

Virtual Finance Committee Meeting Agenda
Quorum = 4 (50%) (Total Committee Members = 8)

Tuesday, March 16, 2021

3:00 pm – 5:00 pm

ZOOM

I. Call to Order & Chair Comments^Δ

- A. Welcome
- B. Volunteer Forms
- C. PFC 10-10 Club / Circle of Friends

II. Approval of January 19, 2021 Minutes*

III. Accounting Reports

- A. Financial Reports: February 2021^Δ – Dottie Adams / Steve Terry
 - 1. Smart Start
 - 2. NC Pre-Kindergarten
 - 3. South West Child Development Commission (SWCDC) – Region 5
 - 4. All Funding Sources
 - 5. Cash and In-Kind Report – Anna Hall
- B. February E-Trade Statement^e – Mary Sonnenberg

IV. New Business

- A. FY 21/22-23/24 Smart Start Allocation Recommendations* – Mary Sonnenberg
- B. PFC Fixed Assets* – Mary Sonnenberg
- C. Final Audit Report^Δ - Mary Sonnenberg
- D. Bank Financing / Construction^Δ – Mary Sonnenberg

V. President’s Report^Δ

1. North Carolina Partnership for Children (NCPC) Updates / DCDEE Updates / Legislative Updates
2. Grant Opportunities / Updates / RFPs
3. COVID-19 Updates
4. PFC Updates
5. Events

VI. Contract Management Report^Δ

- A. Monitoring Status Timelines
 1. Fiscal Report – Anna Hall / Dottie Adams
 2. Contracts Report – Anna Hall
 3. Program Report – Pamela Federline
 4. NC Pre-K Report – Carole Mangum

VII. Information

A. Upcoming Committee Meetings

MEETING	MEETING DATE	MEETING TIME
Facility & Tenant	March 15, 2021	11:30 am – 1:00 pm
Board of Directors (& NC Pre-K Planning)	March 25, 2021	12:00 pm – 2:00 pm
Planning & Evaluation	April 13, 2021	2:00 pm – 4:00 pm
Human Resource	April 20, 2021	8:00 am – 9:15 am
Executive	April 29, 2021	9:00 am – 11:00 am
Public Engagement & Development (PED)	May 6, 2021	9:00 am–11:00 am
Board Development	May 12, 2021	9:30 am – 11:00 am
<i>Finance</i>	<i>May 18, 2021</i>	<i>3:00 pm – 5:00 pm</i>
CCR&R	June 17, 2021	9:00 am –11:00 am

VIII. Adjournment

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



Partnership for Children of Cumberland County, Inc.
Finance Committee Virtual Meeting Minutes
January 19, 2021 (3:03 pm to 4:15 pm)
Be the Driving Force



MEMBERS PRESENT: Lisa Childers, Robin Deaver (arrived at 3:52 pm), Dawn Keeler, Perry Melton and Steve Terry
MEMBERS ABSENT: Sandee Gronowski, Brenda Jackson and Donna Pyles
NON-VOTING ATTENDEES: Dottie Adams, Belinda Gainey, Anna Hall, Marie Lilly and Mary Sonnenberg

AGENDA ITEM	DISCUSSION & RECOMMENDATION	ACTION	FOLLOW-UP
I. Call to Order & Chair Comments A. Welcome B. Volunteer Forms C. PFC 10-10 Club / Circle of Friends	<p>The scheduled meeting of the Finance Committee was held via ZOOM on Tuesday, January 19, 2021, and began at 3:03 pm pursuant to prior email notice to each committee member. Steve Terry, 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. Steve Terry 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 emailed to them with their packet. C. Mary Sonnenberg informed the committee that donations can be made by joining the PFC 10-10 Club or the Circle of Friends. Information regarding these are located on the PFC website.</p>	Called to Order	None
II. Approval of Minutes* A. October 20, 2020	<p>A. The minutes for the October 20, 2020 scheduled meeting were previously emailed and reviewed by the committee members. Perry Melton moved to accept the minutes as presented. Dawn Keeler seconded the motion. Hearing no further discussion, the Chair put the motion to a vote. If anyone did not approve the motion, they were asked to place their comment in the ZOOM chat box. All votes were unanimous. There were no abstentions. The motion carried.</p>	Motion Carried	None
III. Accounting Reports A. Financial Reports: December 2020 ^A 1. Smart Start 2. NC Pre-Kindergarten 3. South West Child Development Commission (SWCDC) 4. All Funding Services	<p>A.1. The Financial Reports for December 2020 were previously emailed. Marie Lilly, Mary Sonnenberg, Anna Hall and Dottie Adams reviewed the reports with the committee. A.2. The Cash and In-Kind Report for December 2020 was previously emailed. Anna reviewed the report with the committee. B. Marie provided an overview of the electronic December E-Trade statement.</p>	None None None	None None None



