

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

**COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



INDEPENDENT AUDITORS' REPORT

Board of Directors
Communities in Schools of Los Angeles, Inc.
Los Angeles, California

We have audited the accompanying financial statements of Communities in Schools of Los Angeles, Inc. (CISLA), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to CISLA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CISLA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CISLA as of June 30, 2020 and 2019, 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.

Emphasis-of-Matter Regarding a Change in Accounting Principle

As discussed in Note 2 to the financial statements, CISLA has adopted ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to that matter.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Pasadena, California
October 12, 2020

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash	\$ 346,510	\$ 91,242
Contributions and Grants Receivable, net	1,641,766	731,400
Investments	341,559	173,393
Prepaid Expenses	19,511	6,475
Equipment, net of Accumulated Depreciation of \$13,664 in 2020 and \$6,476 in 2019	10,142	9,385
Total Assets	\$ 2,359,488	\$ 1,011,895
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 132,967	\$ 123,469
Loan Payable	376,290	-
Total Liabilities	509,257	123,469
NET ASSETS		
Without Donor Restrictions	315,280	100,647
With Donor Restrictions	1,534,951	787,779
Total Net Assets	1,850,231	888,426
Total Liabilities and Net Assets	\$ 2,359,488	\$ 1,011,895

See Accompanying Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
REVENUES				
Contributions	\$ 852,569	\$ 2,263,431	\$ 3,116,000	\$ 2,153,391
Grants and Contracts	389,500	-	389,500	323,700
Non-Cash Contributions	231,294	-	231,294	112,935
Special Events, Net of Expenses of \$34,544	191,926	-	191,926	486,129
Investment Return	1,666	-	1,666	4,405
Net Assets Released from Restrictions	1,516,259	(1,516,259)	-	-
Total Revenues	3,183,214	747,172	3,930,386	3,080,560
EXPENSES				
Program Services	2,384,060	-	2,384,060	1,695,337
General and Administrative	295,586	-	295,586	446,560
Fundraising	288,935	-	288,935	316,267
Total Expenses	2,968,581	-	2,968,581	2,458,164
CHANGE IN NET ASSETS	214,633	747,172	961,805	622,396
Net Assets - Beginning of Year	100,647	787,779	888,426	266,030
NET ASSETS - END OF YEAR	\$ 315,280	\$ 1,534,951	\$ 1,850,231	\$ 888,426

See Accompanying Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 1,369,912	\$ 783,479	\$ 2,153,391
Grants and Contracts	323,700	-	323,700
Non-Cash Contributions	112,935	-	112,935
Special Events, Net of Expenses of \$216,703	486,129	-	486,129
Investment Return	4,405	-	4,405
Net Assets Released from Restrictions	30,000	(30,000)	-
Total Revenues	2,327,081	753,479	3,080,560
EXPENSES			
Program Services	1,695,337	-	1,695,337
General and Administrative	431,310	-	431,310
Fundraising	316,267	-	316,267
Total Expenses	2,442,914	-	2,442,914
Loss from Uncollectible Contributions	(15,250)	-	(15,250)
CHANGE IN NET ASSETS	(131,083)	753,479	622,396
Net Assets - Beginning of Year	231,730	34,300	266,030
NET ASSETS - END OF YEAR	\$ 100,647	\$ 787,779	\$ 888,426

See Accompanying Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 1,649,153	\$ 87,094	\$ 173,388	\$ 1,909,635
Payroll Taxes	137,031	8,611	11,789	157,431
Employee Benefits	110,956	8,953	6,386	126,295
Worker's Comp Ins	10,276	992	109	11,377
Program Expense	293,671	-	-	293,671
Facility Fees	16,915	446	446	17,807
Fundraising/Marketing Expenses	-	-	11,822	11,822
Insurance - Liability, D&O	7,961	2,051	2,051	12,063
Conference	6,031	8,992	1,521	16,544
Professional Services	9,252	54,222	54,222	117,696
Telecommunication	874	7,622	175	8,671
Other General & Admin	141,940	109,415	27,026	278,381
Depreciation	-	7,188	-	7,188
Total Functional Expenses	<u>\$ 2,384,060</u>	<u>\$ 295,586</u>	<u>\$ 288,935</u>	<u>\$ 2,968,581</u>
	80%	10%	10%	
Fundraising Events	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,544</u>	<u>\$ 34,544</u>
Total Expenses	<u>\$ 2,384,060</u>	<u>\$ 295,586</u>	<u>\$ 323,479</u>	<u>\$ 3,003,125</u>

