

Finance Committee Meeting Agenda

Tuesday, January 16, 2018

3:00 pm – 5:00 pm

PFC Resource Center

I. Call to Order & Chair Comments

- A. Welcome
- B. Volunteer Form

II. Approval of October 17, 2017 Minutes*

III. Accounting Reports

A. Financial Reports: November 2017^Δ – Marie Lilly

- 1. Smart Start
- 2. NC Pre-Kindergarten
- 3. DCDEE – Region 5
- 4. All Funding Sources
- 5. Unrestricted State Revenues
- 6. Cash and In-Kind Report

B. Financial Reports: December 2017^Δ – Marie Lilly

- 1. Smart Start
- 2. NC Pre-Kindergarten
- 3. DCDEE – Region 5
- 4. All Funding Sources
- 5. Unrestricted State Revenues

IV. New Business

- A. FY 16/17 Audit^Δ – Marie Clark
- B. FY 18/19-20/21 Smart Start Allocation Update^Δ – Linda Blanton / Marie Clark
- C. NC Pre-K Site Selection Workgroup^Δ – Marie Clark
- D. FY 17/18 System of Support (SOS) Recommendation* – Marie Clark

V. Contract Management Report^Δ

- A. FY 16/17 DSP Contract Monitoring Status Report – Marie Clark

VI. President's Report^Δ

- A. North Carolina Partnership for Children (NCPC) Update / Legislative Update
- B. NC Justice Center, Pathways to Prosperity Community Meetings
- C. 2018 Soirée – March 10, 2018
- D. Smart Start Conference, April 30 – May 3, 2018
- E. Guardian ad Litem Peanut Butter Jelly Time – Annual Peanut Butter Jelly Campaign

VII. Information

A. Upcoming Committee Meetings

MEETING	MEETING DATE	MEETING TIME
Board Development	January 23, 2018	1:30 pm – 3:00 pm
Board of Directors (& NC Pre-K Planning)	January 25, 2018	12:00 pm – 2:00 pm
Public Engagement & Development (PED)	February 6, 2018	3:00 pm – 5:00 pm
Planning & Evaluation	February 13, 2018	2:00 pm – 4:00 pm
CCR&R	February 15, 2018	9:00 am – 11:00 am
Facility & Tenant	February 19, 2018	11:30 am – 1:00 pm
Executive	February 22, 2018	9:00 am – 11:00 am
Human Resource	March 14, 2018	8:00 am – 9:15 am
<i>Finance</i>	<i>March 20, 2018</i>	<i>3:00 pm – 5:00 pm</i>

B. Upcoming Events/Volunteer Opportunities

EVENT	DATE	LOCATION	CONTACT
Truckload of Hope (Diaper Bank)	February 3, 2018	PFC	Michelle Hearon @ 826-3073
Soirée	March 10, 2018	Crown Arena	Daniele Malvesti @ 826-3037
KidStuff	April 28-29, 2018	Festival Park	Sharon Moyer @ 826-3072
Kidtopia	November 10, 2018	Crown Expo Center	Sharon Moyer @ 826-3072
Story & Art Time	2 nd & 4 th Friday of each month – 10:30- noon	PFC	Bobbie Capps @ 826-3044
Grandparent Support Group	3 rd Tuesday of each month – 10:00-noon	PFC	Vicky Jimenez @ 826-3022

VIII. Adjournment

* Needs Action ^Δ Information Only / Possible Conflict of Interest (Recusals) ^ε Electronic Copy



Partnership for Children of Cumberland County, Inc. (PFC)
Finance Committee Meeting Minutes
October 17, 2017 (3:07pm-4:17pm)
Be the Driving Force



MEMBERS PRESENT: Lisa Childers, Robin Deaver, Marcus Hedgepeth, Dawn Keeler, Perry Melton and Donna Pyles

MEMBERS ABSENT: Sandee Gronowski, Brenda Reid-Jackson and Jody Risacher

NON-VOTING ATTENDEES: Linda Blanton, Marie Clark, Belinda Gainey, Marie Lilly, Carole Mangum and Mary Sonnenberg

AGENDA ITEM	DISCUSSION & RECOMMENDATION	ACTION	FOLLOW-UP
I. Call to Order & Chair Comments A. Welcome B. Volunteer Forms	<p>The scheduled meeting of the Finance Committee was held at the PFC Family Resource Center at 351 Wagoner Drive, Fayetteville, NC, on Tuesday, October 17, 2017, and began at 3:07pm pursuant to prior written notice to each committee member. Marcus Hedgepeth, Chair, called the meeting to order and reviewed items for information until quorum was met. Belinda Gainey was Secretary for the meeting and recorded the minutes.</p> <p>A. Marcus Hedgepeth welcomed everyone to the meeting. B. Committee members who reviewed the committee packet prior to the meeting were asked to complete the volunteer form that was placed on the table with their packet.</p> <p><i>Quorum was met at 3:10pm.</i></p>	Called to Order	None
II. Approval of Meeting Minutes A. August 15, 2017	<p>A. The minutes for the August 15, 2017 scheduled meeting were previously distributed and reviewed by the committee members. Dawn Keeler moved to accept the minutes as presented. Perry Melton seconded the motion. Hearing no further discussion, the Chair put the motion to a vote. All votes were unanimous. The motion carried.</p>	Motion Carried	None
III. Accounting Reports ^Δ A.1.-5. Financial Reports – September 2017 A.6. Cash and In-Kind Report	<p>A.1.-5. The Financial Reports for September 2017 were previously distributed. Marie Lilly, Marie Clark and Carole Mangum reviewed the reports with the committee. While reviewing the Smart Start Grant report, Marie Lilly stated that PFC currently has \$49,750 unallocated. The unallocated funds will discussed further in Section IV.</p> <p>A.6. The Cash and In-Kind Report for September 2017 was previously distributed. Marie Lilly reviewed the report with the committee. Mary Sonnenberg stated another in-kind contribution from Tech Soup should be received next month. This was also received on last fiscal year.</p>	<p>None</p> <p>None</p>	<p>None</p> <p>None</p>



Partnership for Children of Cumberland County, Inc. (PFC)
Finance Committee Meeting Minutes
October 17, 2017 (3:07pm-4:17pm)
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<p>IV. New Business</p> <p>A. Unallocated Smart Start Funds, \$49,750*</p> <p>B. FY 16/17 Audit^A</p> <p>C. Smart Start Bidders Conference^A</p>	<p>A. Marie Clark reported that PFC currently has \$49,750 in unallocated funds. This funds were initially set aside for a literacy activity. Advertisement has been done for a literacy activity and those who were awarded at that time have received their funding. PFC is requesting that our organization be allowed to place the \$49,750 on the Contingency Reversion Plan and send an email to service providers, including in-house, to see if either of them can use the funds to expand their services, not just for literacy activities. These monies will not be guaranteed for next fiscal year. Approval is needed to allocate these funds to non-literacy activities.</p> <p>Perry Melton made a motion to accept adding these funds to the Contingency Reversion Plan and the funds being available for a non-literacy activities as presented. Lisa Childers seconded the motion. Hearing no further discussion, the Chair put the motion to a vote. All votes were unanimous. The motion carried.</p> <p>After additional discussion, the motion was withdrawn. The funds are not limited to only non-literacy activities. They can be used for literacy and non-literacy activities.</p> <p>Perry Melton made a motion to accept adding these funds to the Contingency Reversion Plan and the funds being used not to exclude literacy but to include other Smart Start activities as presented. Lisa Childers seconded the motion. Hearing no further discussion, the Chair put the motion to a vote. All votes were unanimous. The motion carried.</p> <p>B. Marie Clark reported that auditors were on site Tuesday, October 10 and Wednesday, October 11, 2017. PFC is awaiting contact from the auditors to see if any further informaiton is required.</p> <p>C. Linda Blanton reported that PFC is in the long session of the allocation process. On August 8, 2017, the Planning and Evaluation Committee reviewed the timeline and the eligibility requirements. A request for proposal was placed in the Fayetteville Observer and was emailed out on September 19; the first Mandatory Bidder's conference was held on October 12, 2017. A second bidder's conference will be held on November 9, 2017. Proposals are due December 11, 2017. This information is posted on the PFC website.</p> <p>Allocation recruitment has begun; 45 committee members are needed. A letter will go out to board/committee members asking them to consider joining an allocation team. The teams will meet on January 9, 2018, February 13, 2018 and March 13, 2018. Three hours have been allocated for teams to meet; the teams may not meet the entire three hours.</p>	<p>Motion Carried</p> <p>Motion Withdrawn</p> <p>Motion Carried</p> <p>None</p> <p>None</p>	<p>Marie Clark</p> <p>None</p> <p>Marie Clark</p> <p>None</p> <p>None</p>
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Partnership for Children of Cumberland County, Inc. (PFC)
Finance Committee Meeting Minutes
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Be the Driving Force



MEMBERS PRESENT: Lisa Childers, Robin Deaver, Marcus Hedgepeth, Dawn Keeler, Perry Melton and Donna Pyles

MEMBERS ABSENT: Sandee Gronowski, Brenda Reid-Jackson and Jody Risacher

NON-VOTING ATTENDEES: Linda Blanton, Marie Clark, Belinda Gainey, Marie Lilly, Carole Mangum and Mary Sonnenberg

AGENDA ITEM	DISCUSSION & RECOMMENDATION	ACTION	FOLLOW-UP
	The Planning and Evaluation Committee has reviewed the 2018-21 Strategic Plan. No major changes were made.		
V. Contract Management Report ^Δ A. DSP Fiscal Monitoring Status Report FY 16/17 B. Region 5 Fiscal Monitoring Final Report FY 16/17	A. Marie Clark reviewed the final FY 16/17 DSP Fiscal Monitoring Status Report. B. Carole Mangum reviewed the final FY 16/17 Region 5 Fiscal Monitoring Report.	None	None
VI. President's Report A. North Carolina Partnership for Children (NCPC) Update/Legislative Update B. Forward March Conference, October 24-25, 2017 C. NC Justice Center, Pathways to Prosperity Public Forum, November 18, 2017, 9:00am-4:00pm, Cumberland County Department of Social Services D. 2018 Soirée, March 10, 2018, 5:30pm-10:00pm, Crown Arena	Mary Sonnenberg gave the President's report; A. North Carolina Partnership for Children (NCPC) Update / Legislative Update 1. Child Health Insurance Plan (CHIP) and Maternal Infant and Early Childhood Home Visiting program (MIECHV) expiration 9/30. Still being worked on, not agreement on how to pay. NC can cover for a few months but notices could start going out to families. 2. Federal legislation: Child Care for Working Families Act (S.1806/H.R. 3773) would amend the Child Care and Development Grant to provide sufficient funding so that all eligible families can afford high-quality childcare. a. Quality care and workforce development. b. Challenging due to price tag but highlights our areas of focus. 3. NCPC Updates a. Dolly Parton Imagination Library – contracts have gone out to partnerships. Press conference in Spruce Pine October 20 to launch. NCPC providing some materials to promote. Will be collaborating with United Way to expand in Cumberland County. b. Information on the Birth thru Third (B-3) Council. Members appointed by November 1. Survey out to gather information. B. Forward March Conference, October 24-25, 2017, Iron Mike Conference Center on Fort Bragg 1. LOCATION CHANGE: VIP dinner will be at the Partnership for Children in the Charles Morris Room on October 24, 6:00-8:00 pm. It is open to conference attendees as well as sponsors. 2. Registration is open, including being able to sign up for VIP dinner.	None	None



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AGENDA ITEM	DISCUSSION & RECOMMENDATION	ACTION	FOLLOW-UP
	<p>C. NC Justice Center, Pathways to Prosperity Forum, November 18, 9-4, Department of Social Services. Survey closing this week.</p> <p>D. Soirée Studio 25, March 10, 2018. Continuing to collect wine for “wine pull”. Perry Melton reported that the Mission Moment for Soirée will be based on the Hall of Fame and the top 25. Sponsors will be able to come to the front, place their name and quote on a record. This will displayed for all to see. The funding will be used for a broader scope of things. These will put positive peer pressure on donors to come up and participate.</p> <p>Seven food vendors have agreed to participate at the event.</p> <p>Perry stated that the team plans to pre-solicit some donors; these individuals will help motivate others.</p> <p>There will be a “coaching staff” who will explain to guest all the events taking place; dessert dash, wine pull, etc.</p> <p>For the dessert dash, people will be able to bid for desserts outside their tables. If there is something on the table you want, you can make an outside bid on it. The person who bids the most wins. There will only be approximately 60 desserts available.</p> <p>E. Bikes & Barbecue, October 14 – new outreach event in conjunction with the Chamber of Commerce.</p> <p>F. Allocation process – Bidders Conferences in process. First one held October 12; second one on November 9</p>		
VI. Information	See Agenda	None	None
VII. Adjournment	The Chair advised there was no further business. Hearing no further discussion, the meeting was adjourned at 4:17pm.		

Submittal: The minutes of the above stated meeting are submitted for approval.

Secretary for the Meeting

Date

Approval: Based on committee consensus, the minutes of the above stated meeting are hereby approved as presented and/or corrected.

Committee Chair

Date

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.

FOOTNOTES FOR FINANCIAL REPORTS November 30, 2017

FOOTNOTES - BALANCE SHEET

A. The cash accounts at November 30, 2017 total \$1,378,965.98.

Included in the cash balance amount are the following investment vehicles:

Banking Institution	Investment Type	Current Amount	Term (months)	Maturity Date	Interest Rate	Annual Percentage Yield
PNC Bank	Money Market	\$530,006.21	n/a	n/a	n/a	.50%
First South Bank	Money Market	\$-0-	A \$243,587.60 check was deposited into PFC's main checking account until investment decisions are made.			
First Citizens Bank	CD	\$-0-	A \$249,522.08 check was deposited into PFC's main checking account until investment decisions are made.			
Cumberland Community Foundation	Beneficial Interest in Endowment Fund	\$31,384.00	n/a	n/a	n/a	n/a
TOTAL		\$561,390.21				

B. Employees' payroll deductions at November 30, 2017 from the current month and from prior months total \$5,097.58. These accounts are reconciled on a monthly basis and at yearend to ensure that the correct amounts are being accounted for.

C. Per Board approval, an endowment fund was established on June 29, 2012 with the Cumberland Community Foundation, Inc. with an initial amount of \$25,000.00. Since this amount is an irrevocable gift of assets, it is classified as a permanently restricted net asset for accounting purposes. It is also classified as a "Beneficial Interest in Community Foundation" in the Assets section of the Balance Sheet.

NCPC defines permanently restricted net assets as "used to classify assets that have donor-imposed stipulations that neither expire with time nor can be fulfilled or removed by actions of the organization. An example would be an endowment fund whereby the principal is maintained for investment purposes and the interest earnings may be available for use. This FASB code is rarely used."

Additional funds totaling \$4,732.00 was added to the endowment as of June 30, 2013. The Partnership made an additional deposit of \$768.00 to the endowment in September 2014. The Partnership also made an additional deposit of \$666.00 to the endowment in July 2015. During January 2016, additional deposits totaling \$218.00 were received for the endowment. This amount was transferred to the Foundation in February 2016. The total contributions from the Partnership to the endowment, including these funds, are now a total of \$31,384.00. There were no additional funds added to this endowment during the 2016-2017 fiscal year.

FOOTNOTES FOR FINANCIAL REPORTS
November 30, 2017

FOOTNOTES - SMART START GRANT SPREADSHEET

SERVICES (In-House Activities): The Smart Start grants for all of the Services budgets are in full contract effective July 1, 2017.

DIRECT SERVICE PROVIDERS: The Smart Start grants for the Direct Service Providers (DSPs) budgets are in full contract at July 1, 2017.

ADMINISTRATION: The Smart Start grant for the Administration budget is in full contract at July 1, 2017.

UNALLOCATED SERVICE FUNDS: There are currently no unallocated Service funds effective December 15, 2017.

Partnership for Children of Cumberland County, Inc.
Balance Sheet
November 30, 2017

Assets

Bank of America Checking Account	\$ 817,175.77	} A
PNC Bank - Money Market Reserve	530,006.21	
Petty Cash, Change Funds, Undeposited Receipts	400.00	
Beneficial Interest in Community Foundation	31,384.00	
	<hr/>	
Total Assets	1,378,965.98	
	<hr/> <hr/>	

Liabilities and Net Assets

Vendor Accounts Payable	141,300.00	
<i>Due to unpaid NC Pre-K provider check at month-end</i>		
Health Insurance Payable	1,185.28	} B
Flex-Spending Payable	3,962.86	
AFLAC Payable	7.18	
Legal Shield Payable	(57.74)	
Tenant Security Deposits	14,511.74	
Unrestricted Net Assets	1,011,030.51	
Temporarily Restricted Net Assets	40,280.55	
Permanently Restricted Net Assets	31,384.00	C
Excess Revenues over (under) Expenditures	135,361.60	
	<hr/>	
Total Liabilities and Net Assets	\$ 1,378,965.98	
	<hr/> <hr/>	

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC. - SMART START GRANT - FY 2017 - 2018

FY 17/18 SMART START FULL ALLOCATION		\$6,598,689
(per Allocation Memo dated 06-02-2017)		
TOTAL ALLOCATION FOR ADMINISTRATION ----->		\$319,799
FY 17/18 Smart Start Admin Base Allocation	\$319,799	
TOTAL ALLOCATION FOR SERVICES ----->		\$6,278,890
FY 17/18 Smart Start Services Allocation :	\$6,278,890	

