

Children First/Communities in Schools of Buncombe County
Financial Statement Commentary
February 28, 2019

Statement of Financial Position (Balance Sheet)

1. **Cash** available for operations, represented by all cash accounts (except Operating Reserve, CFWNC Early Childhood Partner Support, and Assistance Funds) and including undeposited funds is \$321K, down from \$356.5K at January 31. The cash balance represents approximately three months of operating expenses.
2. **Accounts Receivable** consists entirely of collectible balances (detail is included with these statements). Salvation Amy has been contacted. They are in the process of a staff transition but we have been assured that the outstanding invoices have been sent to their finance department and we see no problem receiving outstanding payments.

Statement of Activity (Profit & Loss Budget Performance)

1. **Governmental Support** includes funding from FEMA.
2. **Public Support:** Current projections anticipate Public Support being down (\$59,472) for Fiscal Year 2019.
3. **Fundraising Events:** A \$500 expense was budgeted for Are You Smarter that has not been spent.
4. **Program Service Revenue** reflects reimbursement for MAHEC gift cards. \$960 breaks even with expense and we realize a \$28 gain for admin time.
5. **Personnel Costs and Employee Benefits** expense below budget due to staffing changes.
6. **Professional and Outside Services** expense below budget due to decreased use of Contract Controller.
7. **Travel and Transportation** expense up due to AmeriCorps members travelling to the Highlands for their mid-year retreat.
8. **Other Program Costs** include FEMA expense which correlates with Government Support, MAHEC gift cards which correlates with Program Service Revenue, and AmeriCorps background checks.
9. **Partner Support** reflects all expenses paid to partners via the CFWNC funding for the Early Childhood Development Focus Area grant which allocates \$36,500 to be redistributed to partners in the Western Carolina Early Childhood coalition
10. **Other Income and Expense** reports the effect of grants awarded in prior periods that are funding the current year's expenses. For the year to-date, \$170.3K of prior year grant awards has been included in operating income. The entry to "Reverse Prior Year Revenue" is required to back out those revenues since they were already recognized in the FY18 audited financial statements. For measuring performance against budget, the Operating Income line should be used; the Other Income/Expense section is to reconcile the statements back to a GAAP reporting basis.