

**Children First/Communities in Schools of Buncombe County**  
**Financial Statement Commentary**  
**June 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 \$310,500, an increase from \$303K at May 31. We began the fiscal year at \$358K. The cash balance represents approximately three months of operating expenses.
2. **Accounts Receivable** consists entirely of collectible balances (detail is included with these statements). Large balance in part due to Z Smith Reynolds invoice for \$50K. MAHEC has been contacted and we have been assured the payment will be made soon. Fletcher Business Park is a Break the Hunger sponsor.
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 6/30.
  - 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 and will be completed for FY19 with the 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 and will updated for FY19 with the 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. **Government Support:** Under budget due to decreased funding from FEMA.
2. **Public Support:** Down \$57K for the year
3. **AmeriCorps Income:** Below budget due to smaller team. However, we did receive more funding than earlier projections because we were given approval to spend down funds for certain items not specified in original grant proposal, including a portion of Director of Community Supports salary.
4. **Fundraising Events:** WLOS Break the Hunger Raised \$25,742 total, including the match from Carolina Furniture Concepts. Received \$2k from Asheville Downtown Association for Downtown After Five Event. \$9k over budget for the year.
5. **Personnel Costs and Employee Benefits:** Down \$42k for the year due to vacancies in Development, Learning Center Coordinator, and Operations Coordinator positions.
6. **Professional and Outside Services:** Is actually under budget for the year due decreased use of Contract Controller, but the \$8K spent on consultants for capacity building (grant funded) is reflected in that line item.
7. **Travel and Transportation:** Down primarily due to a smaller AmeriCorps team. Member travel between sites is covered by the grant. Staff travel also in this line item.
8. **Training and Education:** Down primarily due to a smaller AmeriCorps team. Many training costs are per member. Staff training also in this line item.
9. **Other Program Costs:** Over budget because Emergency Assistance spending exceeded FEMA funding.
10. **Member Recruitment:** New line item added for AmeriCorps recruitment costs for next team. Covered in next year's grant.

11. **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. Many of these receipts for the year have been found but not yet entered in system.
12. **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.