AS OF NOVEMBER 30, 2017

											If monthly spending was equal, at month-end, the percentages should be:		
											42%	58%	
EXPENDITURES													
Activity		Agency			12/15/17 Budget	Advances	September	October	November	Y-T-D	Remaining Budget	% of Budget Expended	% of Available Funds
Early Care & Education Subsidy - TANF Only													
1	Subsidized Child Care	Dept. of Social Services		\$ 2,230,306.00		\$ 200,689.00	\$ 105,793.00	\$ 140,554.20	\$ 647,070.20	\$ 1,583,235.80	29%	71%	
2	CCR&R - Subsidy	IH Partnership for Children		\$ 366,368.00		\$ 29,453.02	\$ 50,243.31	\$ 57,328.84	\$ 146,231.44	\$ 220,136.56	40%	60%	
3	Child Care Scholarships	Fayetteville Tech. Com. College		\$ 207,260.00		\$ 18,380.73	\$ 26,043.07	\$ 25,620.38	\$ 70,044.18	\$ 137,215.82	34%	66%	
		ECE Subsidy TANF Total:	45%	\$ 2,803,934.00	\$ -	\$ 248,522.75	\$ 182,079.38	\$ 223,503.42	\$ 863,345.82	\$ 1,940,588.18	31%		
		Minimum of 39% Required											
Early Care & Education Subsidy - Non-TANF													
4	CCR&R - Non-TANF Dual Subsidy	IH Partnership for Children		\$ 60,000.00		\$ 12,336.02	\$ 11,544.33	\$ 13,452.48	\$ 38,142.83	\$ 21,857.17	64%	36%	
5	Spainhour/Child Play	Easter Seals UCP		\$ 107,002.00		\$ 7,643.00	\$ 7,643.00	\$ 9,553.75	\$ 40,125.75	\$ 66,876.25	38%	63%	
		ECE Subsidy Non-TANF Total:	3%	\$ 167,002.00	\$ -	\$ 19,979.02	\$ 19,187.33	\$ 23,006.23	\$ 78,268.58	\$ 88,733.42	47%		
Early Care & Education Subsidy - Administration													
6	Subsidy Support Staff	Dept. of Social Services		\$ 178,424.00		\$ 60,708.00	\$ -	\$ (4,564.00)	\$ 178,424.00	\$ -	100%	0%	
7	Child Care Scholarship - Admin Support	Fayetteville Tech. Com. College		\$ 11,550.00		\$ 1,313.08	\$ 1,233.26	\$ 1,105.54	\$ 4,861.19	\$ 6,688.81	42%	58%	
8	CCR&R - Subsidy Administration	IH Partnership for Children		\$ 35,450.00		\$ 3,061.86	\$ 3,416.92	\$ 2,719.14	\$ 14,735.69	\$ 20,714.31	42%	58%	
		ECE Subsidy Administration Total	4%	\$ 225,424.00	\$ -	\$ 65,082.94	\$ 4,650.18	\$ (739.32)	\$ 198,020.88	\$ 27,403.12	88%		
Early Care & Education Quality & Affordability													
9	CCR&R - Quality Enhancement Grants	IH Partnership for Children		\$ 190,557.00		\$ 13,100.03	\$ 14,212.98	\$ 6,390.85	\$ 65,504.55	\$ 125,052.45	34%	66%	
10	CCR&R - High Quality Maintenance	IH Partnership for Children		\$ 253,235.00		\$ 24,335.89	\$ 19,065.82	\$ 15,381.71	\$ 112,497.29	\$ 140,737.71	44%	56%	
11	CCR&R - Core Services	IH Partnership for Children		\$ 799,147.00		\$ 63,600.99	\$ 64,932.40	\$ 65,000.80	\$ 299,636.37	\$ 499,510.63	37%	63%	
12	CCR&R - Professional Dev. Career Center	IH Partnership for Children		\$ 270,413.00		\$ 17,873.61	\$ 23,012.35	\$ 14,508.18	\$ 80,753.67	\$ 189,659.33	30%	70%	
13	WAGES	Child Care Svcs. Association		\$ 374,680.00		\$ 61,576.75	\$ 42,966.80	\$ 12,230.47	\$ 163,089.67	\$ 211,590.33	44%	56%	
14	Kindermusik & Music Therapy	Kerri Hurley		\$ 67,403.00	\$ 9,618.00	\$ 5,126.99	\$ 4,714.45	\$ 4,714.45	\$ 24,022.03	\$ 43,380.97	36%	64%	
		ECE Quality Total:	31%	\$ 1,955,435.00	\$ 9,618.00	\$ 185,614.26	\$ 168,904.80	\$ 118,226.46	\$ 745,503.58	\$ 1,209,931.42	38%		
		Minimum of 70% Total Required		82%									
Health and Safety													
15	Assuring Better Health and Development (ABCD) NEW DSP at 07-01-17	Carolina Collaborative Community Care (4C's)		\$ 65,000.00	\$ -	\$ 8,767.48	\$ 6,114.96	\$ 5,886.06	\$ 30,345.79	\$ 34,654.21	47%	53%	
		Health & Safety Total:	1%	\$ 65,000.00	\$ -	\$ 8,767.48	\$ 6,114.96	\$ 5,886.06	\$ 30,345.79	\$ 34,654.21	47%		

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC. - SMART START GRANT - FY 2017 - 2018

FY 17/18 SMART START FULL ALLOCATION		\$6,598,689
(per Allocation Memo dated 06-02-2017)		
TOTAL ALLOCATION FOR ADMINISTRATION ----->		\$319,799
FY 17/18 Smart Start Admin Base Allocation	\$319,799	
TOTAL ALLOCATION FOR SERVICES ----->		\$6,278,890
FY 17/18 Smart Start Services Allocation :	\$6,278,890	

											AS OF NOVEMBER 30, 2017		
											If monthly spending was equal, at month-end, the percentages should be:		
											42%	58%	
EXPENDITURES													
Activity		Agency			12/15/17 Budget	Advances	September	October	November	Y-T-D	Remaining Budget	% of Budget Expended	% of Available Funds
Family Support													
16	Autism Outreach & Resource Ctr.		Autism of CC		\$ 46,100.00		\$ 5,716.70	\$ 6,178.47	\$ 7,478.63	\$ 31,210.55	\$ 14,889.45	68%	32%
17	PFC Family Resource Center	IH	Partnership for Children		\$ 306,227.00		\$ 29,277.95	\$ 25,022.68	\$ 19,892.10	\$ 111,198.61	\$ 195,028.39	36%	64%
18	Community Engagement & Resource Development - NEW 07-01-17	IH	Partnership for Children		\$ 190,083.00		\$ 12,773.37	\$ 13,501.06	\$ 13,808.64	\$ 53,034.84	\$ 137,048.16	28%	72%
19	Dolly Parton Imagination Library - NEW DSP at 07-01-17		United Way of Cumberland County, Inc.		\$ 6,000.00		\$ 107.50	\$ 322.50	\$ 837.50	\$ 1,500.00	\$ 4,500.00	25%	75%
20	Reach Out & Read Grant NEW 08-31-17		Carolina Collaborative Community Care (4C's)		\$ 32,300.00		\$ -	\$ 507.65	\$ 884.51	\$ 1,392.16	\$ 30,907.84	4%	96%
			Family Support Total:	9%	\$ 580,710.00	\$ -	\$ 47,875.52	\$ 45,532.36	\$ 42,901.38	\$ 198,336.16	\$ 382,373.84	34%	
System Support													
21	PD&C - Program Coord. - Monitoring & Supp	IH	Partnership for Children		\$ 145,554.00		\$ 16,439.05	\$ 11,850.48	\$ 11,412.12	\$ 66,098.84	\$ 79,455.16	45%	55%
22	P&E - Planning & Evaluation	IH	Partnership for Children		\$ 335,831.00		\$ 27,535.34	\$ 31,115.41	\$ 24,689.03	\$ 145,890.73	\$ 189,940.27	43%	57%
			System Support Total:	8%	\$ 481,385.00	\$ -	\$ 43,974.39	\$ 42,965.89	\$ 36,101.15	\$ 211,989.57	\$ 269,395.43	44%	
		Total of Approved Projects:			\$ 6,278,890.00	\$ 9,618.00	\$ 619,816.36	\$ 469,434.90	\$ 448,885.38	\$ 2,325,810.38	\$ 3,953,079.62		
23	Administration	IH	Partnership for Children	5%	\$ 319,799.00	\$ -	\$ 34,700.45	\$ 35,958.05	\$ 31,270.38	\$ 150,379.59	\$ 169,419.41	47%	53%
Unallocated Smart Start SERVICES Funds					\$ -								
Unallocated Smart Start ADMINISTRATION Funds					\$ -								
Total Smart Start Funds Expended						\$ 9,618.00	\$ 654,516.81	\$ 505,392.95	\$ 480,155.76	\$ 2,476,189.97			
							Total Allocated Smart Start Funds Remaining				\$ 4,122,499.03		

- | | |
|----|--|
| 1 | DSS Subsidized Child Care - There was an issue with payments being made to 3-star centers which has been corrected; DSS has been contacted concerning the low spending percentage |
| 3 | FTCC Child Care Scholarships - historically spends low at the beginning of the fiscal year due to the timing of the semester start; year-to-date spending is higher than in previous years; \$159,000 expended from Dec '16-June '17 |
| 6 | DSS Subsidy Support Staff - historically spends down early in the fiscal year; FY 16/17 budget was expended by Jan. '17; services will be provided for the remainder of the year through non-Smart Start funding sources |
| 9 | PFC - Quality Enhancement Grants - majority of spending is late in the fiscal year; materials are purchased after other tasks are completed and criteria are met or verified |
| 12 | PFC - Professional Dev. Career Center - spending follows the classes schedules and invoice patterns of educational institutions; \$176,000 expended from Dec '16 to June '17 |
| 15 | 4C - ABCD - first year program; at current spending rate will spend down prior to fiscal year end |
| 18 | PFC - Community Engagement & Resource Dev. - first year program has operated as an activity separate from Planning & Evaluation; some lapse salary; budget is being monitored |
| 19 | United Way - DPIL - first year program; budget will be spent prior to fiscal year end |
| 20 | 4C - Reach Out & Read - first year program has operated at 4C and external to PFC; 4C staff are reviewing the budget and anticipate submission of a budget amendment to decrease allocation through fiscal year end |

Partnership for Children of Cumberland County, Inc. - NC PRE-KINDERGARTEN GRANT

FY 17/18 Projected Revenues
\$ 8,073,765
\$ 168,203
\$ 336,407
\$ 8,578,375

NC Pre-k Grant Payments to Providers
2% New CCDF Quality Funds
4% Administrative Fee
Total NC Pre-k Grant

Fiscal Year 2017 / 2018

as of November 30, 2017	
SHOULD BE	
42%	58%

FUND	Activity		FY 17/18 Budget	September	October	November	Y-T-D	Remaining Budget	% of Budget Expended	% of Available Funds
			9/1/2017							
211	9100-999	Administrative Operations	\$ 152,161.00	\$12,165.89	\$8,381.14	\$8,049.54	\$43,771.95	\$108,389.05	29%	71%
211	3104-001	CCR&R - Core	\$ 62,308.00	\$5,570.92	\$5,880.69	\$5,716.71	\$28,148.20	\$34,159.80	45%	55%
	3323-017	NC Pre-k Coordination (In-Direct)	\$ 121,938.00	\$13,520.84	\$15,437.73	\$7,745.44	\$60,279.14	\$61,658.86	49%	51%
		Services Sub-Total	\$ 184,246.00	\$19,091.76	\$21,318.42	\$13,462.15	\$88,427.34	\$95,818.66	48%	52%
206	2342-015	NC Pre-k Subsidy (Direct - Child Reimbursement) - State Funds	\$ 6,862,700.00	\$120,390.00	\$348,950.00	\$1,386,185.00	\$1,855,525.00	\$5,007,175.00	27%	73%
	2348-015	NC Pre-K Non-TANF/CCDF - State Funds	\$ 1,211,065.00	\$0.00	\$83,900.00	\$271,825.00	\$355,725.00	\$855,340.00	29%	71%
		Fund 206 Sub-Total	\$ 8,073,765.00	\$120,390.00	\$432,850.00	\$1,658,010.00	\$2,211,250.00	\$5,862,515.00	27%	73%
319	2342-015	NC Pre-k Subsidy TANF (Direct - Child Reimbursement) - Federal Funds	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	#DIV/0!
	2348-015	NC Pre-K Non-TANF/CCDF - Federal Funds	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	#DIV/0!
		Fund 319 Sub-Total	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	#DIV/0!
328	3322-017	NC Pre-K New CCDF Quality Funds - Federal Funds	\$ 168,203.00	\$0.00	\$0.00	\$0.00	\$0.00	\$168,203.00	0%	100%

Total Budget Remaining **\$6,234,925.71**

Total NC Pre-K Grant	\$ 8,578,375.00
Unallocated NC Pre-k Revenues	\$ -
Total NC Pre-k Grant Expended	\$151,647.65 \$462,549.56 \$1,679,521.69 \$2,343,449.29
Total State Funds	\$8,410,172.00
Total Federal Funds	\$168,203.00
Total NC Pre-K Grant	\$8,578,375.00

Partnership for Children of Cumberland County, Inc.

*Region 5 DCDEE Lead Agency Grant
Fiscal Year 2017 - 2018*

TOTAL FY 2017 - 2018 REGION 5 LEAD AGENCY ALLOCATION **\$579,764.00**

FY 2017 - 2018 10% Overhead / Administration Allocation **\$52,351.00**

FY 2017 - 2018 Program/Services Allocation **\$527,413.00**

FY 2017 - 2018 Program/Services Allocation		\$527,413.00							as of November 30, 2017	
EXPENDITURES								42%	58%	
Activity		07/01/17 Budget	September	October	November	Y-T-D	Remaining Budget	% of Budget Expended	% of Available Funds	
Region 5 Lead Agency - Core Services		\$ 228,965.00	\$ 13,952.47	\$ 12,994.65	\$ 13,831.52	\$ 69,845.04	\$ 159,119.96	31%	69%	
Core Services - 10% Overhead/Administration for CCR&R		\$ 550.00	\$ 91.89	\$ 197.36	\$ 17.16	\$ 385.79	\$ 164.21	70%	30%	
Core Services - 10% Overhead/Administration for Admin Ops		\$ 28,129.00	\$ 3,754.83	\$ 1,017.66	\$ 1,700.68	\$ 6,837.86	\$ 21,291.14	24%	76%	
Contracts & Grants - Anson County		\$ 9,954.00	\$ -	\$ -	\$ -	\$ -	\$ 9,954.00	0%	100%	
Contracts & Grants - Montgomery County		\$ 8,345.00	\$ -	\$ -	\$ -	\$ -	\$ 8,345.00	0%	100%	
Contracts & Grants - Moore County		\$ 28,899.00	\$ -	\$ -	\$ 3,347.32	\$ 3,347.32	\$ 25,551.68	12%	88%	
Contracts & Grants - Richmond County		\$ 14,528.00	\$ -	\$ -	\$ -	\$ -	\$ 14,528.00	0%	100%	
		\$ 319,370.00	\$ 17,799.19	\$ 14,209.67	\$ 18,896.68	\$ 80,416.01	\$ 238,953.99	25%	75%	
Region 5 Infant Toddler Project		\$ 118,863.00	\$ 16,348.54	\$ 10,404.81	\$ 9,166.85	\$ 52,078.35	\$ 66,784.65	44%	56%	
Infant Toddler - 10% Overhead/Administration for CCR&R		\$ 300.00	\$ 70.40	\$ 118.40	\$ 11.14	\$ 225.63	\$ 74.37	75%	25%	
Infant Toddler - 10% Overhead/Administration for Admin Ops		\$ 11,586.00	\$ 3,154.54	\$ 893.20	\$ 904.69	\$ 4,952.43	\$ 6,633.57	43%	57%	
		\$ 130,749.00	\$ 19,573.48	\$ 11,416.41	\$ 10,082.68	\$ 57,256.41	\$ 73,492.59	44%	56%	
Region 5 Healthy Social Behaviors Project		\$ 117,859.00	\$ 9,092.72	\$ 9,292.14	\$ 7,579.64	\$ 36,715.24	\$ 81,143.76	31%	69%	
Healthy Social Behavior - 10% Overhead/Administration for CCR&R		\$ 500.00	\$ 60.34	\$ 118.01	\$ 161.54	\$ 442.58	\$ 57.42	89%	11%	
Healthy Social Behavior - 10% Overhead/Administration for Admin Ops		\$ 11,286.00	\$ 1,821.31	\$ 788.81	\$ 608.94	\$ 3,219.06	\$ 8,066.94	29%	71%	
		\$ 129,645.00	\$ 10,974.37	\$ 10,198.96	\$ 8,350.12	\$ 40,376.88	\$ 89,268.12	31%	69%	
Total Allocated DCD Funds Remaining							\$ 401,714.70			
Summary for 10% Overhead / Administration	PFC	\$ 52,351.00	\$ 8,953.31	\$ 3,133.44	\$ 3,404.15	\$ 16,063.35	\$ 36,287.65	31%	69%	

Partnership for Children of Cumberland County, Inc.

All Funding Sources

Fiscal Year 2017 - 2018

FUND CODE		July 1, 2017 Beginning Cash Balance	Receipts				Expenditures				Ending Cash Balance
			September	October	November	YTD	September	October	November	YTD	
	RESTRICTED FUNDS										
206	NC Pre-K Grant - State Funds (per child)	\$ -	\$ -	\$ -	\$ 1,351,150.00	\$ 1,351,150.00	\$ -	\$ -	\$ 1,262,573.00	\$ 1,262,573.00	\$ 88,577.00
	CASH ADVANCE from DCDEE -NC Pre-K Grant	\$ -	\$ 807,377.00	\$ -	\$ -	\$ 807,377.00	\$ 120,390.00	\$ 432,850.00	\$ 254,137.00	\$ 807,377.00	\$ -
211	NC Pre-K Grant - 4% Admin Fees	\$ -	\$ 23,223.20	\$ -	\$ 57,876.90	\$ 81,100.10	\$ (2,382.35)	\$ 29,699.56	\$ 21,514.29	\$ 98,561.89	\$ (17,461.79)
	CASH ADVANCE from DCDEE -NC Pre-K Grant	\$ -	\$ 33,640.00	\$ -	\$ -	\$ 33,640.00	\$ 33,640.00	\$ -	\$ -	\$ 33,640.00	\$ -
319	NC Pre-K Grant (per slot) - Federal Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CASH ADVANCE from DCDEE -NC Pre-K Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
328	NC Pre-K Grant CCDF Quality Funds-Federal Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sub-total for NC Pre-K	\$ -								Sub-total	\$ 71,115.21
301	Family CareGivers Program	\$ 120.00	\$ -	\$ -	\$ 902.00	\$ 902.00	\$ -	\$ 901.56	\$ 296.47	\$ 1,318.03	\$ (296.03)
307	DCD Grant - SWCDC	\$ -	\$ -	\$ 47,198.71	\$ 13,368.80	\$ 60,567.51	\$ 17,799.18	\$ 14,209.66	\$ 18,904.42	\$ 80,423.71	\$ (19,856.20)
312	Region 5 - Infant/Toddler Project	\$ 55,958.94	\$ -	\$ 35,756.89	\$ 11,127.57	\$ 46,884.46	\$ 19,573.48	\$ 11,541.41	\$ 9,959.82	\$ 113,217.49	\$ (10,374.09)
313	Region 5 - Healthy Social Behavior	\$ -	\$ -	\$ 21,827.80	\$ 10,208.69	\$ 32,036.49	\$ 10,974.36	\$ 10,198.95	\$ 8,352.71	\$ 40,379.43	\$ (8,342.94)
807	Region 5 - Program Income	\$ -	\$ 1,315.00	\$ 230.00	\$ 445.00	\$ 2,220.00	\$ -	\$ -	\$ 116.57	\$ 131.68	\$ 2,088.32
	Sub-total for Other Restricted	\$ 56,078.94								Sub-total	\$ (36,780.94)
128	Smart Start - Services (FY 09/10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200.00)	\$ (200.00)	\$ 200.00
139	Smart Start - Admin. (FY 15/16)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (117.39)	\$ 117.39
140	Smart Start - Services (FY 15/16)	\$ 3,600.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,255.09	\$ 344.91
141	Smart Start - Admin. (FY 16/17)	\$ 4.84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (253.38)	\$ 258.22
142	Smart Start - Services (FY 16/17)	\$ 55,981.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,067.60	\$ 1,913.82
143	Smart Start - Admin. (FY 17/18)	\$ -	\$ 27,217.00	\$ 26,052.00	\$ 27,434.00	\$ 147,286.00	\$ 34,392.42	\$ 36,065.18	\$ 31,069.53	\$ 149,481.80	\$ (2,195.80)
144	Smart Start - Services (FY 17/18)	\$ -	\$ 306,188.00	\$ 280,709.00	\$ 295,591.00	\$ 1,586,960.00	\$ 280,922.07	\$ 305,890.86	\$ 315,709.53	\$ 1,288,752.21	\$ 298,207.79
201	MAC SS Grant (Accting/Contracting)	\$ 101.93	\$ -	\$ -	\$ 12,385.16	\$ 24,770.32	\$ 6,164.03	\$ 4,679.59	\$ 4,025.47	\$ 24,562.00	\$ 310.25
801	Program Income (SS Related)	\$ 96,952.64	\$ 8,040.80	\$ 6,419.72	\$ 7,329.07	\$ 34,584.66	\$ 4,374.20	\$ 4,042.95	\$ 3,345.99	\$ 18,134.64	\$ 113,402.66
804	GEMS Shared Services (PI SS Related)	\$ 14,178.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,480.00	\$ 5,698.12
902	COBRA - Employee Insurance Withholdings	\$ (137.96)	\$ 1,062.34	\$ 1,062.34	\$ 1,062.34	\$ 5,311.70	\$ -	\$ 1,928.86	\$ 130.74	\$ 3,988.46	\$ 1,185.28
	Sub-total for Smart Start & Related	\$ 170,680.99								Sub-total	\$ 419,442.64

Partnership for Children of Cumberland County, Inc.

