

WNCSource Financial Snapshot March 2022

Items of note on the financial statements this month include:

Balance Sheet:

- Unrestricted cash balance is \$2.0 Million – change in unrestricted cash related to timing of construction and other capital payments made in February and reimbursed in March
- WNCSource has received \$445K in Stabilization Grant funds from the state to support 2 quarters of expenses for extended day care operations (Wrap Around)

Income statement:

- Early Childhood Education Services is experiencing operating YTD losses in the following programs
 - Child Nutrition (CACFP)= (-\$87,233) – losses related to unreimbursed food service cost
- The reported loss for Senior Nutrition services is \$27,451. It includes:
 - \$16,381 in unreimbursed expenses for ARPA Food program – the grant administrator Land of Skye has not set up the grant in its reimbursement system. They assure us this will happen soon and we can bill for the balance due.
 - \$4218 in expenses for liquid nutrition paid for with a grant received last year – funds are released from net assets to cover the expense
 - \$2182 in reserves released from net assets to cover the December appreciation bonus

That leaves an actual loss of \$4680 that is in the Congregate Meals program. Finance is meeting with Senior Nutrition to look for ways to adjust Congregate budgets to accommodate increased expenses next year.

- The Finance committee discussed and approved changes to the procurement policy in the Finance manual to bring it into alignment with Federal purchasing minimum requirements. Purchasing minimums were updated to match new Federal requirements. The policy is attached for Board Review. The Finance Committee will be bringing this to the Board for approval at this month's meeting.
- Indirect costs for the month were: \$126,229.14

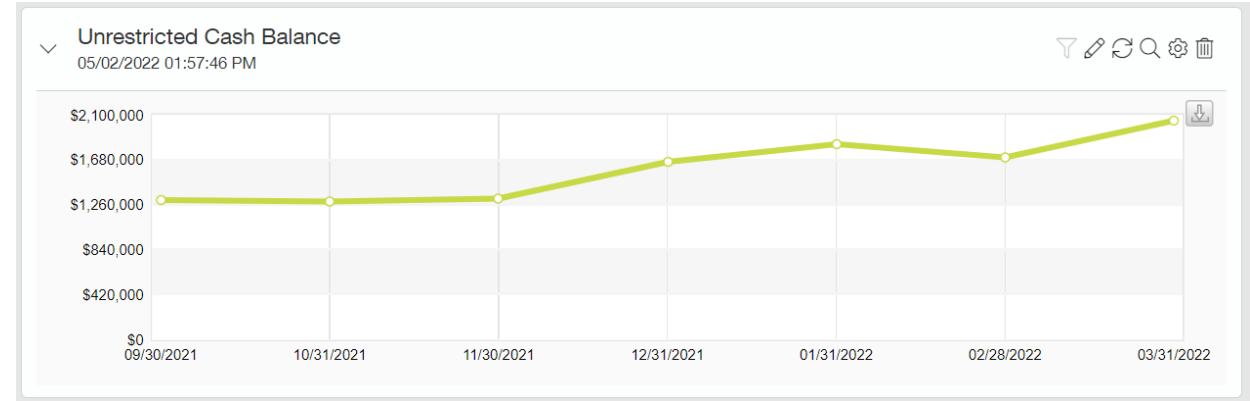
WNCSource Treasurer's Dashboard

Date: As of 03/31/22

Agency Performance Cards – Fiscal Year to Date

<p>WCCA Net Income</p> <p>\$889,528</p> <p>fiscal - current year to date +\$462,410 vs. budget</p>	<p>Unrestricted Cash</p> <p>\$2,041,712</p> <p>this month +\$336,733 vs. prior month</p>
<p>Fundraising - Private Foundations...</p> <p>\$654,613</p> <p>fiscal - current year to date +\$533,848 vs. prior year</p>	<p>Fundraising - Donations</p> <p>\$30,890</p> <p>fiscal - current year to date +\$17,789 vs. prior year</p>