See Accompanying Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,302,264	\$ 221,134	\$ 143,914	\$ 1,667,312
Professional Fees	9,932	141,569	113,201	264,702
Payroll Taxes	115,206	13,092	7,855	136,153
Employee Benefits	123,869	15,016	8,234	147,119
Program Related Expenses	88,163	-	-	88,163
Occupancy	36,165	19,693	10,490	66,348
Telecommunication	2,662	4,543	1,351	8,556
Conference	2,626	11,411	138	14,175
Marketing and Promotion	-	-	13,732	13,732
Miscellaneous	2,718	4,025	16,856	23,599
Insurance - Liability, D&O	7,282	827	496	8,605
Depreciation	4,450	-	-	4,450
Total Functional Expenses	<u>\$ 1,695,337</u>	<u>\$ 431,310</u>	<u>\$ 316,267</u>	<u>\$ 2,442,914</u>
	69%	18%	13%	
Fundraising Events	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,703</u>	<u>\$ 216,703</u>
Total Expenses	<u>\$ 1,695,337</u>	<u>\$ 431,310</u>	<u>\$ 532,970</u>	<u>\$ 2,659,617</u>

See Accompanying Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 961,805	\$ 622,396
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	7,188	4,450
Unrealized Gains on Investments	(1,666)	-
Bad Debt	-	15,250
Changes in Assets and Liabilities:		
Contributions and Grants Receivable	(910,366)	(605,468)
Prepaid Expenses	(13,036)	(6,475)
Accounts Payable and Accrued Expenses	9,498	(13,770)
Net Cash Provided by Operating Activities	53,423	16,383
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(325,000)	(194,305)
Proceeds from Sales of Investments	158,500	259,000
Purchase of Equipment	(7,945)	(8,548)
Net Cash (Used) Provided by Investing Activities	(174,445)	56,147
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan Proceeds Received	376,290	-
NET CHANGE IN CASH	255,268	72,530
Cash - Beginning of Year	91,242	18,712
CASH - END OF YEAR	\$ 346,510	\$ 91,242

See Accompanying Notes to Financial Statements.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 ORGANIZATION

Communities in Schools of Los Angeles, Inc. (CISLA) is a California nonprofit corporation dedicated to surrounding students with a community of support, empowering them to stay in school and achieve in life. Since its founding in 2007, CISLA has supported more than 40,000 students and their families through an integrated student supports model, and CISLA has seen excellent results. In the 2019-2020 year, CISLA served more than 11,000 students to decrease dropout rates and increase rates of eighth grade culmination and high school graduation. CISLA operated in eleven Title 1 public schools, including Clinton Middle School, Hamilton High School, Hollenbeck Middle School, Liechty Middle School, Mendez High School, Santee High School, Mark Twain Middle School, Webster Middle School, Markham Middle School, Jordan High School and Grape Street Elementary School. In the coming 2020-2021 year, CISLA will add two additional elementary schools: 99th Street Elementary School and 107th Street Elementary School.

On August 24, 2016, CISLA entered into a master agreement with Los Angeles Unified School District (LAUSD) to provide in-school academic support, mentoring, positive behavior support, restorative justice practices, and case management to LAUSD students. The master agreement is effective for the period August 15, 2016 to August 14, 2020, with one remaining one-year renewal options.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of CISLA have been prepared on the accrual basis of accounting to conform to accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are reported as follows:

Net Assets Without Donor Restrictions

Net assets not subject to donor-imposed stipulations and net assets designated by the board of directors for specific purposes.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Fair Value Standards (ASC 820-10) establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring fair value. This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - Quoted market prices are available in active market for identical assets or liabilities as of the reporting date.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3 - Pricing inputs are unobservable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Investments

Investments are stated at fair value. The estimated fair value of investments is based on quoted market prices. Unrealized gains or losses on investments resulting from fair value fluctuations are recorded in the statements of activities.