All Funding Sources Fiscal Year 2017 - 2018

FUND CODE		July 1, 2017 Beginning Cash Balance	Receipts				Expenditures				Ending Cash Balance
			September	October	November	YTD	September	October	November	YTD	
	UNRESTRICTED FUNDS										
208	Unrestricted State Revenues - For Operating Purposes	\$ (34,153.21)	\$ -	\$ -	\$ -	\$ -	\$ (28,782.32)	\$ (506.80)	\$ 1,093.46	\$ (44,835.42)	\$ 10,682.21
	Unrestricted State Revenues - Invested in CDs and Money Market Account	\$ 563,322.79	\$ -	\$ -	\$ -	\$ -	\$ 22,000.00	\$ 1,626.82	\$ -	\$ 49,626.82	\$ 513,695.97
501	Individual Gifts & Donations	\$ 19,816.78	\$ 684.93	\$ 1,237.01	\$ 1,874.19	\$ 4,246.92	\$ -	\$ 71.13	\$ -	\$ 324.13	\$ 23,739.57
515	Vending Machine Commissions	\$ 1,730.10	\$ 77.61	\$ 38.39	\$ 45.96	\$ 244.98	\$ 538.78	\$ -	\$ 650.97	\$ 1,876.38	\$ 98.70
518	Kohl's Corporate Grants	\$ 5,510.44	\$ -	\$ -	\$ -	\$ -	\$ 2,775.00	\$ (2,775.00)	\$ 2,458.20	\$ 2,458.20	\$ 3,052.24
526	Unrestricted Private Funds	\$ 4,467.73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134.00	\$ -	\$ 134.00	\$ 4,333.73
531	PFC Annual Engagements	\$ 1,080.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383.96	\$ -	\$ 383.96	\$ 696.04
535	Cumberland Community Foundation - Grandparents Support Grant	\$ 7,426.80	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00	\$ 45.00	\$ 800.00	\$ 4,160.00	\$ 4,975.00	\$ 12,451.80
802	PFCRC II (Non-Smart Start)	\$ 112,969.76	\$ 6,356.16	\$ 7,898.66	\$ 9,259.95	\$ 38,210.00	\$ 6,890.55	\$ 5,534.99	\$ 7,261.37	\$ 60,842.78	\$ 90,336.98
806	Forward March Conference	\$ 10,676.98	\$ 1,000.00	\$ 3,000.00	\$ -	\$ 18,167.00	\$ 150.31	\$ 2,803.74	\$ 188.14	\$ 3,142.19	\$ 25,701.79
812	PFCRC II - Administration	\$ -	\$ 4,166.66	\$ 4,166.66	\$ 4,166.66	\$ 20,833.30	\$ 5,791.15	\$ 3,860.75	\$ 3,860.76	\$ 21,234.17	\$ (400.87)
815	Hoke - Contracted Eval (not program income)	\$ 14,925.04	\$ -	\$ -	\$ -	\$ -	\$ 2,259.03	\$ 225.59	\$ -	\$ 8,312.20	\$ 6,612.84
816	Contracted Data Services	\$ 26,371.83	\$ 1,950.00	\$ -	\$ -	\$ 10,400.00	\$ -	\$ -	\$ -	\$ 18,870.00	\$ 17,901.83
820	Fundraising - PFC Annual Soiree	\$ 76,197.65	\$ -	\$ 50.00	\$ 1,500.00	\$ 1,550.00	\$ 450.00	\$ 1,403.55	\$ 325.79	\$ 2,687.42	\$ 75,060.23
822	Fundraising - PFC Annual Soiree - Kidstuff	\$ 15,074.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675.00	\$ 14,399.46
824	Fundraising - PFC Annual Soiree - Administrative Allocation	\$ 3,609.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,609.29
825	Capital Projects Fund	\$ 21,578.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,578.00
827	Fundraising - Mission Moments	\$ 9,170.00	\$ -	\$ -	\$ -	\$ -	\$ 2,165.46	\$ -	\$ -	\$ 9,170.00	\$ -
828	Fundraising - Early Care & Education Initiatives	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ -	\$ 100.00	\$ 4,900.00
897	Sales Tax	\$ (13,362.26)	\$ -	\$ -	\$ -	\$ 13,362.26	\$ 1,166.78	\$ 950.19	\$ 1,219.41	\$ 5,328.31	\$ (5,328.31)
899	Interest Income (from Investment Funds)	\$ 16,094.22	\$ 37.91	\$ 41.85	\$ 179.43	\$ 340.18	\$ -	\$ -	\$ 129.10	\$ 183.10	\$ 16,251.30
904	Forfeited FSA	\$ 148.62	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148.62
	Sub-total for Unrestricted Funds	\$ 867,655.02								Sub-total	\$ 839,521.42

Partnership for Children of Cumberland County, Inc.

All Funding Sources

Fiscal Year 2017 - 2018

FUND CODE		July 1, 2017 Beginning Cash Balance	Receipts				Expenditures				Ending Cash Balance
			September	October	November	YTD	September	October	November	YTD	
	INFORMATION TECHNOLOGY										
992	PFC IT Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222.05	\$ 192.77	\$ 675.17	\$ 1,452.90	\$ (1,452.90)
993	IT - Core	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.10)	\$ -	\$ -	\$ (0.09)	\$ 0.09
994	IT - Outside Agencies	\$ 27,897.16	\$ 20,318.76	\$ 9,296.07	\$ 17,208.65	\$ 72,227.82	\$ 8,860.14	\$ 8,657.13	\$ 4,993.26	\$ 38,805.43	\$ 61,319.55
995	IT - PFC Enhanced	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,211.03	\$ 332.95	\$ (0.01)	\$ 5,583.09	\$ (5,583.09)
996	IT - PFC Regular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total for Information Technology		\$ 27,897.16								Sub-total	\$ 54,283.65
	OTHER FUNDS										
599	Cumberland Community Foundation Endowment	\$ 31,384.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,384.00
	Sub-total for Other Funds	\$ 31,384.00								Sub-total	\$ 31,384.00
	TOTAL	\$ 1,153,696.11								TOTAL	\$ 1,378,965.98

ADDITIONAL SUMMARIZED INFORMATION
USR
<i>Operating Cash</i> 10,682.21
<i>Investments</i> 513,695.97
\$ 524,378.18

NCPK
<i>Operating Cash</i> 71,115.21
<i>Cash Advance</i> -
\$ 71,115.21

Partnership for Children of Cumberland County, Inc. - UNRESTRICTED STATE REVENUES

							Fiscal Year 2017 / 2018			
							SHOULD BE:	42%	58%	
	Activity	FY 17/18 Budget Effective 10/31/2017	September	October	November	Expenditures Y-T-D	Unspent Allocated Budget Amount	% of Budget Expended	% of Available Funds	
	Administrative Operations	\$ 12,850.00	\$ (6,782.32)	\$ 1,149.49	\$ 1,093.46	\$ 5,066.79	\$ 7,783.21	39%	61%	
	CC&R - Core (in case of Federal shutdown)	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	0%	100%	
	Government & Military Affairs	\$ -	\$ -	\$ (29.47)	\$ -	\$ -	\$ -	#DIV/0!	#DIV/0!	
	NCPK - Subsidy - TANF (to be reimbursed)	\$ (300.00)	\$ -	\$ -	\$ -	\$ (300.00)	\$ -	100%	0%	
	Sub-Total	\$ 49,700.00	\$ -	\$ (29.47)	\$ -	\$ (300.00)	\$ 50,000.00	-1%	101%	
	Total Allocated Budget for FY17-18	62,550.00								
	Allocated Budget Amount SPENT		\$ (6,782.32)	\$ 1,120.02	\$ 1,093.46	\$ 4,766.79				
	Allocated Budget Amount UNSPENT						\$ 57,783.21			
	SUMMARY OF CASH AND INVESTMENTS									
	July 1 - Total Cash Carryover including Investments							\$ 529,169.58		
	Unallocated Unrestricted State Revenues at the month end (see investment note below)					\$ (96,727.84)	<---- Cash of \$(34,153.21) in GL 1113 at 07-01-17 less the FY 17-18 budget amount			
	Funds Held for Others at the month end (Payroll Withholdings)					\$ 0.02				
	Unspent Budget for FY17-18 at the month end					\$ 57,783.21				
	Subtotal (cash in GL 1113 at the month end to be used for operating funds)			\$ 1,626.82			\$ 10,682.21			
	Investments at month end (Includes money market account and certificates of deposits, if applicable) ON 11-9-2017, \$429,000 OF USR FUNDS FROM THE PFC MAIN CHECKING ACCOUNT WAS TRANSFERRED TO THE PNC MONEY MARKET ACCOUNT UNTIL INVESTMENT DECISIONS ARE MADE. THE CURRENT USR FUNDS IN THE PNC MONEY MARKET ACCOUNT CONSISTS OF \$84,695.97 PLUS \$429,000.00 = \$513,695.97.	\$563,322.79	\$ -	\$ (1,626.82)	\$ -		\$ 513,695.97	<----- \$200,000 of the investments may be redeemed and used for operating funds if needed.		
	CURRENT TOTAL OF CASH AND INVESTMENTS AT THE MONTH END						\$ 524,378.18			

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.

Cash & In-Kind Contributions Report Fiscal Year 2017/2018

Total Smart Start Allocation: \$ 6,598,689.00
 Target Cash & In-Kind Required (19%): \$ 1,253,750.91
 Target Cash Required (≥13%): \$ 857,829.57
 Target In-Kind Required (±6%): \$ 395,921.34

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CASH DONATIONS		September	October	November	Y-T-D
Cash Donations - In-House					
Board & Committee Donations	501-4410	\$ 90.00	\$ 325.00	\$ 50.00	\$ 625.00
Staff Donations	501-4410	\$ -	\$ -	\$ -	\$ -
Donations - General Admin Operations	501-4410	\$ 194.93	\$ 1,312.01	\$ 694.19	\$ 2,491.92
Donations - General CCR&R	501-4410	\$ 400.00	\$ -	\$ -	\$ 400.00
Donations - Reach Out & Read	501-4410	\$ -	\$ -	\$ -	\$ -
Donations - General PD&C	501-4410	\$ -	\$ -	\$ -	\$ -
Donations - General PFCRC	501-4410	\$ -	\$ -	\$ -	\$ -
Donations - PD&C KidStuff	501-4410	\$ -	\$ -	\$ -	\$ -
Donations - CCR&R Angel Tree	501-4410	\$ -	\$ -	\$ 1,130.00	\$ 1,130.00
Donations - Vending Machine Proceeds	515-4410	\$ 77.61	\$ 38.39	\$ 45.96	\$ 244.98
Donations - PFC Annual Engagements	531-4410	\$ -	\$ -	\$ -	\$ -
Donations - Forward March Conference	806-4830	\$ 1,000.00	\$ 2,100.00	\$ -	\$ 17,267.00
Donations - Fundraising Events 2017	820-4611	\$ -	\$ -	\$ 500.00	\$ 500.00
Donations - Fundraising Events 2018	820-4611	\$ -	\$ 50.00	\$ 1,000.00	\$ 1,050.00
Donations - Fundraising Event Sales 2017	820-4601	\$ -	\$ -	\$ -	\$ -
Donations - Fundraising Event Sales 2018	820-4601	\$ -	\$ -	\$ -	\$ -
Program Income - Rent from Resource Center I	801-4824	\$ 4,347.14	\$ 3,123.10	\$ 3,241.61	\$ 17,925.15
Program Income - Conference Room Rental RCI	801-4762	\$ 350.00	\$ 50.00	\$ 1,500.00	\$ 1,900.00
Program Income - Nurturing Parenting Workshop Fc	801-4836	\$ -	\$ -	\$ -	\$ -
Program Income - Tenant Copier Fees	801-5311	\$ 76.65	\$ 218.10	\$ -	\$ 402.45
Program Income - CCR&R Workshop Fees	801-4823	\$ 1,795.00	\$ 1,895.00	\$ 990.00	\$ 6,805.00
Program Income - CCR&R Resource Library Fees	801-4823	\$ 169.70	\$ 107.66	\$ 53.50	\$ 974.71
Program Income - PDCC IACET Workshop Fees	801-4822	\$ 410.00	\$ 175.00	\$ 475.00	\$ 1,560.00
Program Income - PD&C Services	801-4834	\$ -	\$ -	\$ -	\$ -
Program Income - PD&C KidStuff	801-4834	\$ -	\$ -	\$ -	\$ -
Program Income - Summer Camp Expo	801-4833	\$ -	\$ -	\$ -	\$ -
Program Income - Other	801-4827	\$ -	\$ -	\$ -	\$ -
Program Income - Rent from Resource Center II	812-4761	\$ 4,166.66	\$ 4,166.66	\$ 4,166.66	\$ 20,833.30
Cost Reduction - Car Seat Program Parent Fees	144-6902	\$ 400.00	\$ 320.00	\$ 300.00	\$ 1,640.00
Quality Enhancement - Cash Matches	144-6904	\$ -	\$ -	\$ -	\$ -
Cost Reduction - Unlimited Online Learning	144-5317	\$ -	\$ -	\$ -	\$ -
Total Cash Donations - In-House		\$ 13,477.69	\$ 13,880.92	\$ 14,146.92	\$ 75,749.51
Cash Donations - Direct Service Providers					
1st Quarter (July - September)		\$ 26,089.67			\$ 26,089.67
2nd Quarter (October - December)					\$ -
3rd Quarter (January - March)					\$ -
4th Quarter (April - June)					\$ -
Total Cash Donations - Direct Service Providers		\$ 26,089.67	\$ -	\$ -	\$ 26,089.67
TOTAL CASH DONATIONS		\$ 39,567.36	\$ 13,880.92	\$ 14,146.92	\$ 101,839.18

2

GRANTS					
WalMart Foundation (100% Private Grants)	533-4423	\$ -	\$ -	\$ -	\$ -
Raising A Reader (100% Private Grants)	534-4420	\$ -	\$ -	\$ -	\$ -
Kohl's Corporate Grants (100% Private Grants)	518-4420	\$ -	\$ -	\$ -	\$ -
Cumberland Community Foundation (100% Private	535-4425	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00
TOTAL GRANTS		\$ 10,000.00	\$ -	\$ -	\$ 10,000.00

1.7%

IN-KIND DONATIONS					
In-Kind Donations - In-House					
In-Kind Donations - Volunteer Time		\$ 4,663.28	\$ 6,816.00	\$ 5,401.00	\$ 30,307.80
Discounts on Materials - Kaplan		\$ -	\$ 152.52	\$ -	\$ 152.52
Discounts on Materials - Brame		\$ -	\$ -	\$ -	\$ -
Discounts on Materials - Discount School Supply		\$ -	\$ 161.58	\$ -	\$ 161.58
Discounts on Materials - Lakeshore		\$ -	\$ 109.96	\$ -	\$ 109.96
Discounts on Software - Techsoup Stock		\$ -	\$ 85,863.00	\$ -	\$ 85,863.00
Donations - Other In-Kind		\$ -	\$ 968.00	\$ -	\$ 968.00
PFC Staff Donations - Supplies and Mileage		\$ -	\$ 21.20	\$ -	\$ 21.20
PFC Board Member Donations - Supplies and Mileage		\$ -	\$ -	\$ -	\$ -
PFC Child Care Subsidy Parent Fees		\$ -	\$ -	\$ -	\$ -
Total In-Kind Donations - In-House		\$ 4,663.28	\$ 94,092.26	\$ 5,401.00	\$ 117,584.06
In-Kind Donations - Direct Service Providers					
1st Quarter (July - September)		\$ 17,499.06			\$ 17,499.06
2nd Quarter (October - December)					\$ -
3rd Quarter (January - March)					\$ -
4th Quarter (April - June)					\$ -
Total In-Kind Donations - Direct Service Providers		\$ 17,499.06			\$ 17,499.06
TOTAL IN-KIND DONATIONS		\$ 22,162.34	\$ 94,092.26	\$ 5,401.00	\$ 135,083.12

2.0%

GRAND TOTAL		\$ 71,729.70	\$ 107,973.18	\$ 19,547.92	\$ 246,922.30
--------------------	--	---------------------	----------------------	---------------------	----------------------

3.7%

3

- 1 - Current Month Reporting
- 2 - YTD Cash Reported
- 3 - YTD In-Kind Reported
- 4 - Amount remaining to reach target

TARGET REMAINING

4

\$ (1,006,828.61)

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.

