

Children First/Communities in Schools of Buncombe County
Financial Statement Commentary
July 31, 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 \$440K, an increase from \$310,500 at June 30. This increase due to receiving payments from several large grants in July including Z Smith Reynolds-\$50k, Melvin R Lane-\$50k, and NC Child - \$20k. The cash balance represents approximately four months of operating expenses.
2. **Accounts Receivable** consists entirely of collectible balances. Morgan will be reaching out to the AJCC for what looks like an overlooked AmeriCorps partner payment. The rest are Break the Hunger sponsorships that have yet to be paid, with the exception of the first which is AmeriCorps grant funding.
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 7/31.
 - 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). Will be adjusted again soon with upcoming audit.
5. **Endowment Funds** held at the Community Foundation are adjusted quarterly for market changes, realized income, and administrative fees.
6. **Other Current Liabilities** includes:
 - a. Accrued Vacation, which is vacation time earned but not taken. This balance is updated annually at 6/30. Will be adjusted again soon with upcoming audit.
 - 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. **Refund:** First payroll of FY20 is split between FY19 and FY20 so any staff salary adjustments that began 7/1 were adjusted to a rate split between the two fiscal years. The refund reflects salary adjustments for a staff position that elected for unpaid leave in FY20.
2. **Public Support:** Received \$4,500 from Jubilee! Community Church, \$20K from NC Child, \$4,000 from Mary Norris Preyer Fund, and \$5,000 from Wells Fargo. \$82K is reflected from prior year grant revenue that was received in FY19 but will be spent in FY20, including Z Smith Reynolds and Ramble.
3. **Program Service Revenue:** Reimbursement for gift cards that we purchase for MAHEC.
4. **Occupancy and Equipment:** Reflects one month rent paid to United Way for July and moving expenses including: painting the front trailer, changing the locks, getting new keys made, and repairing gutters on trailers.
5. **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. Most for July have been found but not yet processed.
6. **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, \$81.6 of prior year grant awards has been included in operating income (mentioned in Public Support line). The entry to "Reverse Prior Year Revenue" is required to back out those revenues since they will be recognized in the FY19 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.

Please note that the budget is in the process of being entered into QB by month and class. A budget to actual comparison will be available in September.