

Children First/Communities in Schools of Buncombe County
Financial Statement Commentary
April 30, 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 \$316K, slight decrease from \$326K at March 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 Army 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.
3. **Other Current Assets** includes:
 - a. Undeposited Funds, which are checks received in the office which have not yet been deposited at the bank. These funds have all been deposited since 4/30.
 - b. Prepaid Expenses, representing insurance premiums paid in full and expensed monthly over the premium period.
4. **Fixed Assets and Accumulated Depreciation** balances are unchanged since 6/30/18 (depreciation entry is recorded every 6/30).
5. **Endowment Funds** held at the Community Foundation are adjusted quarterly for market changes, realized income, and administrative fees. Information for the March balances has not yet been received.
6. **Other Current Liabilities** includes:
 - a. Accrued Vacation, which is vacation time earned but not taken. This balance is updated annually at 6/30.
 - b. Deferred Grant Revenue, representing FEMA funds and Early Childhood Development funds received which will not be recorded as revenue until used.

Statement of Activity (Profit & Loss Budget Performance)

1. **Governmental Support** includes funding from FEMA.
2. **Public Support:** Individual donations were up for the month due to an unexpected donation of \$10,000 by unsolicited donors that also contributed another \$10,000 in December 2018.
3. **Fundraising Events:** reflect March Basketball Bracket donations received in April. March Basketball Bracket raised \$400 overall. Are You Smarter was budgeted for April and the event will no longer be happening. \$20k of the \$28k reflected in Third Party Fundraisers is what was carried over from 2018 Break the Hunger.
4. **Personnel Costs and Employee Benefits** expense below budget due to the vacancy in the Development position.
5. **Occupancy and Equipment Costs:** over budget because Duke utility bill for FRCE increased from \$300 to \$414.
6. **Professional and Outside Services** over budget due to \$2,000 paid to Communication Mark for contract Development work.
7. **AmeriCorps Personnel:** over budget because March stipend checks were issued April 1 instead of March 31 so both March and April personnel costs appear here.

8. **Missing Receipts:** Reflects expenses that are accounted for but the tangible receipt has not been turned in. Serves as a reminder for Finance to follow up with staff.
9. **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.