Monthly Unrestricted Cash Balance

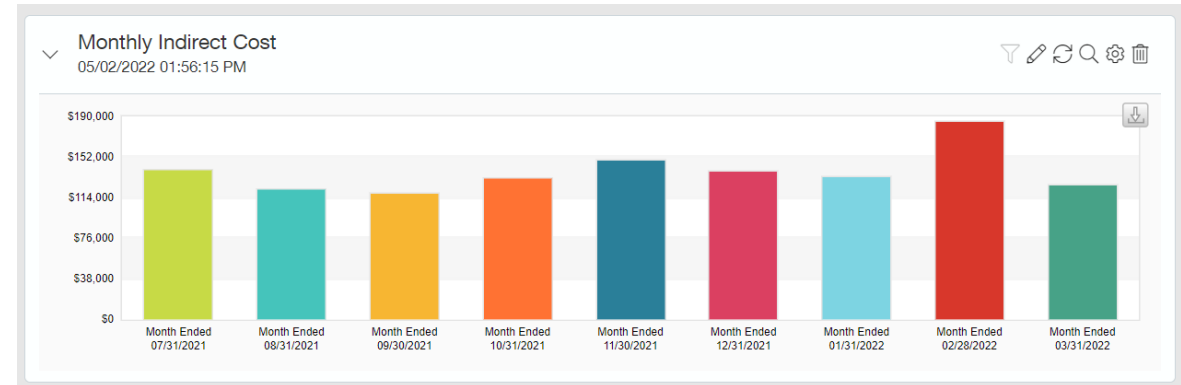


Program Income and % of Budget – Fiscal Year to Date

Program Income by Service Line

	Revenue Year To Date 03/31/2022 Actual	Expenses Year To Date 03/31/2022 Actual	Operating Income 03/31/2022 Actual	% of Budget 06/30/2022 Actual
Early Childhood Education Services	7,706,868.12	7,294,756.10	412,112.02	58 %
Housing Services	3,307,620.50	3,238,186.71	69,433.79	77 %
Transportation Services	1,106,750.20	1,051,527.76	55,222.44	70 %
Senior Nutrition	131,181.70	158,633.28	(27,451.58)	93 %

Monthly Administrative Cost



Note: Early Childhood Education Services appears as a surplus due to \$412,112.02K in Stabilization grants received to assist with expenses for wrap around (after school) services impacted by the Pandemic. \$16,381 of the loss in Senior Services is related to purchases of shelf stable meals for the ARPA food grant and \$4218 in expenses for liquid nutrition for which the grant revenue was recorded last year.

Western Carolina Community Action
 AFS Format - Statement of Financial Position
 As of March 31, 2022

As of Date:

03/31/2022

	Month Ending 03/31/2022	Month Ending 02/28/2022	Variance	Notes
	Actual	Actual		
Total Assets				
Current Assets				
Unrestricted Cash	2,038,613	1,701,879	336,734.00	<i>Increase in cash due to receipt of construction reimbursements \$174,845.38 noted on last month's financials</i>
Restricted Cash	134,732	131,092	3,641.00	
Accounts Receivable-Other	74,603	72,599	2,003.00	
Federal and State Grant Receivables	1,102,943	1,651,657	(548,714.00)	
Prepaid Expense	167,697	132,369	35,327.00	
Total Current Assets	<u>3,518,588</u>	<u>3,689,596</u>	<u>(171,009.00)</u>	
Noncurrent Assets				
Property and Equipment	4,162,287	4,192,704	(30,416.00)	<i>change in monthly accumulated depreciation</i>
Endowment and Investments	66,074	66,075	0.00	
Notes Receivable	350,184	350,183	0.00	
Investments	60,873	60,873	0.00	
Total Noncurrent Assets	<u>4,639,418</u>	<u>4,669,835</u>	<u>(30,416.00)</u>	
Total Total Assets	<u>8,158,006</u>	<u>8,359,431</u>	<u>(201,425.00)</u>	
Total Liabilities and Net Assets				
Total Liabilities				
Current Liabilities				
Accounts Payable-Trade	370,086	299,720	70,366.00	
Misc Accounts Payable and Accrued Expenses	69,343	72,010	(2,667.00)	
Self-Insurance Payable	730,567	730,567	0.00	
Accrued Annual Leave	218,761	218,761	0.00	
Accrued Payroll	0	220,878	(220,878.00)	<i>adjustment for third payroll incurred in February</i>
Housing Escrow Payable	49,602	46,236	3,367.00	
Total Current Liabilities	<u>1,438,359</u>	<u>1,588,172</u>	<u>(149,812.00)</u>	
Long-Term-Liabilities				
Deferred Revenue	350,184	350,183	0.00	
Long Term Debt	1,638,689	1,654,131	(15,442.00)	<i>normal payments of long term debt</i>
Total Long-Term-Liabilities	<u>1,988,873</u>	<u>2,004,314</u>	<u>(15,442.00)</u>	
Total Liabilities	<u>3,427,232</u>	<u>3,592,486</u>	<u>(165,254.00)</u>	
Net Assets				
Without Donor Restrictions Undesignated Net Assets	4,445,066	4,398,706	46,361.00	
Without Donor Restrictions Designated Net Assets	24,085	24,085	0.00	
With Donor Restrictions Net Assets	297,794	297,793	0.00	
Change in Net Assets	(36,171)	46,361	(82,532.00)	
Total Net Assets	<u>4,730,774</u>	<u>4,766,945</u>	<u>(36,171.00)</u>	
Total Liabilities and Net Assets	<u>8,158,006</u>	<u>8,359,431</u>	<u>(201,425.00)</u>	

POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS

PURCHASING AND PAYABLES POLICIES AND PROCEDURES

Overview

Purchasing policies ensure that materials and services are obtained in an effective manner, with appropriate cost controls in place, and in compliance with the provisions of applicable Federal statutes and grant requirements.

Authorization and Purchasing Limits

The approach to purchasing and payables depends upon the size of the transaction. The following table summarizes how a purchase is initiated, approved, and paid based on transaction size. **The policies in this section apply to all purchases made by WNCSource, except where noted based on the purchase size.** If an individual grant has more restrictive policies, the more restrictive policies apply and are documented outside of this manual.

Amount of Purchase	Category	Required Approvals	Required Solicitation	Required Documentation
< \$10,000	Micro-purchase	<ul style="list-style-type: none"> Department Director or designee or CFO 	Evidence of solicitation is not required if price is reasonable	<ul style="list-style-type: none"> No purchase order required Completed voucher form with attached receipt/invoice
\$10,000 - \$249,000	Simplified acquisition	<ul style="list-style-type: none"> Department Dir. CFO or CEO 	3 documented quotes or approved vendor. Formal bidding not required but should be used when appropriate.	<ul style="list-style-type: none"> Check voucher Documentation of quotes received Documentation of how decision was made
\$250,000 or more	Formal bid	<ul style="list-style-type: none"> Department Dir. CFO/CEO Board of Directors (if not already approved in a budget) 	Formal bidding process (sealed bids, or competitive proposals, or non-competitive proposals)	<ul style="list-style-type: none"> Copy of RFB or RFP Proposal scoring grids including who participated in the scoring Proposal and contract of winning bid

WNCSource requires the practice of ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff will adhere to in the completion of their designated responsibilities.

Process Overview *(Effective Date: 1/1/17)*

Most of the organization's purchases will fall under the micro-purchase threshold (currently \$10,000). In these cases, the following basic process applies:

1. Department Director or designee initiates the purchase. No evidence of solicitation required so long as the price is reasonable.
2. Department Director or designee receives receipt or invoice.
3. Department Director or designee completes a check voucher form, attaches relevant documentation, and delivers to Finance.
4. CFO reviews and Finance processes the payment.