Partnership for Children of Cumberland County, Inc.
Finance Committee Meeting Minutes
January 19, 2021 (3:03 pm to 4:15 pm)
Be the Driving Force



<p>5. Cash and In-Kind Report B. December E-Trade Statement ^e</p>			
<p>IV. New Business A. Easter Seals UCP Contract* B. Contracts^Δ 1. Phase I of Building Construction 2. Bank Financing for Infrastructure Project 3. Hiring Agency for Nurse Home Visitors for Family Connects (related to Preschool Development Grant Family Connects Regional Pilots and Smart Start Family Connects Activity) C. DRAFT Audit Report^Δ</p>	<p>A. Mary reported that Easter Seals UCP has not entered into a Smart Start contract this year due to several circumstances. They had previously indicated they would go back into operation in January but have still not opened for any direct services. Since they are not in contract, if approved, PFC will contact Easter Seals UCP in writing and informing them that PFC is continuing to review their Smart Start services and reallocating their funding for the remainder of this fiscal year. It is understood that when they go back into operation, Easter Seals UCP will not be serving infants and toddlers. The recommendation to the committee is to reallocate the Smart Start funding into services for the rest of the fiscal year. Mary has contacted Easter Seals UCP but has not received a response. Dawn Keeler made a motion to review and reallocate the Smart Start service dollars from Easter Seals UCP to another service as presented. Lisa Childers seconded the motion. Hearing no further discussion, the Chair put the motion to a vote. If anyone did not approve the motion, they were asked to place their comment in the ZOOM chat box. All votes were unanimous. There were no abstentions. The motion carried.</p> <p>B.1. Mary reported that a Called Board Meeting took place on January 14, 2021 and the Board approved WxProofing as the contractor. PFC is working with Fleming and Associates to put a contract in place. Once the contract is signed, the contractor has 150 business days to complete the work.</p> <p>B.2. PFC did send an RFP for bank financing. These have been reviewed and per the board, Charles Morris will contact each bank to ask for some adjustments with their proposals. This will be taken to Executive Committee on February 25, 2021 for final approval.</p> <p>B.3. The board approved Carolina Collaborative Community Care (4C) as the hiring agency for Nurse Home Visitors for Family Connects, contingent upon funding. The Preschool Development Grant is due February 1, 2021.</p> <p>C. Mary stated that the PFC Draft Audit Report has been received and there were no findings.</p>	<p>Motion Carried</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	<p>None</p> <p>None</p> <p>None</p> <p>None</p>
<p>V. President's Report^Δ</p>	<p>The President's Report is included in the packet.</p>	<p>None</p>	<p>None</p>
<p>VI. Contract Management Report A. Monitoring Status Timelines 1. Fiscal Report 2. Contracts Report 3. Program Report 4. NC Pre-K Report</p>	<p>A.1.-A.2. Anna reported that she has begun fiscal monitoring with Autism and Kerri Hurley. FTCC will be scheduled next.</p> <p>A.3. Mary provided an overview of Program Monitoring. Site visits, some virtual, are scheduled.</p> <p>A.4. Mary stated that there are documents due now for NC Pre-K. The timeline for Programmatic Monitoring has been adjusted due to COVID-19. Self-studies from providers are due January 29, 2021. A meeting with NC Pre-K Directors took place regarding the site monitoring tool.</p>	<p>None</p> <p>None</p> <p>None</p>	<p>None</p> <p>None</p> <p>None</p>



Partnership for Children of Cumberland County, Inc.
Finance Committee Meeting Minutes
January 19, 2021 (3:03 pm to 4:15 pm)
Be the Driving Force



VII. Information	See Agenda	None	None
VIII. Adjournment	As there was no further business; the chair announced the meeting adjourned. The meeting was adjourned at 4:15 pm.	Adjourned	None

Submittal: The minutes of the above stated meeting are submitted for approval. _____
Secretary of 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.
FINANCIAL SUMMARY - WHAT YOU NEED TO KNOW**

Board Responsibility

The review of the financial statements is the responsibility of the Committee and Board Members of PFC.