Equipment

Equipment that is purchased is stated at cost; donated assets are stated at fair value at the date of acquisition. CISLA capitalizes equipment purchase of \$500 or more. CISLA uses the straight-line method for the computation of depreciation over three years on equipment.

Grants and Contracts

CISLA receives grants and contracts to support its programs at various schools and are recorded as grants and contracts receivable and revenues. Grants and contracts are considered as conditional contributions, revenue is recognized when allowable expenditures are incurred. As of June 30, 2020, there was no unrecognized conditional contribution on these grants and contracts.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received and reported in their appropriate net asset group, subject to the existence or absence of donor-imposed stipulations. Conditional promises, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at their estimated fair value.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue.

Non-Cash Contributions

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CISLA. Donated rent and other non-cash donations are recorded as contributions at their fair value at the date of donation.

Concentration of Credit Risk

CISLA maintains its cash in an interest bearing checking account at a recognized financial institution. The Federal Deposit Insurance Corporation insures cash accounts up to statutory limits. CISLA's cash accounts may exceed insured limits at times; CISLA has not experienced any losses in such accounts.

Concentration of Revenue

For the years ended June 30, 2020 and 2019, three donors and two donors provided 61% and 24% of CISLA's total contribution revenue, respectively.

LAUSD, under a Master Service Agreement, provided 100% of total grants and contracts revenues for both years. All contracted sites within said organization have separate sub-agreements with CISLA.

As of June 30, 2020, three donors accounted for 82% of contributions and grants receivable.

Income Taxes

CISLA is a nonprofit, tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income and state franchise taxes on related income pursuant to Section 501(a) of the Code and similar provisions of the California Franchise Tax Code. CISLA does not engage in any significant unrelated trades or businesses. Accordingly, no provision for income taxes is required.

U.S. GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by CISLA are more likely than not to be sustained upon examination.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

Management's estimate of the functional expenses shared between program, management and general, and fundraising is based on a reasonable and consistent basis. Salaries and related expenses are allocated based upon the estimated time expended by the employees. Other expenses are allocated according to management's estimates or on a direct basis.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Risks and Uncertainties

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic, which continues subsequent to year end. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to CISLA, COVID-19 may impact various parts of its 2021 operations and financial results including but not limited to loss contributions and grants revenue, additional bad debts, and costs for increased use of technology. Management believes CISLA is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements. The reclassifications had no impact on previously reported net assets and change in net assets.

Subsequent Events

Subsequent events have been evaluated through October 12, 2020, the date that these financial statements were available to be issued. There were no subsequent events that would require adjustments or disclosures in these financial statements.

New Accounting Pronouncements Adopted During the Year

CISLA has adopted Financial Accounting Standards Board (FASB) 2018-08 Not-For-Profit Entities (Topic 958), *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This standard distinguishes between contributions and exchange transactions and assists in determining which guidance to apply. CISLA has implemented ASU 2018-08 under the full retrospective approach. There was no material impact on the CISLA's financial position and results of operations upon adoption of the new standard.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements Effective in Future Accounting Periods

ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. It is effective for fiscal years beginning after December 15, 2019. Management will be evaluating the effects of this new standard.

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date at June 30, 2020 and 2019, comprise the following:

	2020	2019
Cash	\$ 346,510	\$ 91,242
Contributions and Grants Receivable	1,641,766	731,400
Investments	341,559	173,393
	2,329,835	996,035
Less:		
Net assets with donor restrictions	(1,534,951)	(702,779)
	\$ 794,884	\$ 293,256

CISLA receives significant grants and contributions each year from grantors and donors, which are available to meet annual cash needs for general expenditures and for specific purposes within the program mission. CISLA spend approximately 80% of the expenses in program, of which, portion of it is funded by donor restricted contributions. CISLA forecasts its future cash flows and monitors its liquidity on a weekly basis. As of and for the year ended June 30, 2020, liquidity and availability satisfied cash needs.