FOOTNOTES FOR FINANCIAL REPORTS December 31, 2017

FOOTNOTES - BALANCE SHEET

A. The cash accounts at December 31, 2017 total \$1,292,587.77.

Included in the cash balance amount are the following investment vehicles:

Banking Institution	Investment Type	Current Amount	Term (months)	Maturity Date	Interest Rate	Annual Percentage Yield
PNC Bank	Money Market	\$530,263.95	n/a	n/a	n/a	.50%
First South Bank	Money Market	\$-0-	A \$243,587.60 check was deposited into PFC's main checking account until investment decisions are made.			
First Citizens Bank	CD	\$-0-	A \$249,522.08 check was deposited into PFC's main checking account until investment decisions are made.			
Cumberland Community Foundation	Beneficial Interest in Endowment Fund	\$31,384.00	n/a	n/a	n/a	n/a
TOTAL		\$561,647.95				

B. Employees' payroll deductions at December 31, 2017 from the current month and from prior months total \$4,759.07. These accounts are reconciled on a monthly basis and at yearend to ensure that the correct amounts are being accounted for.

C. Per Board approval, an endowment fund was established on June 29, 2012 with the Cumberland Community Foundation, Inc. with an initial amount of \$25,000.00. Since this amount is an irrevocable gift of assets, it is classified as a permanently restricted net asset for accounting purposes. It is also classified as a "Beneficial Interest in Community Foundation" in the Assets section of the Balance Sheet.

NCPC defines permanently restricted net assets as "used to classify assets that have donor-imposed stipulations that neither expire with time nor can be fulfilled or removed by actions of the organization. An example would be an endowment fund whereby the principal is maintained for investment purposes and the interest earnings may be available for use. This FASB code is rarely used."

Additional funds totaling \$4,732.00 was added to the endowment as of June 30, 2013. The Partnership made an additional deposit of \$768.00 to the endowment in September 2014. The Partnership also made an additional deposit of \$666.00 to the endowment in July 2015. During January 2016, additional deposits totaling \$218.00 were received for the endowment. This amount was transferred to the Foundation in February 2016. The total contributions from the Partnership to the endowment, including these funds, are now a total of \$31,384.00. There were no additional funds added to this endowment during the 2016-2017 fiscal year.

FOOTNOTES FOR FINANCIAL REPORTS
December 31, 2017

FOOTNOTES - SMART START GRANT SPREADSHEET

SERVICES (In-House Activities): The Smart Start grants for all of the Services budgets are in full contract effective July 1, 2017.

DIRECT SERVICE PROVIDERS: The Smart Start grants for the Direct Service Providers (DSPs) budgets are in full contract at July 1, 2017.

ADMINISTRATION: The Smart Start grant for the Administration budget is in full contract at July 1, 2017.

UNALLOCATED SERVICE FUNDS: There are currently no unallocated Service funds effective December 15, 2017.

Partnership for Children of Cumberland County, Inc.
Balance Sheet
December 31, 2017

Assets

Bank of America Checking Account	\$ 730,539.82	}	A
PNC Bank - Money Market Reserve	530,263.95		
Petty Cash, Change Funds, Undeposited Receipts	400.00		
Beneficial Interest in Community Foundation	31,384.00		

Total Assets	<u>1,292,587.77</u>
---------------------	---------------------

Liabilities and Net Assets

Health Insurance Payable	931.60	}	B
Flex-Spending Payable	3,871.33		
AFLAC Payable	14.18		
United Way Payable	(0.10)		
Legal Shield Payable	(57.94)	}	
Tenant Security Deposits	15,801.76		
Unrestricted Net Assets	1,011,030.51		
Temporarily Restricted Net Assets	40,280.55		
Permanently Restricted Net Assets	31,384.00		C
Excess Revenues over (under) Expenditures	<u>189,331.88</u>		

Total Liabilities and Net Assets	<u>\$ 1,292,587.77</u>
---	------------------------

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC. - SMART START GRANT - FY 2017 - 2018

FY 17/18 SMART START FULL ALLOCATION		\$6,598,689
(per Allocation Memo dated 06-02-2017)		
TOTAL ALLOCATION FOR ADMINISTRATION ----->		\$319,799
FY 17/18 Smart Start Admin Base Allocation		\$319,799
TOTAL ALLOCATION FOR SERVICES ----->		\$6,278,890
FY 17/18 Smart Start Services Allocation :		\$6,278,890

										AS OF DECEMBER 31, 2017		
											If monthly spending was equal, at month-end, the percentages should be:	
											50%	50%
										EXPENDITURES		
Activity	Agency		12/15/17 Budget	Advances	October	November	December	Y-T-D	Remaining Budget	% of Budget Expended	% of Available Funds	
Early Care & Education Subsidy - TANF Only												
1	Subsidized Child Care	Dept. of Social Services	\$ 2,230,306.00		\$ 105,793.00	\$ 140,554.20		\$ 647,070.20	\$ 1,583,235.80	29%	71%	
2	CCR&R - Subsidy	IH Partnership for Children	\$ 366,368.00		\$ 50,243.31	\$ 57,328.84	\$ 62,751.93	\$ 208,983.37	\$ 157,384.63	57%	43%	
3	Child Care Scholarships	Fayetteville Tech. Com. College	\$ 207,260.00		\$ 26,043.07	\$ 25,620.38	\$ 24,708.19	\$ 94,752.37	\$ 112,507.63	46%	54%	
		ECE Subsidy TANF Total:	45% \$ 2,803,934.00	\$ -	\$ 182,079.38	\$ 223,503.42	\$ 87,460.12	\$ 950,805.94	\$ 1,853,128.06	34%		
Minimum of 39% Required												
Early Care & Education Subsidy - Non-TANF												
4	CCR&R - Non-TANF Dual Subsidy	IH Partnership for Children	\$ 60,000.00		\$ 11,544.33	\$ 13,452.48	\$ 14,704.84	\$ 52,847.67	\$ 7,152.33	88%	12%	
5	Spainhour/Child Play	Easter Seals UCP	\$ 107,002.00		\$ 7,643.00	\$ 9,553.75	\$ 9,553.75	\$ 49,679.50	\$ 57,322.50	46%	54%	
		ECE Subsidy Non-TANF Total:	3% \$ 167,002.00	\$ -	\$ 19,187.33	\$ 23,006.23	\$ 24,258.59	\$ 102,527.17	\$ 64,474.83	61%		
Early Care & Education Subsidy - Administration												
6	Subsidy Support Staff	Dept. of Social Services	\$ 178,424.00		\$ -	\$ (4,564.00)		\$ 178,424.00	\$ -	100%	0%	
7	Child Care Scholarship - Admin Support	Fayetteville Tech. Com. College	\$ 11,550.00		\$ 1,233.26	\$ 1,105.54	\$ 482.92	\$ 5,344.11	\$ 6,205.89	46%	54%	
8	CCR&R - Subsidy Administration	IH Partnership for Children	\$ 35,450.00		\$ 3,416.92	\$ 2,719.14	\$ 2,815.33	\$ 17,551.02	\$ 17,898.98	50%	50%	
		ECE Subsidy Administration Total	4% \$ 225,424.00	\$ -	\$ 4,650.18	\$ (739.32)	\$ 3,298.25	\$ 201,319.13	\$ 24,104.87	89%		
Early Care & Education Quality & Affordability												
9	CCR&R - Quality Enhancement Grants	IH Partnership for Children	\$ 190,557.00		\$ 14,212.98	\$ 6,390.85	\$ 7,112.75	\$ 72,617.30	\$ 117,939.70	38%	62%	
10	CCR&R - High Quality Maintenance	IH Partnership for Children	\$ 253,235.00		\$ 19,065.82	\$ 15,381.71	\$ 18,517.75	\$ 131,015.04	\$ 122,219.96	52%	48%	
11	CCR&R - Core Services	IH Partnership for Children	\$ 799,147.00		\$ 64,932.40	\$ 65,000.80	\$ 51,738.64	\$ 351,375.01	\$ 447,771.99	44%	56%	
12	CCR&R - Professional Dev. Career Center	IH Partnership for Children	\$ 270,413.00		\$ 23,012.35	\$ 14,508.18	\$ 37,392.06	\$ 118,145.73	\$ 152,267.27	44%	56%	
13	WAGES	Child Care Svcs. Association	\$ 374,680.00		\$ 42,966.80	\$ 12,230.47	\$ 14,773.83	\$ 177,863.50	\$ 196,816.50	47%	53%	
14	Kindermusik & Music Therapy	Kerri Hurley	\$ 67,403.00	\$ 9,618.00	\$ 4,714.45	\$ 4,714.45	\$ 6,578.20	\$ 30,600.23	\$ 36,802.77	45%	55%	
		ECE Quality Total:	31% \$ 1,955,435.00	\$ 9,618.00	\$ 168,904.80	\$ 118,226.46	\$ 136,113.23	\$ 881,616.81	\$ 1,073,818.19	45%		
Minimum of 70% Total Required		82%										
Health and Safety												
15	Assuring Better Health and Development (ABCD) NEW DSP at 07-01-17	Carolina Collaborative Community Care (4C's)	\$ 65,000.00	\$ -	\$ 6,114.96	\$ 5,886.06	\$ 7,492.11	\$ 37,837.90	\$ 27,162.10	58%	42%	
		Health & Safety Total:	1% \$ 65,000.00	\$ -	\$ 6,114.96	\$ 5,886.06	\$ 7,492.11	\$ 37,837.90	\$ 27,162.10	58%		

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC. - SMART START GRANT - FY 2017 - 2018

FY 17/18 SMART START FULL ALLOCATION	\$6,598,689
(per Allocation Memo dated 06-02-2017)	
TOTAL ALLOCATION FOR ADMINISTRATION ----->	\$319,799
FY 17/18 Smart Start Admin Base Allocation	\$319,799
TOTAL ALLOCATION FOR SERVICES ----->	\$6,278,890
FY 17/18 Smart Start Services Allocation :	\$6,278,890

											AS OF DECEMBER 31, 2017	
											If monthly spending was equal, at month-end, the percentages should be:	
											50%	50%
											% of Budget Expended	% of Available Funds

Partnership for Children of Cumberland County, Inc. - NC PRE-KINDERGARTEN GRANT

FY 17/18 Projected Revenues
\$ 8,073,765
\$ 168,203
\$ 336,407
\$ 8,578,375

NC Pre-k Grant Payments to Providers
2% New CCDF Quality Funds
4% Administrative Fee
Total NC Pre-k Grant

Fiscal Year 2017 / 2018

as of December 31, 2017	
SHOULD BE	
50%	50%

FUND	Activity	FY 17/18 Budget 9/1/2017	October	November	December	Y-T-D	Remaining Budget	% of Budget Expended	% of Available Funds
211	9100-999 Administrative Operations	\$ 152,161.00	\$8,381.14	\$8,049.54	\$8,393.49	\$52,165.44	\$99,995.56	34%	66%
211	3104-001 CCR&R - Core	\$ 62,308.00	\$5,880.69	\$5,716.71	\$5,933.84	\$34,082.04	\$28,225.96	55%	45%
	3323-017 NC Pre-k Coordination (In-Direct)	\$ 121,938.00	\$15,437.73	\$7,745.44	\$7,853.26	\$68,132.40	\$53,805.60	56%	44%
	Services Sub-Total	\$ 184,246.00	\$21,318.42	\$13,462.15	\$13,787.10	\$102,214.44	\$82,031.56	55%	45%
206	2342-015 NC Pre-k Subsidy (Direct - Child Reimbursement) - State Funds	\$ 6,862,700.00	\$348,950.00	\$1,386,185.00	\$553,325.00	\$2,408,850.00	\$4,453,850.00	35%	65%
	2348-015 NC Pre-K Non-TANF/CCDF - State Funds	\$ 1,211,065.00	\$83,900.00	\$271,825.00	\$130,750.00	\$486,475.00	\$724,590.00	40%	60%
	Fund 206 Sub-Total	\$ 8,073,765.00	\$432,850.00	\$1,658,010.00	\$684,075.00	\$2,895,325.00	\$5,178,440.00	36%	64%
319	2342-015 NC Pre-k Subsidy TANF (Direct - Child Reimbursement) - Federal Funds	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	#DIV/0!
	2348-015 NC Pre-K Non-TANF/CCDF - Federal Funds	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	#DIV/0!
	Fund 319 Sub-Total	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	#DIV/0!
328	3322-017 NC Pre-K New CCDF Quality Funds - Federal Funds	\$ 168,203.00	\$0.00	\$0.00	\$3,224.81	\$3,224.81	\$164,978.19	2%	98%

Total Budget Remaining \$5,525,445.31

Total NC Pre-K Grant	\$ 8,578,375.00
Unallocated NC Pre-k Revenues	\$ -
Total NC Pre-k Grant Expended	\$462,549.56 \$1,679,521.69 \$709,480.40 \$3,049,704.88
Total State Funds	\$8,410,172.00
Total Federal Funds	\$168,203.00
Total NC Pre-K Grant	\$8,578,375.00

Partnership for Children of Cumberland County, Inc.

*Region 5 DCDEE Lead Agency Grant
Fiscal Year 2017 - 2018*

TOTAL FY 2017 - 2018 REGION 5 LEAD AGENCY ALLOCATION **\$579,764.00**

FY 2017 - 2018 10% Overhead / Administration Allocation **\$52,351.00**

FY 2017 - 2018 Program/Services Allocation **\$527,413.00**

FY 2017 - 2018 Program/Services Allocation								\$527,413.00		as of December 31, 2017	
EXPENDITURES								50%	50%		
Activity		07/01/17 Budget	October	November	December	Y-T-D	Remaining Budget	% of Budget Expended	% of Available Funds		
Region 5 Lead Agency - Core Services		\$ 228,965.00	\$ 12,994.65	\$ 13,831.52	\$ 13,474.26	\$ 83,319.30	\$ 145,645.70	36%	64%		
Core Services - 10% Overhead/Administration for CCR&R		\$ 550.00	\$ 197.36	\$ 17.16	\$ 79.27	\$ 465.06	\$ 84.94	85%	15%		
Core Services - 10% Overhead/Administration for Admin Ops		\$ 28,129.00	\$ 1,017.66	\$ 1,700.68	\$ 1,213.27	\$ 8,051.13	\$ 20,077.87	29%	71%		
Contracts & Grants - Anson County		\$ 9,954.00	\$ -	\$ -	\$ -	\$ -	\$ 9,954.00	0%	100%		
Contracts & Grants - Montgomery County		\$ 8,345.00	\$ -	\$ -	\$ -	\$ -	\$ 8,345.00	0%	100%		
Contracts & Grants - Moore County		\$ 28,899.00	\$ -	\$ 3,347.32	\$ -	\$ 3,347.32	\$ 25,551.68	12%	88%		
Contracts & Grants - Richmond County		\$ 14,528.00	\$ -	\$ -	\$ -	\$ -	\$ 14,528.00	0%	100%		
		\$ 319,370.00	\$ 14,209.67	\$ 18,896.68	\$ 14,766.80	\$ 95,182.81	\$ 224,187.19	30%	70%		
Region 5 Infant Toddler Project		\$ 118,863.00	\$ 10,404.81	\$ 9,166.85	\$ 8,100.29	\$ 60,178.64	\$ 58,684.36	51%	49%		
Infant Toddler - 10% Overhead/Administration for CCR&R		\$ 400.00	\$ 118.40	\$ 11.14	\$ 79.27	\$ 304.90	\$ 95.10	76%	24%		
Infant Toddler - 10% Overhead/Administration for Admin Ops		\$ 11,486.00	\$ 893.20	\$ 904.69	\$ 727.12	\$ 5,679.55	\$ 5,806.45	49%	51%		
		\$ 130,749.00	\$ 11,416.41	\$ 10,082.68	\$ 8,906.68	\$ 66,163.09	\$ 64,585.91	51%	49%		
Region 5 Healthy Social Behaviors Project		\$ 117,859.00	\$ 9,292.14	\$ 7,579.64	\$ 8,851.66	\$ 45,566.90	\$ 72,292.10	39%	61%		
Healthy Social Behavior - 10% Overhead/Administration for CCR&R		\$ 600.00	\$ 118.01	\$ 161.54	\$ 79.27	\$ 521.85	\$ 78.15	87%	13%		
Healthy Social Behavior - 10% Overhead/Administration for Admin Ops		\$ 11,186.00	\$ 788.81	\$ 608.94	\$ 802.26	\$ 4,021.32	\$ 7,164.68	36%	64%		
		\$ 129,645.00	\$ 10,198.96	\$ 8,350.12	\$ 9,733.19	\$ 50,110.07	\$ 79,534.93	39%	61%		
Total Allocated DCD Funds Remaining							\$ 368,308.03				
Summary for 10% Overhead / Administration	PFC	\$ 52,351.00	\$ 3,133.44	\$ 3,404.15	\$ 2,980.46	\$ 19,043.81	\$ 33,307.19	36%	64%		

Partnership for Children of Cumberland County, Inc.