The detailed financial reports have been provided to you via email and will be provided electronically during the meeting.

February 28, 2021

1 Balance Sheet

- a. The cash balances; investments and liabilities are at the anticipated amounts and are sufficient for the current needs.

2 Smart Start Grant [State Funds]

- a. PFC's Smart Start grant budgets are reflected at 100% of full allocation effective December 31, 2020.
- b. The total allocation for FY2020-2021 at 100% is \$7,005,760 including DSS and WAGE\$ **AND** \$425,592 of Carryforward funds.

3 NC Pre-Kindergarten Grant [State and Federal Funds]

- a. PFC is in full contract with DCDEE effective 07-01-2020
- b. The total grant is \$9,098,063 which currently consists of \$3,766,081 of federal funds and \$5,331,972 of state funds.
- c. Historically this distribution of state and federal funds is amended by DCDEE before yearend.
- d. PFC was awarded an additional 2% grant in the amount of \$178,462 to be used to support the administering functions of the NC Pre-K grants. This amount is 100% state funds and is effective from November 1, 2020 through June 30, 2021.

4 DCDEE - Region 5 Grants [Federal Funds]

- a. PFC's two Region 5 grants for Core and Infant Toddler are now in contract effective 07-01-20.
- b. The Region 5 Healthy Social Behaviors [HSB] Contract was amended and extended by two months making it a 14-month contract effective 07-01-2019 through 08-31-2020. The FY20-21 HSB contract is now executed and is a 10-month contract effective 09-01-2020 through 06-30-2021.

5 All Funding Sources

- a. The cash balance at month-end is as projected and is sufficient for the requirements of the upcoming month.
- b. All grant based reimbursements are anticipated to be timely, including the HSB Grant.

6 Unrestricted State Revenues (USR) - Fund 208

- a. The goal is to continue to use these funds only when other funding streams cannot be used or is not available.
- b. The cash equivalent balances in Fund 208 consists of the following at the end of the month:

PNC Bank Money Market Account	220,095.41	<i>Does not include interest earned in Fund 899</i>
Select Bank - Certificate of Deposit	100,000.00	<i>Does not include interest earned in Fund 899</i>
Lumbee Bank - Certificate of Deposit	100,000.00	<i>Does not include interest earned in Fund 899</i>
Lumbee Bank - Checking Account [from investments]	125.00	<i>Deposited \$100, fees of \$40 refunded, Deposited \$25</i>
E-Trade Funds Account	68,000.00	<i>Gains/Losses are not reflected in the financial statements</i>
	<u>488,220.41</u>	

Interest Earned - Fund 899	
PNC Bank Money Market	23,779.99
Select Bank - CD	3,126.82
Lumbee Bank - CD	2,285.66
	<u>29,192.47</u>

Investments - Fund 208	488,220.41
Interest Earned - Fund 899	29,192.47
TOTAL INVESTMENTS PLUS INTEREST	<u>517,412.88</u>

- c. There is currently a shortfall in the operating funds portion of USR funding stream. This shortfall will be monitored closely and is anticipated to be realigned before the fiscal year is closed out.

7 Cash and In-kind Report

- a. The 19% match amount reflected on the monthly report is reflected at 100% of the full allocation.
- b. PFC's Leadership Team, staff and Board members will continue to discuss and implement strategies to meet our match requirement. PFC did not meet the 19% match requirement for FY1920, FY1819, FY1718 nor for FY1617.
- c. Since the 19% required match was not met for the FY ended June 30, 2020, there will be no contribution to the PFC endowment.
- d. The penalty for not meeting the match in FY1920 has been waived due to COVID-19.

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.

FOOTNOTES FOR FINANCIAL REPORTS February 28, 2021

FOOTNOTES - BALANCE SHEET

A. The cash accounts at February 28, 2021 total \$2,723,002.10.

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	\$243,875.40	n/a	n/a	n/a	.50%
Select Bank	CD	\$103,126.82	15	05/20/21	1.10%	1.11%
Lumbee Bank	CD	\$102,285.66	15	05/21/21	.55%	.55%
Lumbee Bank	Checking	\$125.00	n/a	n/a	n/a	n/a
E-Trade	Financial Trades	\$68,000.00	n/a	n/a	n/a	n/a
Cumberland Community Foundation	Beneficial Interest in Endowment Fund	\$31,384.00	n/a	n/a	n/a	n/a
TOTAL		\$548,796.88				

B. Employees' payroll deductions at February 28, 2021 from the current month and from prior months total \$(8,779.53) which includes \$7,050.00 of pre-funded HRA/FSA anticipated to be deducted by Blue Cross and Blue Shield in April 2021. 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

February 28, 2021

FOOTNOTES - SMART START GRANT SPREADSHEET

SERVICES (In-House Activities): The Smart Start grants for all of the Service budgets are in contract at 100% of full allocation effective February 28, 2021.

