox"/> Debt-financed income |
| <input type="checkbox"/> Consulting contracts       | <input type="checkbox"/> Royalties            |
| <input type="checkbox"/> Management fees            | <input type="checkbox"/> Merchandise sales    |
| <input type="checkbox"/> Related party transactions | <input type="checkbox"/> Expense allocations  |
| <input type="checkbox"/> Advertising income         | <input type="checkbox"/> Investments          |
| <input type="checkbox"/> Circulation income         | <input type="checkbox"/> Joint ventures       |
| <input type="checkbox"/> Rental income              | <input type="checkbox"/> Internet activities  |

  
Client Signature

Kelly Pearsall Director of Finance 9/23/20  
Printed Name and Title Date Signed