NOTE 4 CONTRIBUTIONS AND GRANTS RECEIVABLE

At June 30, 2020 and 2019, contributions and grants receivable is as follows:

	2020	2019
Contributions and Grants Receivable	\$ 1,658,808	\$ 756,200
Less: Uncollectible Pledges Allowance	-	(15,250)
Less: Present Value Discount at 2%	(17,042)	(9,550)
Total	\$ 1,641,766	\$ 731,400

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 CONTRIBUTIONS AND GRANTS RECEIVABLE (CONTINUED)

Future collections of contributions and grants receivable are expected as follows:

Year ending June 30,	
2021	\$ 841,808
2022	617,000
2023	<u>200,000</u>
	<u>\$ 1,658,808</u>

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following table presents investments measured at fair value on a recurring basis at June 30, 2020 and 2019:

	2020			
	Total	Level 1	Level 2	Level 3
Fidelity Government Money Market	\$ 341,559	\$ 341,559	\$ -	\$ -

	2019			
	Total	Level 1	Level 2	Level 3
Fidelity Government Money Market	\$ 173,393	\$ 173,393	\$ -	\$ -

Investment return for the years ended June 30, 2020 and 2019 was \$1,666 and \$4,405, respectively.

NOTE 6 LOAN PAYABLE

On April 23, 2020, CISLA received a loan from City National Bank in the amount of \$376,290 to fund payroll through the Paycheck Protection Program (the "PPP Loan"). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5, 2020) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, CISLA will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in October 2021, principal and interest payments will be required through the maturity date in April 2022.

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 7 NON-CASH CONTRIBUTIONS

During the years ended June 30, 2020 and 2019, CISLA received donated services and rent from an organization that received no economic benefit in return. The fair value of the professional services is based on number of hours and hourly fees that providers normally charge for such services.

The following non-cash contributions are included in the financial statements at fair value:

	<u>2020</u>	<u>2019</u>
Legal and Professional Development Services	\$ 49,029	\$ 43,447
Parking	16,969	33,632
Rent	28,800	28,800
Utilities and Maintenance	3,600	4,800
Office Expenses	1,424	2,256
COVID Related Support - Supplies/Materials	131,472	-
Total	<u>\$ 231,294</u>	<u>\$ 112,935</u>

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2020 and 2019, net assets with donor restrictions are available for the following purposes:

	<u>2020</u>	<u>2019</u>
Subjected to Passage of Time *	\$ 1,431,778	\$ 656,000
Subjected to Purpose Accomplishment:		
Program Expansion in Watts and Boyle Heights	-	105,000
Summer Programming	44,019	-
Others	59,154	26,779
Total	<u>\$ 1,534,951</u>	<u>\$ 787,779</u>

* Includes \$1,354,000 purpose restricted net assets for Program Expansion in Watts and Boyle Heights. Such net assets subjected to passage of time will turn into net assets subjected to purpose accomplishment upon collection of contributions receivable.

For the years ended June 30, 2020 and 2019, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	<u>2020</u>	<u>2019</u>
Subjected to Passage of Time	\$ 107,222	\$ 30,000
For the Purpose of Scholarship	62,635	-
For the Purpose of Expansion Program	974,900	-
Others	371,502	-
Total	<u>\$ 1,516,259</u>	<u>\$ 30,000</u>

COMMUNITIES IN SCHOOLS OF LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 RETIREMENT PLAN

In September 1, 2015, CISLA adopted a 401(k) defined contribution retirement trust (the Plan) covers substantially all of its full time employees. CISLA may make discretionary contributions to the Plan. For the years ended June 30, 2020 and 2019, CISLA did not make any contributions to the plan.