

Children First/Communities in Schools of Buncombe County
Financial Statement Commentary
August 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 \$380,560, a decrease from \$440k at July 31. The cash balance represents approximately four months of operating expenses.
2. **Accounts Receivable** consists entirely of collectible balances. Morgan has reached out to the AJCC for what looks like an overlooked AmeriCorps partner payment. The \$5K is a Break the Hunger sponsorship that has yet to be paid, the \$14k is the Carolina Furniture Match from Break the Hunger, and the \$500 is a Corporate sponsor. Natasha is reaching out to all. The rest are up to date Partner Site fees for AmeriCorps.
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 8/31.
 - 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). We are currently adjusting for 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. We are currently adjusting for the audit.
 - b. Deferred Grant Revenue represents Early Childhood Development funds received which will not be recorded as revenue until used.

Statement of Activity (Profit & Loss Budget Performance)

1. **Governmental Support:** Down because we will not be receiving FEMA money this year. However, this revenue corresponds with the Assistance to Individuals expense which will be greatly reduced because we will not be providing Utility and Rental Assistance this year.
2. **Refund:** First payroll of FY20 is split between FY19 and FY20 and an error was made in one staff salary adjustment. The refund reflects a correction to that error.
3. **AmeriCorps Income:** Above budget for the month because of timing for the final payment for the previous year's grant closeout. Also because many Partner Sites for the current team are paying their fees up front for the year or paying quarterly rather than monthly.
4. **Public Support:** Received \$3,000 from Publix, \$725 from Borg Warner, \$5,000 from the Beattie Foundation, and \$3,600 from the Southern Economic Advancement Project for research allocated to Advocacy.
5. **Personnel Costs:** CFCIS staff personnel costs not actually down. The favorable line item variance is due to fewer AmeriCorps members placed at CFCIS than budgeted, however this has no effect on the bottom line because we book an offsetting revenue entry to cover these members' costs.
6. **Occupancy and Equipment:** About \$10k under budget due to reduced costs for move and replacing AC unit in August. Will have better idea of total savings next month since additional expenses were incurred in September.
7. **Professional and Outside Services:** Actually down. Did not budget Auditor fees until later in the year.
8. **AmeriCorps Personnel:** Down because we started with 15 Members rather than the budgeted 20 and also because we won't see Member August health insurance costs until the September or October bill.

9. **Supplies:** Over budget because of Backpack Bonanza but the donation from Borg Warner was designated to covering those costs.
10. **Training and Education:** Over budget due to timing of AmeriCorps trainings.
11. **Partner Support:** Pass-through funds paid to partners via CFWNC Early Childhood Partner Support.
12. **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.
13. **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, \$82k 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.