DIRECT SERVICE PROVIDERS: The Smart Start grants for all of the Direct Service Providers (DSPs) budgets are in contract at 100% of full allocation effective February 28, 2021.

ADMINISTRATION: The Smart Start grant for the Administration budget is in contract at 100% of full allocation effective February 28, 2021.

Partnership for Children of Cumberland County, Inc.
Balance Sheet
February 28, 2021

Assets

Bank of America Checking Account	\$ 2,173,805.22	} A
PNC Bank - Money Market Reserve	243,875.40	
Select Bank - Certificate of Deposit	103,126.82	
Lumbee Bank - Certificate of Deposit	102,285.66	
Lumbee Bank - Checking Account [from investments]	125.00	
E-Trade Funds Account	68,000.00	
Petty Cash, Change Funds, Undeposited Receipts	400.00	
Beneficial Interest in Community Foundation	31,384.00	
Total Assets	2,723,002.10	

Liabilities and Net Assets

Forfeited FSA and HRA Pre-Funding	(7,598.36)	} B
COBRA Insurances	96.86	
Health Insurance Payable	0.08	
Flex-Spending Payable	(1,278.56)	
AFLAC Payable	1.01	
Dental Insurance Payable	(0.48)	
Legal Shield Payable	(0.08)	
Tenant Security Deposits	21,323.03	
Unrestricted Net Assets	1,054,926.88	
Temporarily Restricted Net Assets	149,030.53	
Permanently Restricted Net Assets	31,384.00	C
Excess Revenues over (under) Expenditures	1,475,117.19	
Total Liabilities and Net Assets	\$ 2,723,002.10	

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC. - SMART START GRANT - FY 2020 - 2021

FY 20/21 SMART START 100% ALLOCATION [plus Carryforward funds]	\$7,005,760
TOTAL ALLOCATION FOR ADMINISTRATION ----->	\$384,046
FY 20/21 Smart Start Admin Base Allocation	\$318,316
FY 20/21 Addition of 1% Fundraising Grant [9200-990]	\$65,730
TOTAL ALLOCATION FOR SERVICES ----->	\$6,621,714
FY 20/21 Smart Start Services Allocation :	\$6,261,852
FY 20/21 Reduction for 1% Fundraising Grant [9200-990]	\$ (65,730)
Carryforward Funds from FY19/20 to be used in FY20/21	\$425,592