All Funding Sources

Fiscal Year 2017 - 2018

FUND CODE		July 1, 2017 Beginning Cash Balance	Receipts				Expenditures				Ending Cash Balance
			October	November	December	YTD	October	November	December	YTD	
			RESTRICTED FUNDS								
206	NC Pre-K Grant - State Funds (per child)	\$ -	\$ -	\$ 1,351,150.00	\$ 751,850.00	\$ 2,103,000.00	\$ -	\$ 1,262,573.00	\$ 825,375.00	\$ 2,087,948.00	\$ 15,052.00
	CASH ADVANCE from DCDEE -NC Pre-K Grant	\$ -	\$ -	\$ -	\$ -	\$ 807,377.00	\$ 432,850.00	\$ 254,137.00	\$ -	\$ 807,377.00	\$ -
211	NC Pre-K Grant - 4% Admin Fees	\$ -	\$ -	\$ 57,876.90	\$ 29,699.56	\$ 110,799.66	\$ 29,699.56	\$ 21,514.29	\$ 22,292.65	\$ 120,854.54	\$ (10,054.88)
	CASH ADVANCE from DCDEE -NC Pre-K Grant	\$ -	\$ -	\$ -	\$ -	\$ 33,640.00	\$ -	\$ -	\$ -	\$ 33,640.00	\$ -
319	NC Pre-K Grant (per slot) - Federal Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CASH ADVANCE from DCDEE -NC Pre-K Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
328	NC Pre-K Grant CCDF Quality Funds-Federal Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,224.81	\$ 3,224.81	\$ (3,224.81)
	Sub-total for NC Pre-K	\$ -								Sub-total	\$ 1,772.31
301	Family CareGivers Program	\$ 120.00	\$ -	\$ 902.00	\$ 296.00	\$ 1,198.00	\$ 901.56	\$ 296.47	\$ 225.07	\$ 1,543.10	\$ (225.10)
307	DCD Grant - SWCDC	\$ -	\$ 47,198.71	\$ 13,368.80	\$ 18,892.75	\$ 79,460.26	\$ 14,209.66	\$ 18,904.42	\$ 14,766.84	\$ 95,190.55	\$ (15,730.29)
312	Region 5 - Infant/Toddler Project	\$ 55,958.94	\$ 35,756.89	\$ 11,127.57	\$ 10,074.13	\$ 56,958.59	\$ 11,541.41	\$ 9,959.82	\$ 8,878.78	\$ 122,096.27	\$ (9,178.74)
313	Region 5 - Healthy Social Behavior	\$ -	\$ 21,827.80	\$ 10,208.69	\$ 8,241.67	\$ 40,278.16	\$ 10,198.95	\$ 8,352.71	\$ 9,761.10	\$ 50,140.53	\$ (9,862.37)
807	Region 5 - Program Income	\$ -	\$ 230.00	\$ 445.00	\$ 50.00	\$ 2,270.00	\$ -	\$ 116.57	\$ 358.85	\$ 490.53	\$ 1,779.47
	Sub-total for Other Restricted	\$ 56,078.94								Sub-total	\$ (33,217.03)
128	Smart Start - Services (FY 09/10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200.00)	\$ 200.00	\$ -	\$ -
139	Smart Start - Admin. (FY 15/16)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117.39	\$ -	\$ -
140	Smart Start - Services (FY 15/16)	\$ 3,600.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344.91	\$ 3,600.00	\$ -
141	Smart Start - Admin. (FY 16/17)	\$ 4.84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258.22	\$ 4.84	\$ (0.00)
142	Smart Start - Services (FY 16/17)	\$ 55,981.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,044.54	\$ 55,112.14	\$ 869.28
143	Smart Start - Admin. (FY 17/18)	\$ -	\$ 26,052.00	\$ 27,434.00	\$ 27,123.00	\$ 174,409.00	\$ 36,065.18	\$ 31,069.53	\$ 31,210.30	\$ 180,692.10	\$ (6,283.10)
144	Smart Start - Services (FY 17/18)	\$ -	\$ 280,709.00	\$ 295,591.00	\$ 309,736.00	\$ 1,896,696.00	\$ 305,890.86	\$ 315,709.53	\$ 317,879.27	\$ 1,606,631.48	\$ 290,064.52
201	MAC SS Grant (Accting/Contracting)	\$ 101.93	\$ -	\$ 12,385.16	\$ 12,385.16	\$ 37,155.48	\$ 4,679.59	\$ 4,025.47	\$ 4,970.76	\$ 29,532.76	\$ 7,724.65
801	Program Income (SS Related)	\$ 96,952.64	\$ 6,419.72	\$ 7,329.07	\$ 4,791.72	\$ 39,376.38	\$ 4,042.95	\$ 3,345.99	\$ 11,363.05	\$ 29,497.69	\$ 106,831.33
804	GEMS Shared Services (PI SS Related)	\$ 14,178.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.63	\$ 8,530.63	\$ 5,647.49
902	COBRA - Employee Insurance Withholdings	\$ (137.96)	\$ 1,062.34	\$ 1,062.34	\$ 710.75	\$ 6,022.45	\$ 1,928.86	\$ 130.74	\$ 964.43	\$ 4,952.89	\$ 931.60
	Sub-total for Smart Start & Related	\$ 170,680.99								Sub-total	\$ 405,785.77

Partnership for Children of Cumberland County, Inc.

All Funding Sources

Fiscal Year 2017 - 2018

FUND CODE		July 1, 2017 Beginning Cash Balance	Receipts				Expenditures				Ending Cash Balance
			October	November	December	YTD	October	November	December	YTD	
	UNRESTRICTED FUNDS										
208	Unrestricted State Revenues - For Operating Purposes	\$ (34,153.21)	\$ -	\$ -	\$ -	\$ -	\$ (506.80)	\$ 1,093.46	\$ 1,100.07	\$ (43,735.35)	\$ 9,582.14
	Unrestricted State Revenues - Invested in CDs and Money Market Account	\$ 563,322.79	\$ -	\$ -	\$ -	\$ -	\$ 1,626.82	\$ -	\$ -	\$ 49,626.82	\$ 513,695.97
501	Individual Gifts & Donations	\$ 19,816.78	\$ 1,237.01	\$ 1,874.19	\$ 1,745.00	\$ 5,991.92	\$ 71.13	\$ -	\$ -	\$ 324.13	\$ 25,484.57
515	Vending Machine Commissions	\$ 1,730.10	\$ 38.39	\$ 45.96	\$ 46.48	\$ 291.46	\$ -	\$ 650.97	\$ -	\$ 1,876.38	\$ 145.18
518	Kohl's Corporate Grants	\$ 5,510.44	\$ -	\$ -	\$ -	\$ -	\$ (2,775.00)	\$ 2,458.20	\$ -	\$ 2,458.20	\$ 3,052.24
526	Unrestricted Private Funds	\$ 4,467.73	\$ -	\$ -	\$ -	\$ -	\$ 134.00	\$ -	\$ -	\$ 134.00	\$ 4,333.73
531	PFC Annual Engagements	\$ 1,080.00	\$ -	\$ -	\$ -	\$ -	\$ 383.96	\$ -	\$ -	\$ 383.96	\$ 696.04
535	Cumberland Community Foundation - Grandparents Support Grant	\$ 7,426.80	\$ -	\$ -	\$ (7,736.80)	\$ 2,263.20	\$ 800.00	\$ 4,160.00	\$ 4,715.00	\$ 9,690.00	\$ -
802	PFCRC II (Non-Smart Start)	\$ 112,969.76	\$ 7,898.66	\$ 9,259.95	\$ 8,847.09	\$ 47,057.09	\$ 5,534.99	\$ 7,261.37	\$ 7,244.53	\$ 68,087.31	\$ 91,939.54
806	Forward March Conference	\$ 10,676.98	\$ 3,000.00	\$ -	\$ -	\$ 18,167.00	\$ 2,803.74	\$ 188.14	\$ 356.87	\$ 3,499.06	\$ 25,344.92
812	PFCRC II - Administration	\$ -	\$ 4,166.66	\$ 4,166.66	\$ 4,166.66	\$ 24,999.96	\$ 3,860.75	\$ 3,860.76	\$ 3,957.28	\$ 25,191.45	\$ (191.49)
815	Hoke - Contracted Eval (not program income)	\$ 14,925.04	\$ -	\$ -	\$ -	\$ -	\$ 225.59	\$ -	\$ -	\$ 8,312.20	\$ 6,612.84
816	Contracted Data Services	\$ 26,371.83	\$ -	\$ -	\$ 2,581.78	\$ 12,981.78	\$ -	\$ -	\$ -	\$ 18,870.00	\$ 20,483.61
820	Fundraising - PFC Annual Soiree	\$ 76,197.65	\$ 50.00	\$ 1,500.00	\$ 5,000.00	\$ 6,550.00	\$ 1,403.55	\$ 325.79	\$ 2,914.20	\$ 5,601.62	\$ 77,146.03
822	Fundraising - PFC Annual Soiree - Kidstuff	\$ 15,074.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675.00	\$ 14,399.46
824	Fundraising - PFC Annual Soiree - Administrative Allocation	\$ 3,609.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,609.29
825	Capital Projects Fund	\$ 21,578.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,578.00
827	Fundraising - Mission Moments	\$ 9,170.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,170.00	\$ -
828	Fundraising - Early Care & Education Initiatives	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ 4,900.00
897	Sales Tax	\$ (13,362.26)	\$ -	\$ -	\$ -	\$ 13,362.26	\$ 950.19	\$ 1,219.41	\$ 938.12	\$ 6,266.43	\$ (6,266.43)
899	Interest Income (from Investment Funds)	\$ 16,094.22	\$ 41.85	\$ 179.43	\$ 257.74	\$ 597.92	\$ -	\$ 129.10	\$ 149.35	\$ 332.45	\$ 16,359.69
904	Forfeited FSA	\$ 148.62	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148.62
	Sub-total for Unrestricted Funds	\$ 867,655.02								Sub-total	\$ 833,053.95

Partnership for Children of Cumberland County, Inc.

All Funding Sources

Fiscal Year 2017 - 2018

FUND CODE		July 1, 2017 Beginning Cash Balance	Receipts				Expenditures				Ending Cash Balance
			October	November	December	YTD	October	November	December	YTD	
	INFORMATION TECHNOLOGY										
992	PFC IT Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192.77	\$ 675.17	\$ 178.70	\$ 1,631.60	\$ (1,631.60)
993	IT - Core	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.09)	\$ 0.09
994	IT - Outside Agencies	\$ 27,897.16	\$ 9,296.07	\$ 17,208.65	\$ 5,204.68	\$ 77,432.50	\$ 8,657.13	\$ 4,993.26	\$ 5,373.45	\$ 44,178.88	\$ 61,150.78
995	IT - PFC Enhanced	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 332.95	\$ (0.01)	\$ 127.41	\$ 5,710.50	\$ (5,710.50)
996	IT - PFC Regular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total for Information Technology		\$ 27,897.16								Sub-total	\$ 53,808.77
	OTHER FUNDS										
599	Cumberland Community Foundation Endowment	\$ 31,384.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,384.00
	Sub-total for Other Funds	\$ 31,384.00								Sub-total	\$ 31,384.00
	TOTAL	\$ 1,153,696.11								TOTAL	\$ 1,292,587.77

ADDITIONAL SUMMARIZED INFORMATION	
USR	
Operating Cash	9,582.14
Investments	513,695.97
\$	523,278.11

NCPK	
Operating Cash	1,772.31
Cash Advance	-
\$	1,772.31

Partnership for Children of Cumberland County, Inc. - UNRESTRICTED STATE REVENUES

							Fiscal Year 2017 / 2018			
							SHOULD BE:	50%	50%	
	Activity	FY 17/18 Budget Effective 10/31/2017	October	November	December	Expenditures Y-T-D	Unspent Allocated Budget Amount	% of Budget Expended	% of Available Funds	
	Administrative Operations	\$ 12,850.00	\$ 1,149.49	\$ 1,093.46	\$ 1,100.07	\$ 6,166.86	\$ 6,683.14	48%	52%	
	CC&R - Core (in case of Federal shutdown)	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	0%	100%	
	Government & Military Affairs	\$ -	\$ (29.47)	\$ -	\$ -	\$ -	\$ -	#DIV/0!	#DIV/0!	
	NCPK - Subsidy - TANF (to be reimbursed)	\$ (300.00)	\$ -	\$ -	\$ -	\$ (300.00)	\$ -	100%	0%	
	Sub-Total	\$ 49,700.00	\$ (29.47)	\$ -	\$ -	\$ (300.00)	\$ 50,000.00	-1%	101%	
	Total Allocated Budget for FY17-18	62,550.00								
	Allocated Budget Amount SPENT		\$ 1,120.02	\$ 1,093.46	\$ 1,100.07	\$ 5,866.86				
	Allocated Budget Amount UNSPENT						\$ 56,683.14			
	SUMMARY OF CASH AND INVESTMENTS									
	July 1 - Total Cash Carryover including Investments							\$ 529,169.58		
	Unallocated Unrestricted State Revenues at the month end (see investment note below)					\$ (96,727.84)	<---- Cash of \$(34,153.21) in GL 1113 at 07-01-17 less the FY 17-18 budget amount			
	Funds Held for Others at the month end (Payroll Withholdings)					\$ 0.02				
	Unspent Budget for FY17-18 at the month end					\$ 56,683.14				
	Subtotal (cash in GL 1113 at the month end to be used for operating funds)		\$ 1,626.82				\$ 9,582.14			
	Investments at month end (Includes money market account and certificates of deposits, if applicable) ON 11-9-2017, \$429,000 OF USR FUNDS FROM THE PFC MAIN CHECKING ACCOUNT WAS TRANSFERRED TO THE PNC MONEY MARKET ACCOUNT UNTIL INVESTMENT DECISIONS ARE MADE. THE CURRENT USR FUNDS IN THE PNC MONEY MARKET ACCOUNT CONSISTS OF \$84,695.97 PLUS \$429,000.00 = \$513,695.97.	\$563,322.79	\$ (1,626.82)	\$ -	\$ -		\$ 513,695.97	<---- \$200,000 of the investments may be redeemed and used for operating funds if needed.		
	CURRENT TOTAL OF CASH AND INVESTMENTS AT THE MONTH END						\$ 523,278.11			

December 19, 2017

Board of Directors
Partnership for Children of Cumberland County, Inc.
Fayetteville, North Carolina

Dear Board Members,

In planning and performing our audit of the financial statements of Partnership for Children of Cumberland County, Inc. (the Organization) as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered Partnership for Children of Cumberland County, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of Partnership for Children of Cumberland County, Inc.'s Board of Directors and management, the North Carolina Partnership for Children, Inc., the Governor, and the General Assembly of North Carolina and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Melissa W. Boone, Partner

December 19, 2017

Board of Directors
Partnership for Children of Cumberland County, Inc.
Fayetteville, North Carolina

Dear Board Members,

We have audited the financial statements of Partnership for Children of Cumberland County, Inc. as of and for the year ended June 30, 2017, and have issued our report thereon dated December 19, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 5, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Partnership for Children of Cumberland County, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2017. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates disclosed in the financial statements.

The financial statement disclosures are neutral, consistent, and clear. There were no significant financial statement disclosures deemed to be sensitive to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no adjustments identified by CohnReznick during the audit and there are no uncorrected misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the course of our audit, we identified instances of noncompliance with the regulations of the NC Pre-K federal award program, CFDA #93.558. Those findings were communicated to management and issued in our audit report as Finding 2017-001. Management has reviewed the finding and has issued a response. That response is included in the audit report.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with modified cash basis, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Partnership for Children of Cumberland County, Inc., the North Carolina Partnership for Children, Inc., the Governor, and the General Assembly of North Carolina and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Melissa W. Boone, CPA

Melissa W. Boone, Partner

REPORT ON SINGLE AUDIT
PARTNERSHIP FOR CHILDREN OF
CUMBERLAND COUNTY, INC.
FAYETTEVILLE, NORTH CAROLINA
JUNE 30, 2017

BOARD OF DIRECTORS
VAN GUNTER, BOARD CHAIR

ADMINISTRATIVE OFFICER
MARY SONNENBERG, PRESIDENT

Partnership for Children of Cumberland County, Inc.

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Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To Board Members of
Partnership for Children of Cumberland County, Inc.
Fayetteville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Partnership for Children of Cumberland County, Inc. (a nonprofit organization), which comprise the Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis as of and for the year ended June 30, 2017, and the related Statement of Functional Expenditures - Modified Cash Basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2017. As described in Note 1, the financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Partnership for Children of Cumberland County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Partnership for Children of Cumberland County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Partnership for Children of Cumberland County, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Partnership for Children of Cumberland County, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness as item 2017-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Partnership for Children of Cumberland County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

Partnership for Children of Cumberland County, Inc.'s Response to Finding

Partnership for Children of Cumberland County, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Partnership for Children of Cumberland County, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Partnership for Children of Cumberland County, Inc.'s internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Partnership for Children of Cumberland County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Charlotte, North Carolina
December 19, 2017

Independent Auditor's Report on Compliance for the Major Federal Program and
on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Partnership for Children of Cumberland County, Inc.
Fayetteville, North Carolina

Report on Compliance for the Major Federal Program

We have audited Partnership for Children of Cumberland County, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Partnership for Children of Cumberland County, Inc.'s major federal program for the year ended June 30, 2017. Partnership for Children of Cumberland County, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Partnership for Children of Cumberland County, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Partnership for Children of Cumberland County, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Partnership for Children of Cumberland County, Inc.'s compliance.

Basis for Qualified Opinion on Temporary Assistance for Needy Families

As described in the accompanying schedule of findings and questioned costs, Partnership for Children of Cumberland County, Inc. did not comply with requirements regarding CFDA 93.558 Temporary Assistance for Needy Families as described in finding number 2017-001 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Partnership for Children of Cumberland County, Inc. to comply with the requirements applicable to that program.

Qualified Opinion on the Major Federal Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Partnership for Children of Cumberland County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 93.558 Temporary Assistance for Needy Families for the year ended June 30, 2017.

Other Matters

Partnership for Children of Cumberland County, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Partnership for Children of Cumberland County, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Partnership for Children of Cumberland County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Partnership for Children of Cumberland County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Partnership for Children of Cumberland County, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be material weaknesses.

Partnership for Children of Cumberland County, Inc.'s response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Partnership for Children of Cumberland County, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Partnership for Children of Cumberland County, Inc. as of and for the year ended June 30, 2017, and has issued our report thereon dated December 19, 2017. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, board of directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CohnReznick LLP".

Charlotte, North Carolina
December 19, 2017

Partnership for Children of Cumberland County, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal and State Grantor/Pass-through Grantor/Program	Type	Federal CFDA Number	Contract Number	Receipts	Expenditures
Federal Awards:					
United States Department of Health and Human Services					
Pass-through from the North Carolina Department of Health and Human Services					
Division of Child Development and Early Education					
Pass-through from Southwestern Child Development Commission, Inc. (SWCDC)					
Child Care and Development Block Grant (Current Year)	B - Non Major	93.575	005-17C	\$ 310,068	\$ 310,068
Child Care and Development Block Grant (Current Year)	B - Non Major	93.575	005-17-IT	126,941	70,982
Child Care and Development Block Grant (Prior Year)	B - Non Major	93.575	005-16-IT	-	28,584
Child Care and Development Block Grant (Current Year)	B - Non Major	93.575	005-17-HSB	125,869	125,869
				562,878	535,503
United States Department of Health and Human Services					
Pass-through from the North Carolina Department of Health and Human Services,					
Division of Child Development and Early Education					
Temporary Assistance for Needy Families (NC Pre-K)	A - Major	93.558	33541	6,122,835	6,122,835
United States Department of Health and Human Services					
Administration for Children and Families					
Pass-through from the Mid-Carolina Area Agency on Aging					
Bio Monitoring Programs for State Public Health Laboratories -					
North Carolina Family Caregiver Support Program (Current Year)	B - Non Major	93.062	N/A	3,000	2,880
United States Department of Education					
Pass-through from Southwestern Child Development Commission, Inc. (SWCDC)					
Market Rate Study Special Project	B - Non Major	93.575	MOU#33918-Region#5	1,388	1,388
United States Department of Health and Human Services					
Pass-through from the North Carolina Department of Health and Human Services					
Pass-through from The North Carolina Partnership for Children, Inc.					
Race to the Top - Early Learning Challenge Grant - ABCD Implementation Grant	B - Non Major	84.412	320-14-15-009	4,852	8,719
Race to the Top - Early Learning Challenge Grant - Data Capacity Grant - Data Entry	B - Non Major	84.412	320-15-16-033	15,074	9,310
Race to the Top - Early Learning Challenge Grant - Data Capacity Grant - Technical Assistance	B - Non Major	84.412	320-15-16-035	25,457	25,457
				45,383	43,486
Total Federal Awards				\$ 6,735,484	\$ 6,706,092

**PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

NOTE 1 - REPORT ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal award programs of the Partnership for Children of Cumberland County, Inc. (Cumberland County Partnership) for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the modified cash basis of accounting as more fully described in the Summary of Significant Accounting Policies accompanying the Cumberland County Partnership's basic financial statements.

