

Children First/Communities in Schools of Buncombe County
Financial Statement Commentary
October 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 \$360K, an increase from \$319K at September 30. The cash balance represents approximately 3.5 months of operating expenses.
2. **Accounts Receivable** consists entirely of collectible balances. The \$5k from Fletcher Business Park has been received along with Mr. Rooter. The \$14k is the Carolina Furniture Match from Break the Hunger that has not been received. 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 10/31.
 - 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 6/30/19 (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. Have not yet received the 9/30 statement.
6. **Other Current Liabilities** includes:
 - a. Direct Deposit Liabilities negative balance represents a payroll deposit withdrawn on 10/31 for an 11/1 pay date.
 - b. Group Benefits Liability reflects Health and Ancillary Insurance premiums which are paid one month in advance.
 - c. Accrued Vacation, which is vacation time earned but not taken. This balance is updated annually at 6/30.

Statement of Activity (Profit & Loss Budget Performance)

1. **Governmental Support:** Down because we will not be receiving FEMA money this year. 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, however it will still have an effect on our bottom line because this funding was also used to purchase food for the food pantry and after school programs.
2. **AmeriCorps Income:** Down for the year due to smaller team than budgeted.
3. **Public Support:** Received an unbudgeted \$4,000 from CoThinkk to support programming at Johnston. Foundation Donations under budget for the month because we will not be receiving \$30K from the School Safety grant. Individual donations up almost \$1,000. Board giving is down for the year.
4. **Professional and Outside Services:** Is over budget for the month because of timing of Audit payments. We also received a grant from NC Arts in November for \$13.5k, \$9k of which goes to paying artists of color to work with students in Pisgah View and those payments come from

this line item. Therefore, Professional and Outside Services will appear over budget throughout the year but since the artist payments are grant funded they have no effect on the bottom line.

5. **AmeriCorps Personnel:** Over budget for the month because member August and September health insurance costs did not appear until the October medical bill. AmeriCorps Personnel costs down for the year because we have smaller team than budgeted.
6. **Supplies:** Includes purchases made with the NC Art grant and AmeriCorps supplies.
7. **Training and Education:** Over budget for the month because of timing of AmeriCorps trainings.
8. **Partner Support:** Pass-through funds paid to partners via CFWNC Early Childhood Partner Support.
9. **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.
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, \$315K of prior year grant awards has been included in operating income which includes the \$150k awarded in 2019 from Melvin R Lane. 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.