AS OF FEBRUARY 2021

										If monthly spending was equal, at month-end, the percentages should be:		
										67%	33%	
										Remaining Budget	% of Budget Expended	% of Available Funds
										EXPENDITURES		
Activity		Agency	3/15/2021 Budget	Advances	December	January	February	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	\$ 2,430,306.00		\$ 202,371.00	\$ 162,981.00	\$ 137,795.00	\$ 1,931,221.00	\$ 499,085.00	79%	21%	
2	CCR&R - Subsidy	IH Partnership for Children	\$ 366,368.00		\$ 12,074.44	\$ 23,388.42	\$ 30,450.15	\$ 73,661.33	\$ 292,706.67	20%	80%	
3	Child Care Scholarships	Fayetteville Tech. Com. College	\$ 207,260.00		\$ 21,683.88	\$ 20,881.93	\$ 21,352.40	\$ 121,843.23	\$ 85,416.77	59%	41%	
4	NC Pre-K Suidy TANF	IH Partnership for Children	\$ 71,000.00		\$ -	\$ -	\$ 16,385.00	\$ 16,385.00	\$ 54,615.00	23%	77%	
		ECE Subsidy TANF Total:	46% \$ 3,074,934.00	\$ -	\$ 236,129.32	\$ 207,251.35	\$ 205,982.55	\$ 2,143,110.56	\$ 931,823.44	70%		
		Minimum of 39% Required										
Early Care & Education Subsidy - Non-TANF												
5	CCR&R - Non-TANF Dual Subsidy	IH Partnership for Children	\$ 59,500.00		\$ 2,483.96	\$ 3,934.49	\$ 7,115.00	\$ 15,176.88	\$ 44,323.12	26%	74%	
6	Spainhour/Child Play	Easter Seals UCP	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	#DIV/0!	
7	NC Pre-K Subsidy Non-TANF	IH Partnership for Children	\$ 12,527.00		\$ -	\$ -	\$ -	\$ -	\$ 12,527.00	0%	100%	
		ECE Subsidy Non-TANF Total:	1% \$ 72,027.00	\$ -	\$ 2,483.96	\$ 3,934.49	\$ 7,115.00	\$ 15,176.88	\$ 56,850.12	21%		
Early Care & Education Subsidy - Administration												
8	Subsidy Support Staff	Dept. of Social Services	\$ 169,807.00		\$ -	\$ -	\$ -	\$ 135,836.00	\$ 33,971.00	80%	20%	
9	Child Care Scholarship - Admin Support	Fayetteville Tech. Com. College	\$ 11,450.00		\$ 1,141.96	\$ 872.06	\$ 1,059.00	\$ 6,743.91	\$ 4,706.09	59%	41%	
10	CCR&R - Subsidy Administration	IH Partnership for Children	\$ 35,150.00		\$ 1,753.10	\$ 2,070.27	\$ 3,648.09	\$ 15,860.61	\$ 19,289.39	45%	55%	
		ECE Subsidy Administration Total	3% \$ 216,407.00	\$ -	\$ 2,895.06	\$ 2,942.33	\$ 4,707.09	\$ 158,440.52	\$ 57,966.48	73%		
Early Care & Education Quality & Affordability												
11	CCR&R - Core Services	IH Partnership for Children	\$1,360,079.00		\$ 125,744.42	\$ 115,705.67	\$ 78,539.98	\$ 832,992.01	\$ 527,086.99	61%	39%	
12	WAGES	Child Care Svcs. Association	\$ 521,554.00		\$ 9,816.67	\$ 5,406.25	\$ 109,350.05	\$ 273,407.99	\$ 248,146.01	52%	48%	
		ECE Quality Total:	28% \$ 1,881,633.00	\$ -	\$ 135,561.09	\$ 121,111.92	\$ 187,890.03	\$ 1,106,400.00	\$ 775,233.00	59%		
		Minimum of 70% Total Required	79%									

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC. - SMART START GRANT - FY 2020 - 2021

FY 20/21 SMART START 100% ALLOCATION [plus Carryforward funds]	\$7,005,760
TOTAL ALLOCATION FOR ADMINISTRATION ----->	\$384,046
FY 20/21 Smart Start Admin Base Allocation	\$318,316
FY 20/21 Addition of 1% Fundraising Grant [9200-990]	\$65,730
TOTAL ALLOCATION FOR SERVICES ----->	\$6,621,714
FY 20/21 Smart Start Services Allocation :	\$6,261,852
FY 20/21 Reduction for 1% Fundraising Grant [9200-990]	\$ (65,730)
Carryforward Funds from FY19/20 to be used in FY20/21	\$425,592