Cumberland County Partnership has elected to not use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RELATION TO BASIC FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Cumberland County Partnership's basic financial statements and the related federal financial reports submitted by the Cumberland County Partnership.

NOTE 4 - UNEXPENDED FUNDS

For the Child Care and Development Block Grant, the unexpended balances are subject to reversion to Southwestern Child Development Commission, Inc. (SWCDC). Cumberland County Partnership has returned \$55,959 of these contracts to the SWCDC and has requested a cash advance of \$11,301 based on financial status reports submitted to SWCDC subsequent to June 30, 2017. There was also a reversion of the prior year's funding in the current fiscal year of \$28,584 submitted to SWCDC prior to June 30, 2017.

Revenue and support for the North Carolina Pre-Kindergarten Program (NC Pre-K) included both state and federal funds to the Cumberland County Partnership for the year ended June 30, 2017. Unexpended balances of the NC Pre-K grant are subject to reversion to the State of North Carolina. Cumberland County Partnership has expended all awards and therefore has not returned any of these funds to the State based on financial status reports submitted prior to June 30, 2017. Cumberland County Partnership has returned \$1,968 of a prior year's funding during the year ended June 30, 2017.

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?

 X Yes No

- Significant deficiency(ies) identified?

 Yes X None reported

Noncompliance material to financial statements noted?

 X Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?

 X Yes No

- Significant deficiency(ies) identified?

 Yes X None reported

Type of auditors' report issued on compliance for major programs

Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?

 X Yes No

Identification of Major Programs:

CFDA Number

93.558

Name of Federal Program

Temporary Assistance for Needy Families

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

 Yes X No

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

Finding 2017-001

Statement of Condition

The Cumberland County Partnership was receiving funding on behalf of children found to be ineligible under program restrictions.

Criteria

Per NC Pre-K guidance, all children for whom a direct service provider requests funding for, must be eligible to receive that funding.

Cause

Eligibility documents were not properly reviewed at the partnership level.

Effect or Potential Effect

There are inadequate controls over compliance, which could result in a loss of funding.

Recommendation

Partnership should put into place more stringent controls over compliance regarding eligibility of children.

Auditor Noncompliance Code

S – Internal control deficiencies

Reporting Views of Responsible Officials

The Cumberland County Partnership is committed to providing quality early care and education opportunities to the children and families of our community. We strive for continuous quality improvement and annual audits are an excellent opportunity to identify specific processes on which to focus.

We have completed the corrective action plan provided in response to the Fiscal Year 15-16 audit finding. We continue to adhere to the revised NC Pre-K policies that were developed and approved by the NC Pre-K Planning Committee and Board of Directors on March 30, 2017 in response to the audit finding. These revisions were specific to eligibility of children and increased vigilance in monitoring NC Pre-K programs for compliance.

Our objective is to adhere to all rules and regulations in the operations of Partnership for Children, Inc. and the implementation of the North Carolina Pre-Kindergarten program. We appreciate the professionalism and insight provided by the auditors.

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

Finding 2016-001. The Partnership for Children of Cumberland County, Inc. was receiving funding on behalf of a child found to be ineligible under program restrictions.

Status: The Cumberland County Partnership has implemented controls to prevent future noncompliance and has returned all monies received on behalf of ineligible children. These controls were implemented after the 2016 school year began, and therefore, proper screening of eligibility was not performed on all entering students. The finding is continued in current year finding 2017-001.

FINANCIAL STATEMENT AUDIT REPORT OF
PARTNERSHIP FOR CHILDREN OF
CUMBERLAND COUNTY, INC.
FAYETTEVILLE, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2017

BOARD OF DIRECTORS
VAN GUNTER, BOARD CHAIR

ADMINISTRATIVE OFFICER
MARY SONNENBERG, PRESIDENT

Partnership for Children of Cumberland County, Inc.

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Independent Auditor's Report

To Board Members of
Partnership for Children of Cumberland County, Inc.
Fayetteville, North Carolina

Report on Financial Statements

We have audited the accompanying financial statements of Partnership for Children of Cumberland County, Inc., which comprise the Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis as of and for the year ended June 30, 2017, and the related Statement of Functional Expenditures - Modified Cash Basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the Statement of Receipts, Expenditures, and Net Assets of the Partnership for Children of Cumberland County, Inc., as of and for the year ended June 30, 2017, and the Statement of Functional Expenditures for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Other Matters

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Schedule 2 on page 21 and Schedule 5 on page 24 are not a required part of the basic financial statements but is supplementary information required by the North Carolina Office of the State Auditor. In accordance with auditing standards generally accepted in the United States of America, we have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion or provide any assurance on Schedules 2 and 5.

Our audit was conducted for the purpose of forming an opinion on the financial statements of Partnership for Children of Cumberland County, Inc. The accompanying supplementary Schedules 1, 3, and 4 are also presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017, on our consideration of Partnership for Children of Cumberland County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Partnership for Children of Cumberland County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Partnership for Children of Cumberland County, Inc.'s internal control over financial reporting and compliance.



Charlotte, North Carolina
December 19, 2017

Partnership for Children of Cumberland County, Inc.
Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis
For the Year Ended June 30, 2017

Exhibit A

	Unrestricted Funds		Temporarily	Permanently	
	Smart Start	Other	Restricted	Restricted	Total
	Fund	Funds	Funds	Funds	Funds
Receipts:					
State Awards and Contracts	\$ 3,632,230	\$ 2,315,542	\$ -	\$ -	\$ 5,947,772
Federal Awards	-	6,735,484	-	-	6,735,484
Private Contributions	-	9,042	7,178	-	16,220
Special Fund Raising Events	-	38,458	15,772	-	54,230
Interest and Investment Earnings	-	8,093	-	-	8,093
Sales Tax Refunds	-	26,747	-	-	26,747
Other Receipts	-	507,968	-	-	507,968
Total Receipts	3,632,230	9,641,334	22,950	-	13,296,514
Net Assets Released from Restrictions:					
Satisfaction of Program Restrictions	-	23,324	(23,324)	-	-
	3,632,230	9,664,658	(374)	-	13,296,514
Expenditures:					
Programs:					
Child Care and Education Affordability	811,249	-	-	-	811,249
Child Care and Education Quality	1,409,352	600,601	-	-	2,009,953
Family Support	304,884	176,665	-	-	481,549
Health and Safety	48,826	8,719	-	-	57,545
NC Pre-K	45,034	8,170,396	-	-	8,215,430
Support:					
Management and General	319,246	375,484	-	-	694,730
Program Coordination and Evaluation	693,639	114,117	-	-	807,756
Other:					
Service Activities	-	76,149	-	-	76,149
Refund of Prior Year Grant	-	28,584	-	-	28,584
Sales Tax Paid	-	18,325	-	-	18,325
Total Expenditures	3,632,230	9,569,040	-	-	13,201,270
Excess (Deficiency) of Receipts Over Expenditures	-	95,618	(374)	-	95,244
Net Assets at Beginning of Year	-	915,413	40,654	31,384	987,451
Net Assets at End of Year	\$ -	\$ 1,011,031	\$ 40,280	\$ 31,384	\$ 1,082,695
Net Assets Consisted of:					
Cash and Cash Equivalents	\$ 59,586	\$ 1,022,446	\$ 40,280	\$ -	\$ 1,122,312
Beneficial Interest in the Community Foundation	-	-	-	31,384	31,384
	59,586	1,022,446	40,280	31,384	1,153,696
Less: Due to State	57,006	-	-	-	57,006
Funds Held for Others	2,580	11,415	-	-	13,995
	59,586	11,415	-	-	71,001
Total Net Assets	\$ -	\$ 1,011,031	\$ 40,280	\$ 31,384	\$ 1,082,695

The Accompanying Notes are an Integral Part of the Financial Statements.

Partnership for Children of Cumberland County, Inc.
Statement of Functional Expenditures - Modified Cash Basis
For the Year Ended June 30, 2017

Exhibit B

	Total	Personnel	Contracted Services	Supplies and Materials	Other Operating Expenditures	Fixed Charges and Other Expenditures	Property and Equipment Outlay	Services/ Contracts/ Grants
Smart Start Fund:								
Programs:								
Child Care and Education Affordability	\$ 811,249	\$ 25,901	\$ 9,549	\$ -	\$ -	\$ -	\$ -	\$ 775,799
Child Care and Education Quality	1,409,352	813,283	172,657	46,683	116,285	14,670	31,560	214,214
Family Support	304,884	177,178	8,177	8,878	52,780	3,255	8,516	46,100
Health and Safety	48,826	5,308	43,518	-	-	-	-	-
NC Pre-K	45,034	40,872	21	211	3,871	59	-	-
	<u>2,619,345</u>	<u>1,062,542</u>	<u>233,922</u>	<u>55,772</u>	<u>172,936</u>	<u>17,984</u>	<u>40,076</u>	<u>1,036,113</u>
Support:								
Management and General	319,246	242,686	19,504	6,615	26,313	17,677	6,451	-
Program Coordination and Evaluation	693,639	326,958	233,750	51,827	49,265	17,077	14,762	-
	<u>1,012,885</u>	<u>569,644</u>	<u>253,254</u>	<u>58,442</u>	<u>75,578</u>	<u>34,754</u>	<u>21,213</u>	<u>-</u>
Total Smart Start Fund Expenditures	<u>\$ 3,632,230</u>	<u>\$ 1,632,186</u>	<u>\$ 487,176</u>	<u>\$ 114,214</u>	<u>\$ 248,514</u>	<u>\$ 52,738</u>	<u>\$ 61,289</u>	<u>\$ 1,036,113</u>
Other Funds:								
Programs:								
Child Care and Education Quality	\$ 600,601	\$ 455,604	\$ 20,310	\$ 12,471	\$ 23,363	\$ 7,550	\$ 2,384	\$ 78,919
Family Support	176,665	48,966	15,309	363	44,584	28,758	33,272	5,413
Health and Safety	8,719	-	8,719	-	-	-	-	-
NC Pre-K	8,170,396	83,179	18,795	25,218	14,197	2,127	855	8,026,025
	<u>8,956,381</u>	<u>587,749</u>	<u>63,133</u>	<u>38,052</u>	<u>82,144</u>	<u>38,435</u>	<u>36,511</u>	<u>8,110,357</u>
Support:								
Management and General	375,484	291,381	65,397	2,020	12,599	2,952	1,135	-
Program Coordination and Evaluation	114,117	57,743	36,029	11,268	5,652	1,510	-	1,915
	<u>489,601</u>	<u>349,124</u>	<u>101,426</u>	<u>13,288</u>	<u>18,251</u>	<u>4,462</u>	<u>1,135</u>	<u>1,915</u>
Other:								
Service Activities	76,149	253,347	(211,380)	7,169	14,994	3,637	8,382	-
Refund of Prior Year Grant	28,584	-	-	-	-	28,584	-	-
Sales Tax Paid	18,325	-	-	18,325	-	-	-	-
	<u>123,058</u>	<u>253,347</u>	<u>(211,380)</u>	<u>25,494</u>	<u>14,994</u>	<u>32,221</u>	<u>8,382</u>	<u>-</u>
Total Other Funds Expenditures	<u>\$ 9,569,040</u>	<u>\$ 1,190,220</u>	<u>\$ (46,821)</u>	<u>\$ 76,834</u>	<u>\$ 115,389</u>	<u>\$ 75,118</u>	<u>\$ 46,028</u>	<u>\$ 8,112,272</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

- A. Organization and Purpose** - The Partnership for Children of Cumberland County, Inc. (Cumberland County Partnership) is a legally separate nonprofit organization incorporated on December 2, 1993. The Cumberland County Partnership was established to develop and provide, through public and private means, early childhood education and developmental services for children and families. The Cumberland County Partnership is tax-exempt as an organization described in Section 501(c)(3) of the Internal Revenue Code.
- B. Basis of Presentation** - The accompanying financial statements present all funds for which the Cumberland County Partnership's Board of Directors is responsible. Pursuant to the provisions the Financial Accounting Standards Board's Accounting Standards for Not-For-Profit Entities, the accompanying financial statements present information according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the standards, temporarily restricted contributions received and expended in the same year are reported as unrestricted receipts rather than as temporarily restricted receipts.

Contributions that are temporarily restricted and not expended within the year received are reported as an increase in temporarily restricted net assets. When the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Receipts, Expenditures, and Net Assets as net assets released from restrictions.

Permanently restricted net assets include gifts and contributions that are limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Cumberland County Partnership.

- C. Basis of Accounting** - The accompanying financial statements were prepared on the modified cash basis of accounting. This basis differs from accounting principles generally accepted in the United States of America primarily because it recognizes long lived assets and other costs which benefit more than one period as expended in the year purchased; it recognizes revenue when received rather than when earned; and it recognizes expenditures when paid rather than when incurred.

However, unexpended advances to contractors that revert back to the State of North Carolina are recognized as a reduction to expenditures and an

increase to net assets. In addition, amounts withheld from employee paychecks or other amounts received in an agency capacity are recorded as funds held for others. Additionally, Smart Start funds advanced to the Local Partnership that are unexpended and unearned at year end are recorded as funds Due to the State.

- D. Cash and Cash Equivalents** - This classification appears on the Statement of Receipts, Expenditures, and Net Assets – Modified Cash Basis and includes all demand and savings accounts and certificate of deposits or short-term investments with an original maturity of three months or less.
- E. Beneficial Interest in Community Foundation** - This classification consists of funds invested with Cumberland Community Foundation, Inc. as reported in Note 12. The amounts shown in the permanently restricted column of Exhibit A represent the irrevocable principle in an endowment fund as described more fully in Note 13.
- F. Due to the State** - The funding provided by the State of North Carolina for the Smart Start program is funded on a cost-reimbursement basis. The money is earned to the extent of allowable costs incurred. Any unexpended funds as of June 30 are required to be reverted to the North Carolina Partnership for Children, Inc. to be returned to the State of North Carolina.
- G. Funds Held For Others** - Funds held for others includes amounts received that are fiduciary in nature in which the Cumberland County Partnership acts in an agency capacity. For the year ended June 30, 2017, the Cumberland County Partnership was holding amounts withheld from employee paychecks related to the flexible spending plan and employee benefits to be distributed to the appropriate party and rental security deposits from tenants.
- H. Property and Equipment** - Under the modified cash basis of accounting, purchases of property and equipment are reported as expenditures in the year incurred. However, the Cumberland County Partnership is required by contract regulation to track and maintain property and equipment items as presented in Schedule 4 of this report. The Cumberland County Partnership has a policy to track purchases of property and equipment items with an individual cost of \$500 or more and an estimated useful life greater than one year. Such items are valued at estimated acquisition price, which is defined as the price that would be paid to acquire an asset with equivalent service capacity in an orderly market transaction at the acquisition date.
- I. Compensated Absences** - As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the financial statements. Expenditures related to compensated absences are recorded when paid. The amount of accrued compensated absences for accumulated, unpaid leave that would be due to employees upon termination is reported as a commitment in Note 9.

- J. Use of Estimates** - The preparation of financial statements in conformity with the modified cash basis of accounting used by the Cumberland County Partnership requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as allocation of joint costs); accordingly, actual results could differ from those estimates. It is management's belief that these estimates are reasonable and fair.
- K. Qualifying Match and Contributions In-Kind** - The Cumberland County Partnership, in accordance with applicable Smart Start legislation, reports qualifying match provided at both the Partnership and the contractor level; the qualifying match is reported in supplemental Schedule 5. The match includes cash received and expended at the Partnership level, which is included in the modified cash basis financial statements. The qualifying match reported on Schedule 5 for cash provided at the contractor level and for in-kind goods and services at both the Partnership and contractor levels is not recorded in the modified cash basis financial statements. In-kind contributions can be donated equipment, supplies, office space, or services. The Cumberland County Partnership also benefits from donated volunteer hours which do not require specific expertise but which are nonetheless central to the Cumberland County Partnership's operations. See supplemental Schedule 5 for more information on contributions in-kind.

NOTE 2 - DEPOSITS AND INVESTMENTS

- A. Deposits** - All cash funds of the Cumberland County Partnership are deposited with commercial banks and insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank.

Deposits over insured amounts subject the Cumberland County Partnership to a concentration of credit risk. At June 30, 2017, the Cumberland County Partnership's bank deposits in excess of the FDIC insured limit was \$1,339,084.

- B. Investments** - The Cumberland County Partnership records interest and dividend earnings and realized gain and losses in the Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis under the heading Interest and Investment Earnings. The Cumberland County Partnership redeemed its certificate of deposits and closed its money market account during the year ended June 30, 2017.

Interest and investment earnings for the year ended June 30, 2017 are as follows:

Investment earnings - Certificates of Deposit	\$ 7,522
Interest on Bank Accounts	<u>571</u>
Total Interest and Investment Earnings	<u><u>\$ 8,093</u></u>

NOTE 3 - FUNDING FROM GRANT AWARDS AND CONTRACTS

Smart Start Program - One of the Cumberland County Partnership's major sources of revenue and support is from the State of North Carolina based on cost-reimbursement contracts with the North Carolina Partnership for Children, Inc. (NCPC) for the Smart Start Program. A significant reduction in the level of funding from the State could have an adverse effect on the operations of the Cumberland County Partnership and represents a concentration of credit risk as to the generation of revenue.

Associated with these contracts, the Cumberland County Partnership is responsible for developing a comprehensive, collaborative, long-range plan of services to children and families for the service-delivery area. During the year, the North Carolina Department of Health and Human Services' (DHHS) Division of Child Development and Early Education (DCDEE) entered into contracts with and made payments to service providers selected by the Cumberland County Partnership. These service provider contracts are not reflected on the accompanying financial statements. However, a summary of the service-provider contracts entered into by DHHS is presented on Schedule 2 of the accompanying financial statements.

The Cumberland County Partnership was awarded and received \$3,697,779 under a current year Smart Start contract with NCPC. The unexpended balance of this contract is subject to reversion to the State. The Cumberland County Partnership has returned \$53,406 of this contract to the State based on financial status reports submitted to NCPC subsequent to June 30, 2017. There were also reversions of prior years' funding in the current fiscal year and subsequent to June 30, 2017 of \$8,542 and \$3,600, respectively.

The Cumberland County Partnership expects to receive continued funding through new Smart Start contracts with the State.