Some of the organization's purchases will fall between the micro-purchase threshold (\$10,000) and the simplified acquisition threshold (\$250,000). In these cases the following basic process applies:

1. Department Director or designee obtains documented quotes.
2. Department Director selects vendor and initiates a check voucher.
3. Chief Executive Officer or CFO (and/or Board of Directors, if an out-of-budget item above \$50,000) approves check voucher.
4. Department Director or designee initiates the purchase.
5. Department Director or designee receives receipt or invoice.
6. Department Director or designee matches check voucher to invoice and attaches relevant documentation.
7. Chief Executive Officer or CFO approves for payment. Department Director or designee delivers to Finance.
8. Finance matches, reviews, and processes payment.

On occasion, the organization's purchases will go above the simplified acquisition threshold (\$250,000). In these cases, the process is the same as for purchases between \$10,000 and \$250,000 except that a formal bid process is required. Further explanation of the formal bid process is explained later in this section.

Policies and Procedures For All Purchases

This section highlights a number of policies and procedures that apply regardless of purchase amount.

Responsibility for Purchasing

All department directors or their designees have the authority to initiate purchases on behalf of their department, within the guidelines described here. Department directors must inform the Finance Department of all individuals that may initiate purchases or prepare purchase orders/check vouchers. The Finance Department maintains a current list of all authorized purchasers.

The Finance Department is responsible for processing and check vouchers.

Procurement Procedures

The following are WCCA's procurement procedures:

1. WCCA will avoid purchasing items that are not necessary or duplicative for the performance of the activities required by a federal award. *(2 CFR Part 200.318(d))*
2. Where appropriate, an analysis will be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government. *(2 CFR Part 200.318(d))*. This analysis should only be made when both lease and purchase alternatives are available to the program.
3. Purchasers are encouraged to enter into state and local inter-governmental or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. *(2 CFR Part 200.318(e))*
4. Purchasers are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. *(2 CFR Part 200.318(f))*
5. Documentation of the cost or price analysis associated with each procurement decision in excess of the simplified acquisition threshold (\$250,000) will be retained in the procurement files pertaining to each federal award. *(2 CFR Part 200.323)* Also see Non-Competitive purchases later in this section.
6. All pre-qualified lists of persons, firms or products which are used in acquiring goods and services must be current and include enough qualified sources to ensure maximum open and full competition. *(2 CFR Part 200.319(d))*
7. WCCA will maintain records sufficient to detail the history of procurement, including: *(2 CFR Part 200.318(i))*
 - a. Rationale for the method of procurement;
 - b. Selection of contract type;
 - c. Vendor/contractor selection or rejection; and
 - d. The basis for the contract price.
8. WCCA will make all procurement files available for inspection upon request by a federal awarding agency.
9. WCCA will not utilize the cost-plus-a-percentage-of-costs method of contracting. *(2 CFR Part 200.323(d))*

All staff members with the authority to approve purchases will receive a copy of and be familiar with 2 CFR Part 200.400 – 475, Cost Principles.

Code of Conduct in Purchasing (2 CFR Part 200.318 (c)(1))

Ethical conduct in managing the Organization's purchasing activities is absolutely essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

- Staff will discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.
- Staff will notify their immediate supervisor if they are offered such gifts.
- No officer, board member, employee, or agent will participate in the selection or administration of a vendor/contractor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his or her immediate family, his or her spouse or partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor/contractor selected.
- The Agency must disclose, in a timely manner, in writing to the Federal awarding agency all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award (2 CFR Part 200.113 Mandatory Disclosures)
- The Agency must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy (2 CFR Part 200.112).
- Officers, board members, employees, and agents will neither solicit nor accept gratuities, favors, or anything of monetary value from vendor/contractors or parties to sub-agreements. For the purposes of this policy, this includes items which have more than personal de minimis value (i.e. could be sold for financial gain). As further clarification, the following interactions with vendors are allowed:
 - Vendor-paid meals, so long as the vendor is present, there is a legitimate business purpose for the meeting, and the meal is not overly extravagant.
 - Product samples or promotional items. This includes, for example, small items of de minimis value with the vendor's logo on it.
 - Food items of *de minimis* value provided for the enjoyment of an entire office or department. For example, holiday food items.
 - Agency-authorized donation requests. This includes, for example, vendor-donated items for a company fundraiser.