AS OF FEBRUARY 2021

										If monthly spending was equal, at month-end, the percentages should be:		
										67%	33%	
										% of Budget Expended	% of Available Funds	
										EXPENDITURES		
Activity	Agency	3/15/2021	Budget	Advances	December	January	February	Y-T-D	Remaining Budget			
Health and Safety												
13	Assuring Better Health and Development (ABCD)	Carolina Collaborative Community Care (4C)	\$ 92,238.00		\$ 5,968.17	\$ 7,939.24	\$ 6,546.34	\$ 53,611.23	\$ 38,626.77	58%	42%	
14	Family Connect	IH Partnership for Children	\$ 100,000.00		\$ 207.70	\$ 22,603.85	\$ 103.85	\$ 46,012.81	\$ 53,987.19	46%	54%	
15	Kindermusik & Music Therapy [NEW PSC FOR FY1819 effective 7-1-18 per NCPCC]	Kerri Hurley	\$36,350.00	\$ 8,488.50	\$ 2,900.00	\$ 3,167.17	\$ 4,715.40	\$ 24,655.62	\$ 11,694.38	68%	32%	
Health & Safety Total:			3%	\$ 228,588.00	\$ 8,488.50	\$ 9,075.87	\$ 33,710.26	\$ 11,365.59	\$ 124,279.66	\$ 104,308.34	54%	
Family Support												
16	Autism Outreach & Resource Ctr.	Autism of CC	\$ 45,000.00		\$ 483.02	\$ 812.46	\$ 671.43	\$ 34,463.37	\$ 10,536.63	77%	23%	
17	PFC Family Resource Center	IH Partnership for Children	\$ 213,584.00		\$ 17,735.16	\$ 18,373.61	\$ 11,543.06	\$ 119,995.44	\$ 93,588.56	56%	44%	
18	All Children Excel [ACE]	IH Partnership for Children	\$ 200,950.00		\$ 13,587.33	\$ 11,214.56	\$ 8,640.01	\$ 96,888.57	\$ 104,061.43	48%	52%	
19	Child Passenger Safety Car Seat	IH Partnership for Children	\$ 5,000.00		\$ (340.00)	\$ -	\$ 1,839.67	\$ 2,819.45	\$ 2,180.55	56%	44%	
20	Community Engagement & Resource Development	IH Partnership for Children	\$ 328,875.00		\$ 26,474.80	\$ 24,989.30	\$ 16,923.56	\$ 178,343.41	\$ 150,531.59	54%	46%	
21	Reach Out & Read Grant	Carolina Collaborative Community Care (4C)	\$ 16,500.00		\$ 692.73	\$ 780.80	\$ 1,140.05	\$ 5,002.58	\$ 11,497.42	30%	70%	
Family Support Total:			12%	\$ 809,909.00	\$ -	\$ 58,633.04	\$ 56,170.73	\$ 40,757.78	\$ 437,512.82	\$ 372,396.18	54%	
System Support												
22	P&E - Planning & Evaluation	IH Partnership for Children	\$ 338,216.00		\$ 29,905.32	\$ 24,858.93	\$ 19,483.58	\$ 211,797.03	\$ 126,418.97	63%	37%	
System Support Total:			5%	\$ 338,216.00	\$ -	\$ 29,905.32	\$ 24,858.93	\$ 19,483.58	\$ 211,797.03	\$ 126,418.97	63%	
Total of Approved Projects:				\$ 6,621,714.00	\$ 8,488.50	\$ 474,683.66	\$ 449,980.01	\$ 477,301.62	\$ 4,196,717.47	\$ 2,424,996.53		
23	Administration	IH Partnership for Children	5%	\$ 318,316.00	\$ -	\$ 45,950.46	\$ 27,314.15	\$ 8,278.70	\$ 239,180.23	\$ 79,135.77	75%	25%
24	1% Fundraising	IH Partnership for Children	1%	\$ 65,730.00	\$ -	\$ 429.27	\$ 2,751.88	\$ -	\$ 3,687.66	\$ 62,042.34	6%	94%
Unallocated Smart Start SERVICES Funds				\$ -								
Unallocated Smart Start ADMINISTRATION Funds				\$ -								
Total Smart Start Funds Expended				\$ 8,488.50	\$ 520,634.12	\$ 477,294.16	\$ 485,580.32	\$ 4,439,585.36				
Total Allocated Smart Start Funds Remaining									\$ 2,566,174.64			

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

FY 20/21 Revenues per Contract		Fiscal Year 2020/ 2021	
\$ 8,398,200	NC Pre-k Grant Payments to Providers		
\$ 174,963	2% CCDF Quality Funds		
\$ 174,963	2% New Capacity Building Funds		
\$ 178,462	2% New Capacity Building Funds [November 2020]		
\$ 349,927	4% Administrative Fee		
\$ 9,276,515	Total NC Pre-k Grant		
		as of February 2021	
		SHOULD BE	
		67%	33%