Multi-Partnership Accounting and Contracting Grant - The Cumberland County Partnership was awarded and has received \$74,431 under a current year contract with NCPC. The unexpended balance of this contract is subject to reversion to the State. The Cumberland County Partnership has expended all awards and therefore has returned none of this amount to the State based on financial status reports submitted subsequent to June 30, 2017. There was a reversion of the prior year's funding in the current fiscal year of \$102 submitted to NCPC prior to June 30, 2017.

The Cumberland County Partnership expects to receive continued funding through new contracts with the State.

Child Care Development Grant Program (DCDEE Grant) - The Cumberland County Partnership also received revenue and support passed through from DCDEE based on cost-reimbursement grant contracts with Southwestern Child Development Commission, Inc. (SWCDC) for the Child Care Development Grant Program (DCDEE Grant). The Cumberland County Partnership is the Region 5 Lead Agency for this grant.

The Cumberland County Partnership was awarded and has received \$562,878 under three current year grant contracts with SWCDC. The unexpended balances of these grant contracts are subject to reversion to SWCDC. The Cumberland County Partnership has returned \$55,959 of these contracts to the SWCDC and has requested a cash advance of \$11,301 based on financial status reports submitted to SWCDC subsequent to June 30, 2017. There was also a reversion of the prior year's funding in the current fiscal year of \$28,584 submitted to SWCDC prior to June 30, 2017.

The Cumberland County Partnership expects to receive continued funding through new DCDEE Grant contracts with SWCDC.

Child Care Resource and Referral 2016 Market Rate Study Special Project - The Cumberland County Partnership was also awarded \$1,388 under a Memorandum of Understanding (MOU) agreement with SWCDC and has received \$1,388 of this amount during the fiscal year ended June 30, 2017. The unexpended balance of these funds as of December 2, 2016 was subject to reversion to SWCDC. The Cumberland County Partnership has expended all awards and therefore has not returned any of these funds to SWCDC based on financial status reports submitted prior to June 30, 2017.

Race to the Top-Early Learning Challenge (NCPC Grant) - The Cumberland County Partnership also received revenue and support from DHHS for the Race to the Top-Early Learning Challenge grant (RTT-ELC) passed through NCPC. The RTT-ELC grant is a federally funded initiative to reduce disparities in school readiness among children with high needs and their peers. The Cumberland County Partnership was awarded a total of \$137,023 for three grants commencing January 1, 2015, and has received \$45,383 during the fiscal year ended June 30, 2017. The initial contract period has been amended to expire on December 31, 2017.

The Cumberland County Partnership does not expect to receive continued funding through new DHHS contracts for the RTT-ELC grant through NCPC.

NC Pre-K (NCPK Grant) - Cumberland County Partnership's major source of revenue and support was from DHHS and the State of North Carolina for the North Carolina Pre-Kindergarten Program (NC Pre-K). The Cumberland County Partnership was awarded \$8,410,172 and received \$8,366,016 under a current year financial assistance contract. The NCPK Program included both state and federal funds to the Cumberland County Partnership for the year ended June 30, 2017. The unexpended balance of this contract is subject to reversion to the State. There was a reversion of the current year's funding of \$1,968 submitted to DCDEE prior to June 30, 2017.

The Cumberland County Partnership expects to receive continued funding of the preschool program through new contracts with the State.

NOTE 4 - RELATED PARTY TRANSACTIONS

Service Provider Contracts with Board Member Organizations

The board members of the Cumberland County Partnership are representative of various organizations that benefit from actions taken by the Board. It is the policy of the Cumberland County Partnership that board members not be involved with decisions regarding organizations they represent. During the year, the Cumberland County Partnership entered into contracts with board-member organizations for program activities as identified on Schedule 1 accompanying the financial statements. In addition, Schedule 2 identifies contracts entered into by DHHS with board-member organizations for activities funded by the Cumberland County Partnership's Smart Start Allocation.

NOTE 5 - FUNCTIONAL EXPENDITURES

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis. Also, the Statement of Functional Expenditures - Modified Cash Basis, provides detail of the functional costs by their natural classification. Following are the services associated with the functional categories presented in the accompanying financial statements and the methods utilized to allocate joint cost:

A. Program Functions

Child Care and Education Affordability - Used to account for service activities including State subsidy contract and administration (Division of Child Development and Early Education) [DCDEE], dual subsidy and dual subsidy administration, preschool classes and coordination, and public pre-K subsidy and child care transportation.

Child Care and Education Quality - Used to account for service activities including quality enhancement, high quality maintenance, child care resource and referral, professional development and supplements, and provider training, coaching/mentoring.

Family Support - Used to account for service activities including parent education, family support services, community outreach, information and resources and the Reach Out and Read (ROR) national evidence – based model that promotes early literacy.

Health and Safety - Used to account for service activities including the Assuring Better Child Health and Development (ABCD) Project initiative that improves the quality of child development services in primary care medical practices.

NC Pre-K - Used to account for development and implementation of NC Pre-K program for four-year-olds who are at risk of failure in kindergarten. The goal is to provide quality prekindergarten services in order to enhance kindergarten readiness.

B. Support Functions

Management and General - Expenditures that are not identifiable with a single program or fund-raising activity but are indispensable to the conduct of those activities and to an organization's existence, including expenditures for the overall direction of the organization, its general board activities, business management, general recordkeeping, budgeting, and related purposes.

Program Coordination and Evaluation - Expenditures that are incurred to coordinate the policies, procedures, and daily practices of service delivery. Also, costs associated with providing technical assistance, monitoring in-house and direct service provider activities as to the delivery of services and adherence to the specific terms and conditions of the contracts.

C. Allocation of Joint Costs

Expenditures benefiting more than one purpose were allocated as follows:

Salaries and Benefits - Direct allocation based on employee time reports.

Other Costs - Other costs including occupancy cost (utilities and maintenance), supplies and materials, and communication costs (telephone, printing and postage) were indirectly allocated based on utilization data.

NOTE 6 - OPERATING LEASE OBLIGATIONS

Future minimum lease payments under noncancelable operating leases consist of the following at June 30, 2017:

Fiscal Year	Operating Leases
2018	\$ 18,324
2019	18,091
2020	14,017
Total Minimum Lease Payments	<u>\$ 50,432</u>

Rental expense for all operating leases during the year was \$26,196.

In addition, the Cumberland County Partnership owns the Family Resource Center building (PFC RC). The PFC RC is an office complex located in Fayetteville, North Carolina. The Cumberland County Partnership realized

significant rental income from the PFC RC. For the year ended June 30, 2017, the Cumberland County Partnership received \$187,993 of rental income from the tenants of the PFC RC. This amount is included in Other Receipts on the Statement of Receipts, Expenditures and Net Assets - Modified Cash Basis.

Future minimum lease rentals to be received consist of the following at June 30, 2017:

Fiscal Year	Operating Leases
2018	\$ 134,895
2019	58,490
2020	687
Total Minimum Lease Payments to be Received	<u>\$ 194,072</u>

NOTE 7 - PENSION PLAN

The Cumberland County Partnership has an IRC Section 401(k) plan (Plan) available to employees age 21 and older and who have one year of service with at least 1,000 hours. All costs of administering the Plan are the responsibility of the Plan participants. The Cumberland County Partnership provides matching of the employee contributions not to exceed 4% of the employee's annual salary. Employees may make voluntary contributions to the Plan up to the maximum allowable per IRS guidelines. For the period ended June 30, 2017 the Cumberland County Partnership contributed \$50,768 in matching retirement benefits.

NOTE 8 - RISK MANAGEMENT

The Cumberland County Partnership is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Cumberland County Partnership manages these various risks of loss as follows:

Type of Loss	Method Managed	Risk of Loss Retained
Torts, errors and omissions, health and life	Purchased commercial insurance	None
Workers Compensation – employee injuries	Purchased commercial insurance	None
Physical property loss and natural disasters	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant losses to the Cumberland County Partnership. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Compensated Absences - As a result of the Cumberland County Partnership's use of the modified cash basis of accounting, accrued liabilities related to compensated absences (vacation only; sick leave does not vest) and any employer-related costs earned and unpaid, are not reflected in the financial statements. The compensated absences commitment for vacation leave at June 30, 2017 is \$141,026. No funds or reservation of net assets has been made for this commitment.

NOTE 10 - RESTRICTIONS ON NET ASSETS

A. Temporarily Restricted Net Assets - Temporarily restricted net assets at June 30, 2017 are available for the following purposes:

Purpose	Amount
Annual Fundraiser – Kidstuff Annual Outreach Event	\$ 15,074
Annual Fundraiser – Administration Allocation	3,609
Cumberland Community Foundation – Grandparents Support Grant	7,427
Annual Fundraiser – Mission Moments Allocation	9,170
Annual Fundraiser – Early Care & Education Initiatives	5,000
	<u>\$ 40,280</u>

B. Net Assets Released From Donor Restrictions - Net assets were released from donor restrictions during the fiscal year ended June 30, 2017 by incurring expenditures satisfying the restricted purposes as follows:

Purpose	Amount
Annual Fundraiser – Kidstuff Annual Outreach Event	\$ 1,312
Race to the Top – Early Learning Challenge: Assuring Better Health and Development (RTT-ELC ABCD Grant)	3,867
Development Career Center (PDCC) Initiatives	13,145
Annual Fundraiser – Family Focus Guides	5,000
	<u>\$ 23,324</u>

C. Permanently Restricted Net Assets - Permanently restricted net assets at June 30, 2017 were restricted for the following purposes:

Purpose	Amount
Partnership for Children of Cumberland County (PFC) Endowment	\$ 31,384

NOTE 11 - INCOME TAXES

The Cumberland County Partnership is exempt from payment of income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code, except to the extent of taxes on any unrelated business income.

FASB ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FASB ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing financial statements to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority.

The Cumberland County Partnership does not believe there are any unrecognized tax benefits or costs as of June 30, 2017. Income tax returns from 2013 through 2016 are open to examination by the tax authorities.

NOTE 12 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

During the year ended June 30, 2012, the Cumberland County Partnership established an endowment for which the Cumberland County Partnership is the beneficiary. The endowment was established through the Cumberland Community Foundation, Inc. (CCF). The agreement between the Cumberland County Partnership and the CCF provides that all the contributions to the endowment are irrevocable. The CCF will make distributions of the income earned on the endowment, subject to the CCF's spending policy. The agreement also permits the CCF to substitute another beneficiary in the place of Cumberland County Partnership if the Cumberland County Partnership ceases to exist or if the Cumberland County Partnership ceases to be an organization described in Internal Revenue Code Sections 170c and 501c(3). Therefore, the Cumberland County Partnership has explicitly granted variance power to the CCF. The Cumberland County Partnership's endowment position is identified on the Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis as the Beneficial Interest in the Community Foundation.

The fair value of the endowment administered by the CCF on behalf of the Cumberland County Partnership at June 30, 2017 was \$40,525; however, under the modified cash basis of accounting, the original cost basis of contributions are reported on the Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis as \$31,384.

NOTE 13 - ENDOWMENT

Interpretation of Endowment Under Uniform Prudent Management of Institutional Funds Act (UPMIFA)

Through June 30, 2017, the Cumberland County Partnership's management and investment of donor-restricted endowment funds was subject to the provisions of the Uniform Management of Institutional Funds Act (UMIFA). In 2006, the Uniform Law Commission approved the model act, Uniform Prudent Management of Institutional Funds Act (UPMIFA) that serves as a guideline to states to use in enacting legislation. Among UPMIFA's most significant changes is the elimination of UMIFA's important concept of historic dollar threshold, the amount below which an organization could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending. The Cumberland County Partnership's endowment consists of a beneficial interest in a community foundation. Endowments include donor-restricted endowment funds.

Basis of Endowment Accounting

Under the modified cash basis of accounting, the Cumberland County Partnership records contributions and endowment investment earnings on a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Contributions from funds held, raised or collected by Cumberland County Partnership and processed through its bank accounts are recorded as permanently restricted net assets.

Contributions from funds held, raised or collected by Cumberland County Partnership but not processed through its bank accounts are not recorded. Permanently restricted contributions sent directly by a third party to the community foundation are not recorded in the general ledger of the Cumberland County Partnership.

Similarly, investment earnings and expenses of endowments held by the community foundation are not recorded in the general ledger of the Cumberland County Partnership, unless such earnings and expenses pass through its bank accounts.

Endowment net asset composition by fund type as of June 30, 2017 follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Cash	\$ -	\$ -	\$ -	\$ -
Donor-Restricted Funds	-	-	31,384	31,384
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,384</u>	<u>\$ 31,384</u>

NOTE 14 - SUBSEQUENT EVENTS

The Cumberland County Partnership has evaluated events and transactions that occurred between June 30, 2017 and December 19, 2017, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. Events or transactions that provided evidence about conditions that did not exist at June 30, 2017 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2017.

SUPPLEMENTARY INFORMATION

Partnership for Children of Cumberland County, Inc.
Schedule of Contract and Grant Expenditures - Modified Cash Basis
For the Year Ended June 30, 2017

Schedule 1

Organization Name	Smart Start Funds		Other Funds	
	Amount Advanced	Refund Due	Amount Advanced	Refund Due
Organizations:				
Action Pathways, Inc. (formerly Cumberland Community Action Program, Inc.)	* \$ -	\$ -	\$ 906,850	\$ -
Anson County Partnership for Children	-	-	9,954	-
Autism Society of Cumberland County	46,100	-	-	-
HBM, LLC dba Building Blocks Early Education Centers	* 18,308	-	327,900	-
Vernell C. Thomas, Inc. dba Cozy Corner Childcare / Jump Start University	* 16,507	-	221,325	-
Cumberland County Schools	* -	-	1,451,250	-
Easter Seals UCP - Spainhour	107,002	-	-	-
Fayetteville State University	3,299	-	338,975	-
Fayetteville Technical Community College	* 229,386	-	118,950	-
Highland Presbyterian Church Learning Center	16,811	-	-	-
Kerri Hurley	62,119	-	-	-
Montgomery County Partnership for Children	-	-	8,345	-
Partners for Children & Families of Moore County	-	-	29,399	-
Richmond County Partnership for Children	-	-	14,528	-
Snyder Memorial Baptist Church	1,696	-	-	-
University of North Carolina at Pembroke (UNCP)	* 4,736	-	-	-
	<u>505,964</u>	<u>-</u>	<u>3,427,476</u>	<u>-</u>
Individuals:				
Car Seats Distribution	14,783	-	-	-
Child Care Expense Reimbursements (Subsidy - TANF)	308,932	-	-	-
Child Care Expense Reimbursements (Subsidy - Non-TANF)	67,673	-	9,900	-
Child Care Expense Reimbursements (NC Pre-K Subsidy - TANF)	-	-	3,877,775	-
Child Care Expense Reimbursements (NC Pre-K Subsidy - Non-TANF)	-	-	773,100	-
Child Care Expense Reimbursements (Registration Fees & Transportation - Non-TANF)	6,185	-	-	-
Educational Materials & Supplies	-	-	1,915	-
Participant Training Grants	76,869	-	22,106	-
Quality Enhancement Grants	55,707	-	-	-
	<u>530,149</u>	<u>-</u>	<u>4,684,796</u>	<u>-</u>
	<u>\$ 1,036,113</u>	<u>\$ -</u>	<u>\$ 8,112,272</u>	<u>\$ -</u>

* These organizations are represented on the Partnership's Board as described in Note 4 - Service Provider Contracts with Board Member Organizations.

Partnership for Children of Cumberland County, Inc.
Schedule of State Level Service Provider Contracts
For the Year Ended June 30, 2017

Schedule 2

Organization Name	DHHS Contracts
Child Care Services Association - WAGE\$ Program	\$ 496,680
Cumberland County Department of Social Services *	2,408,730
	<u>\$ 2,905,410</u>

* These organizations are represented on the Partnership's Board as described in Note 4 - Service Provider Contracts with Board Member Organizations.

The information on this schedule provides a listing of service provider contracts entered into by the North Carolina Department of Health and Human Services (DHHS) as described in Note 3 - Funding from Grant Awards and Contracts.

Partnership for Children of Cumberland County, Inc.
Schedule of Federal and State Awards - Modified Cash Basis
For the Year Ended June 30, 2017

Schedule 3

Federal/State Grantor/Pass-through Grantor/Program	Federal CFDA Number	Contract #	Receipts	Expenditures
Federal Awards:				
United States Department of Health and Human Services				
Pass-through from the North Carolina Department of Health and Human Services				
Division of Child Development and Early Education				
Pass-through from Southwestern Child Development Commission, Inc. (SWCDC)				
Child Care and Development Block Grant (Current Year)	* 93.575	005-17C	\$ 310,068	\$ 310,068
Child Care and Development Block Grant (Current Year)	* 93.575	005-17-IT	126,941	70,982
Child Care and Development Block Grant (Prior Year)	93.575	005-16-IT	-	28,584
Child Care and Development Block Grant (Current Year)	* 93.575	005-17-HSB	125,869	125,869
United States Department of Health and Human Services				
Pass-through from the North Carolina Department of Health and Human Services				
Division of Child Development and Early Education				
Temporary Assistance for Needy Families (NC Pre-K)	** 93.558	33541	6,122,835	6,122,835
United States Department of Health and Human Services				
Administration for Children and Families				
Pass-through from the Mid-Carolina Area Agency on Aging				
Bio Monitoring Programs for State Public Health Laboratories -				
North Carolina Family Caregiver Support Program (Current Year)	93.062	N/A	3,000	2,880
United States Department of Health and Human Services				
United States Department of Education				
Pass-through from Southwestern Child Development Commission, Inc. (SWCDC)				
Market Rate Study Special Project	93.575	MOU#33918-Region#5	1,388	1,388
United States Department of Health and Human Services				
Pass-through from The North Carolina Partnership for Children, Inc.				
Race to the Top - Early Learning Challenge Grant - ABCD Implementation Grant	84.412	320-14-15-009	4,852	8,719
Race to the Top - Early Learning Challenge Grant - Data Capacity Grant -	84.412	320-15-16-033		
Data Entry			15,074	9,310
Race to the Top - Early Learning Challenge Grant - Data Capacity Grant -	84.412	320-15-16-035		
Technical Assistance			25,457	25,457
Total Federal Awards			<u>6,735,484</u>	<u>6,706,092</u>
State Awards:				
North Carolina Department of Health and Human Services				
Division of Child Development and Early Education				
Pass-through from the North Carolina Partnership for Children, Inc.				
Early Childhood Initiatives Program (Current Year)	* N/A	N/A	3,644,372	3,644,372
Early Childhood Initiatives Program (Prior Year)	N/A	N/A	(12,142)	(12,142)
Multi-Partnership Accounting and Contracting Grant (Current Year)	N/A	N/A	74,431	74,431
Multi-Partnership Accounting and Contracting Grant (Prior Year)	N/A	N/A	(102)	-
North Carolina Department of Health and Human Services				
Division of Child Development and Early Education				
NC Pre-K (Current Year)	* N/A	33541	2,241,213	2,241,213
Total State Awards			<u>5,947,772</u>	<u>5,947,874</u>
Total Federal and State Awards			<u>\$ 12,683,256</u>	<u>\$ 12,653,966</u>

* Programs with compliance requirements that have a direct and material effect on the financial statements.

** Major Programs per the Uniform Guidance.

Partnership for Children of Cumberland County, Inc.
Schedule of Property and Equipment - Modified Cash Basis
For the Year Ended June 30, 2017

Schedule 4

Furniture and Noncomputer Equipment	\$ 262,072
Computer Equipment / Printers	267,890
Buildings	5,283,574
Leasehold Improvements	66,048
Motor Vehicles	<u>58,186</u>
Total Property and Equipment	<u>\$ 5,937,770</u>

Note: The information on this schedule provides a summary of property and equipment with acquisition or donated cost of \$500 or more which were held by the Partnership at year end. The valuations represent historical cost. On the modified cash basis of accounting, these items are expensed in the year of purchase.

Partnership for Children of Cumberland County, Inc.
Schedule of Qualifying Match (Non-GAAP)
For the Year Ended June 30, 2017

Schedule 5

Match Provided at the Partnership Level:

Cash	\$ 282,405
In-Kind Goods and Services	<u>165,826</u>
	<u>\$ 448,231</u>

Match Provided at the Contractor Level:

Cash	\$ 680,252
In-Kind Goods and Services	<u>91,370</u>
	<u>\$ 771,622</u>

Note: This schedule is presented in accordance with the program match requirement as provided for by North Carolina Session Law 2016-94, Section 12B.7.(d). The match is comprised of both cash and in-kind amounts. Only in-kind contributions that are verifiable, quantifiable, and related to the Smart Start Program can be applied to the in-kind match requirement, including volunteer services. The law allows for volunteer services to be valued for match purposes, a concept that deviates from generally accepted accounting principles. This schedule identifies those amounts allowable for this Partnership in meeting the statewide match requirement.

Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To Board Members of
Partnership for Children of Cumberland County, Inc.
Fayetteville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Partnership for Children of Cumberland County, Inc. (a nonprofit organization), which comprise the Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis as of and for the year ended June 30, 2017, and the related Statement of Functional Expenditures - Modified Cash Basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2017. As described in Note 1, the financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Partnership for Children of Cumberland County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Partnership for Children of Cumberland County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Partnership for Children of Cumberland County, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Partnership for Children of Cumberland County, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness as item 2017-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Partnership for Children of Cumberland County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

Partnership for Children of Cumberland County, Inc.'s Response to Finding

Partnership for Children of Cumberland County, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Partnership for Children of Cumberland County, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Partnership for Children of Cumberland County, Inc.'s internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Partnership for Children of Cumberland County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CohnReznick LLP".

Charlotte, North Carolina
December 19, 2017

**PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Findings and Questioned Costs:

Finding 2017-001

Statement of Condition

The Cumberland County Partnership was receiving funding on behalf of children found to be ineligible under program restrictions.

Criteria

Per NC Pre-K guidance, all children for whom a direct service provider requests funding for, must be eligible to receive that funding.

Cause

Eligibility documents were not properly reviewed at the partnership level.

Effect or Potential Effect

There are inadequate controls over compliance, which could result in a loss of funding.

Recommendation

Partnership should put into place more stringent controls over compliance regarding eligibility of children.

Auditor Noncompliance Code

S – Internal control deficiencies

Reporting Views of Responsible Officials

The Cumberland County Partnership is committed to providing quality early care and education opportunities to the children and families of our community. We strive for continuous quality improvement and annual audits are an excellent opportunity to identify specific processes on which to focus.

We have completed the corrective action plan provided in response to the Fiscal Year 15-16 audit finding. We continue to adhere to the revised NC Pre-K policies that were developed and approved by the NC Pre-K Planning Committee and Board of Directors on March 30, 2017 in response to the audit finding. These revisions were specific to eligibility of children and increased vigilance in monitoring NC Pre-K programs for compliance.

Our objective is to adhere to all rules and regulations in the operations of Partnership for Children, Inc. and the implementation of the North Carolina Pre-Kindergarten program. We appreciate the professionalism and insight provided by the auditors.

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

Status of Prior Year Findings and Questioned Costs:

Finding 2016-001. The Cumberland County Partnership was receiving funding on behalf of a child found to be ineligible under program restrictions.

Status: The Cumberland County Partnership has implemented controls to prevent future noncompliance and has returned all monies received on behalf of ineligible children. These controls were implemented after the 2016 school year began, and therefore, proper screening of eligibility was not performed on all entering students. The finding is continued in current year finding 2017-001.

Partnership for Children of Cumberland County, Inc.

December 19, 2017

CohnReznick, LLP
525 N Tryon Street
Suite 1000
Charlotte, NC 28202

This representation letter is provided in connection with your audit of the financial statements of Partnership for Children of Cumberland County, Inc., which comprise the Statement of Receipts, Expenditures, and Net Assets – Modified Cash Basis as of and for the year ended June 30, 2017, and the related Statement of Functional Expenditures – Modified Cash Basis for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 19, 2017, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 5, 2017, including our responsibility for the preparation and fair presentation of the financial
- 2) The financial statements referred to above are fairly presented in conformity with the modified cash basis.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the modified cash basis.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the modified cash basis.
- 9) Material concentrations have been appropriately disclosed in accordance with modified cash basis.
- 10) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with modified cash basis.

Information Provided

11) We have provided you with—

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of the Board of Governors and Executive Committee or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves—

- a) management,
- b) employees who have significant roles in internal control, or
- c) others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.

16) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse whose effects should be considered when preparing financial statements.

17) We are not aware of any pending or threatened litigation, claims or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with the modified cash basis of accounting, and we have not consulted a lawyer concerning litigation, claims or assessments.

18) We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.

19) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

21) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

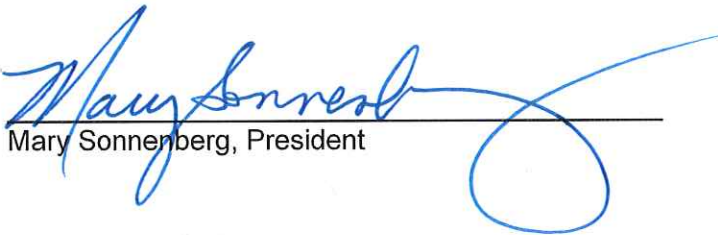
22) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

- 24) Partnership for Children of Cumberland County, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 25) In regards to the assistance in the preparation of the financial statements services provided by you, we have –
- a) Accepted all management responsibilities;
 - b) Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services;
 - c) Evaluated the adequacy and results of the services performed; and
 - d) Accepted responsibility for the results of the services.
- 26) We acknowledge our responsibility for presenting the supplementary schedules required by the North Carolina Office of the State Auditor in accordance with modified cash basis, and we believe the supplementary schedules required by the North Carolina Office of the State Auditor, including its form and content, is fairly presented in accordance with modified cash basis. The methods of measurement and presentation of the supplementary schedules required by the North Carolina Office of the State Auditor have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 27) With respect to federal award programs:
- a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - e) We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including, when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-122, Cost Principles for Nonprofit Organizations, and Subpart C, Cost Sharing and Matching, of OMB Circular A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - t) We have charged costs to federal awards in accordance with applicable cost principles.
 - u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - x) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
 - y) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
- 28) We have a process to track the status of audit findings and recommendations.



Mary Sonnenberg, President



Marie Clark, COO

**Partnership for Children of Cumberland County, Inc. - FY 18/19 - 19/20 - 20/21 Proposed Smart Start Allocations
(January 2018)**

		Jan-18						
	Activity	Contractor	FY 17/18 Smart Start Allocations 07/01/17	Increase/ decrease in Proposal Request	Consolidation/ Separation of Activities	Re-Allocation of Funding	Recommendations for FY 18/19 Smart Start Allocations	Totals and Percentages to Ensure Smart Start Legislative Mandates Are Met
(1)	EC&E Subsidy							
(2)	Child Care Subsidy (TANF)	Partnership for Children	\$ 366,368				\$ 366,368	
(3)	DSS Child Care Subsidy (TANF)	Dept. of Social Services	\$ 2,230,306				\$ 2,230,306	
(4)	FTCC CC Scholarship (TANF)	Fayetteville Tech.	\$ 207,260	\$ 100,000			\$ 307,260	(\$ 2,803,294, 45% required)
(5)								\$ 2,903,934 44%
(6)	Child Care Subsidy/Admin.	Partnership for Children	\$ 35,450				\$ 35,450	
(7)	DSS CC Subsidy Support/Admin.	Dept. of Social Services	\$ 178,424				\$ 178,424	
(8)	FTCC CC Scholarship/Admin.	Fayetteville Tech.	\$ 11,550	\$ 24,500			\$ 36,050	
(9)								\$ 249,924 4%
(10)	Child Care Subsidy (Non-TANF)	Partnership for Children	\$ 60,000				\$ 60,000	
(11)	Spainhour/Child Play	Easter Seals UCP	\$ 91,716				\$ 91,716	
(12)								\$ 151,716 2%
(13)								\$ 3,305,574 50%
(14)	EC&E Quality							
(15)	Child Care Resource and Referral	Partnership for Children	\$ 793,797		\$ 651,245		\$ 1,445,042	
(16)	Kindermusik	Kerri Hurley	\$ 57,709	\$ 7,848			\$ 65,557	
(17)	Professional Dev. Career Center	Partnership for Children	\$ 268,453		\$ (268,453)		\$ -	
(18)	Quality Enhancement Grants	Partnership for Children	\$ 188,317		\$ (188,317)		\$ -	
(19)	High Quality Maintenance	Partnership for Children	\$ 251,275		\$ (251,275)		\$ -	
(20)	WAGES	Child Care Svcs. Assoc	\$ 374,680	\$ 75,320			\$ 450,000	
(21)								\$ 1,960,599 30%
(22)								79%
(23)	Health/Family Support							
(24)	Autism O&R Service	Autism Society of CC	\$ 45,000				\$ 45,000	
(25)	PFC Family Resource Center	Partnership for Children	\$ 300,227	\$ 14,060	\$ (180,785)		\$ 133,502	
(26)	All Children Excel	Partnership for Children	\$ -		\$ 180,785		\$ 180,785	
(27)	Family Support Services	Partnership for Children	\$ -		\$ 56,800		\$ 56,800	
(28)	Community Engage. & Dev.	Partnership for Children	\$ 190,083	\$ 51,022			\$ 241,105	
(29)	Literacy - Previously Unallocated		\$ 49,750	\$ (49,750)			\$ -	
(30)	Family Connect	Partnership for Children	\$ -	\$ 110,000			\$ 110,000	
(31)	Dolly Parton Imagination Library	United Way of Cumberland Cty.	\$ 6,000	\$ (6,000)			\$ -	
(32)	Reach Out & Read (ROR)	4C (Carolina Collaborative Community Care)	\$ 32,300	\$ 559			\$ 32,859	
(33)	ABCD	4C (Carolina Collaborative Community Care)	\$ 65,000	\$ 28,502			\$ 93,502	
(34)								\$ 893,553 13%
(35)	System Support							
(36)	Information Tech Service Center	Partnership for Children	\$ -				\$ -	
(37)	Planning, Monitoring & Evaluation	Partnership for Children	\$ 329,671		\$ 145,554		\$ 475,225	
(38)	Prog Coord - Monitoring & Support	Partnership for Children	\$ 145,554		\$ (145,554)		\$ -	
(39)								\$ 475,225 7%
(40)								
(41)			\$ 6,278,890				\$ 6,634,951	\$ 6,634,951 100%
(42)	Requests (Over)/Under Allocation			\$ 356,061	\$ -	\$ -	\$ (356,061)	\$ (356,061)
(43)			\$ 6,278,890				\$ 6,278,890	
(44)	Administration	Partnership for Children	\$ 319,799				\$ 319,799	\$ 319,799 5%
(45)			\$ 6,598,689				\$ 6,598,689	\$ 6,598,689
	A	B	C	D	E	F	G	H I

THE INFORMATION BELOW IS AN INTEGRAL COMPONENT TO THIS DOCUMENT.

Partnership for Children of Cumberland County, Inc. - FY 18/19 - 19/20 - 20/21 Proposed Smart Start Allocations (January 2018)

Four CCR&R activities (#16, 17, 19 & 20) to be consolidated under one activity. Subsidy-related activities to remain separate. Family Support Services (#29 - specific components to be set up separately

PFC Resource Center separated into two separate components/activities.

Unallocated funds remaining from CC Public Library. A portion of the funds went to DPIL, ROR and ABCD. The remainder of \$49,750 was allocated on a one-time basis to other activities in FY 17/18.

New activity proposal for FY 18/19.

Planning, & Evaluation and Program Monitoring will be housed under one activity.



The support you need to help children succeed.

PFC is a 501(c)(3) nonprofit organization supported by public and private funds through Smart Start, NC Pre-K, tax-deductible donations, and grants.

MEMORANDUM

DATE: January 16, 2018

TO: Finance Committee

Board of Directors

FROM: Marie Clark, Chief Operating Officer *Hme*

SUBJECT: 2017-2018 Fiscal System of Support Recommendation – Autism Society of Cumberland County

In May 2017, the Board approved the recommendation that the Autism Society of Cumberland County (ASCC) remain on the Fiscal Monitoring System of Support (SOS) for FY 17/18. The recommendation was made to provide continued technical assistance based on the FY 16/17 monthly desktop monitoring.

In August 2017, a meeting was held with PFC staff, ASCC's Director of Programs, Board President and Treasurer. The purpose of this meeting was to discuss the fiscal monitoring process, the required financial information needed for each monthly FSR and the results of the FY 16/17 fiscal monitoring. At the meeting, it was agreed that there would be monthly meetings after the FSRs and supporting financial documents were submitted to discuss the results of the fiscal desktop monitoring. As a result of the initial meeting and subsequent monthly meetings, ASCC has submitted the financial documents to support the FSRs for July – December 2017 and requires less on-going technical assistance.

Based on the results of the fiscal desktop monitoring for the past six months, it is recommended that ASCC be placed on a modified SOS requiring quarterly fiscal desktop monitoring for the remainder of FY 17/18 and provide the financial documents to support the FSRs for March and June 2018.

System of Support Overview

In September 2007, the Board approved the System of Support which is an intensive programmatic technical assistance program. The SOS program is designed to prevent program non-compliance issues. Direct Service Providers with one or more of the following risk factors are placed on the SOS:

- a. reduction in program staff, excessive turnover of supervisory staff, or turnover in key staff positions
- b. funded less than 2 years
- c. **issues noted in the previous year's Formal Site Visit report**
- d. undertaking of a new direction per PFC guidance
- e. additional criteria identified by staff based on current realities

Fiscal Monitoring: All programs on the SOS will be required to furnish back-up documentation for selected budget lines and/or expenditures along with each monthly Financial Status Report (FSR) to be desktop monitored. Each program will also receive one Informal Site Visit in the second quarter and one Formal Site Visit in the fourth quarter.

Partnership for Children of Cumberland County, Inc.
Fiscal Year 2016/2017
Direct Services Provider Contract Monitoring Report

Direct Services Provider	Monitoring Outcome
DSP-1617-001: Autism Society of Cumberland County	Autism Society of Cumberland County administers the Autism Outreach and Resource Services activity, funded by Smart Start. A desktop monitoring for Contractual Compliance was performed on August 14, 2017. During the monitoring visit, no compliance issues were noted.
DSP-1617-002: Cumberland County Public Library & Information Center	Cumberland County Public Library & Information Center withdrew their activity prior to beginning work on provision of services. As such, no monitoring for Contractual Compliance was performed.
DSP-1617-003: Easter Seals UCP North Carolina, Inc.	Easter Seals UCP North Carolina, Inc. administers the Spainhour/Child Play activity, funded by Smart Start. A desktop monitoring for Contractual Compliance was performed on August 29, 2017. During the monitoring visit, it was noted that ESUCP did not have on file a copy of Amendment II Effective 2/15/2017. A copy was provided to the DSP. There were no compliance issues noted.
DSP-1617-004: Fayetteville Technical Community College	FTCC administers the Child Care Scholarships and Child Care Scholarship Administration activities, funded by Smart Start. A desktop monitoring for Contractual Compliance was performed on September 1, 2017. During the monitoring visit, no compliance issues were noted. A request for waiver of their 5% cash match requirement was submitted April 13, 2017 and approved by Mary Sonnenberg.
DSP-1617-005: Kerri Hurley	Kerri Hurley, a licensed Kindermusik Instructor, administers the Kindermusik/Music Therapy activity, funded by Smart Start. A desktop monitoring for Contractual Compliance was performed on September 1, 2017. During the monitoring visit, no compliance issues were noted.

Finance Committee – President’s Report

Tuesday, January 16, 2018

A. North Carolina Partnership for Children (NCPC) Update / Legislative Update

1. CHIP funding – Congress added money to the program before holiday recess to keep funded through March. Issue is whether this funding will last that long.
2. Congressional Tax Reform Bill – signed before holiday recess
 - a. Child tax credit increased to \$2,000, but low-income families cannot get the full credit, as only first \$1,400 are refundable. Must have a social security number to claim so children of undocumented immigrants will lose benefits.
 - b. Significant increase in standard deduction expected to reduce charitable giving somewhere between \$12B and \$20B per year.
 - c. NC General Assembly in special session January 10
 - d. Continuing resolution for spending expires January 19

B. NC Justice Center, Pathways to Prosperity (www.pathwaysforprosperity.org)

1. The top five areas of focus:
 - a. Workforce/Industry Alignment
 - b. Parent Mentoring/Education
 - c. Education K-12
 - d. Early Childhood Education
 - e. Affordable Housing
2. Community Meetings – second meetings this week and next for each focus area. Partnership representation on each focus group. Plan is to be developed by March 2018; followed by convening of Revitalization Neighborhood groups.

C. 2018 Soirée –March 10, 2018, Crown Arena. Continued needs:

1. Wine for the “Wine Pull”
2. Auction items
3. Sponsorships
4. Restaurants/food vendors for the Chef’s Circle
5. Desserts
6. Phone-a-Thon January 24 to past sponsors; let Sharon Moyer know if you can help
7. Any questions or requests for information should go to Sharon Moyer

D. Smart Start Conference – April 30-May 3, 2018

E. Guardian Ad Litem Peanut Butter Jelly Time – Annual Peanut Butter and Jelly Campaign

1. Ends January 20, 2018 to go to local food banks
2. Boxes here at PFC