FUND	Activity	FY 20/21 Budget					Y-T-D	Remaining Budget	% of Budget Expended	% of Available Funds
		11/1/2020	December	January	February					
211	3323-999 Administrative Operations	\$ 5,565.00	\$ -	\$ (53.28)	\$ 6.96	\$5,518.68	\$46.32	99%	1%	
	3323-001 CCR&R - Core	\$ 92,383.00	\$ 12,042.10	\$ 9,167.29	\$ 7,314.11	\$74,577.35	\$17,805.65	81%	19%	
	3323-017 NC Pre-k Coordination (In-Direct)	\$ 251,979.00	\$ 24,746.15	\$ 16,239.82	\$ 14,263.82	\$150,684.92	\$101,294.08	60%	40%	
	Fund 211 Sub-Total	\$ 349,927.00	\$ 36,788.25	\$ 25,353.83	\$ 21,584.89	\$230,780.95	119,146.05	66%	34%	
206	2342-015 NC Pre-k Subsidy (Direct - Child Reimbursement) - State Funds	\$ 552,271.00	\$ -	\$ 297,682.00	\$ 254,589.00	\$552,271.00	\$0.00	100%	0%	
	2348-015 NC Pre-K Non-TANF/CCDF - State Funds	\$ -	\$ -	\$ -	\$ -	\$0.00	\$0.00	#DIV/0!	#DIV/0!	
	Fund 206 Sub-Total	\$ 552,271.00	\$0.00	\$297,682.00	\$254,589.00	\$552,271.00	\$0.00	100%	0%	
210	2342-015 NC Pre-k Subsidy (Direct - Child Reimbursement) - State Funds	\$ 3,488,945.00	\$ -	\$ -	\$ 564,661.00	\$564,661.00	\$2,924,284.00	16%	84%	
	2348-015 NC Pre-K Non-TANF/CCDF - State Funds	\$ 765,866.00	\$ -	\$ -	\$ -	\$0.00	\$765,866.00	0%	100%	
	Fund 210 Sub-Total	\$ 4,254,811.00	\$0.00	\$0.00	\$564,661.00	\$564,661.00	\$3,690,150.00	13%	87%	
319	2342-015 NC Pre-k Subsidy TANF (Direct - Child Reimbursement) - Federal Funds	\$ 3,581,368.00	\$ 1,265,650.00	\$ 521,568.00	\$ -	\$3,581,368.00	\$0.00	100%	0%	
	2348-015 NC Pre-K Non-TANF/CCDF - Federal Funds	\$ 9,750.00	\$ -	\$ -	\$ -	\$9,750.00	\$0.00	100%	0%	
	Fund 319 Sub-Total	\$ 3,591,118.00	\$ 1,265,650.00	\$ 521,568.00	\$ -	\$3,591,118.00	\$ -	100%	114%	
328	3322-017 NC Pre-K New CCDF Quality Funds - Federal Funds	\$ 174,963.00	\$ 5,491.75	\$ 5,084.25	\$ 3,362.56	\$63,743.35	\$111,219.65	36%	64%	
212	3323-017 NC Pre-K New Capacity Building Funds - State Funds	\$92,865	\$ 1,422.00	\$ 3,880.00	\$ 6,145.48	\$11,597.48	\$81,267.52	12%	88%	
212	3323-001 NC Pre-K New Capacity Building Funds - State Funds	\$ 12,735.00	\$ -	\$ -	\$ -	\$0.00	\$12,735.00	0%	100%	
212	3323-999 NC Pre-K New Capacity Building Funds - State Funds	\$ 247,825.00	\$ 25,463.02	\$ 20,191.54	\$ 10,987.25	\$153,823.53	\$94,001.47	62%	38%	
	Fund 212 Sub-Total	\$ 353,425.00	\$26,885.02	\$24,071.54	\$17,132.73	\$165,421.01	\$188,003.99		53%	

Total Budget Remaining \$4,108,519.69

Total NC Pre-K Grant	\$9,276,515
Unallocated NC Pre-k Revenues	\$ -
Total NC Pre-k Grant Expended	\$1,334,815.02
Total State Funds	\$5,510,434
Total Federal Funds	\$3,766,081
Total NC Pre-K Grant	\$9,276,515

Partnership for Children of Cumberland County, Inc.

Region 5 DCDEE Lead Agency Grant
Fiscal Year 2020 - 2021

TOTAL FY 2020 - 2021 REGION 5 LEAD AGENCY ALLOCATION **\$745,312.00**

FY 2020 - 2021 10% Overhead / Administration Allocation **\$67,355.00**

FY 2020 - 2021 Program/Services Allocation **\$677,957.00**

							as of February 28, 2021		
EXPENDITURES							67%	33%	
Activity		07/01/20 Budget	December	January	February	Y-T-D	Remaining Budget	% of Budget Expended	% of Available Funds
Region 5 Lead Agency - Core Services		\$ 246,166.00	\$ 18,710.53	\$ 15,298.76	\$ 14,822.68	\$ 135,427.44	\$ 110,738.56	55%	45%
Core Services - 10% Overhead/Administration for CCR&R		\$ 1,100.00	\$ 75.61	\$ 2.30	\$ 24.15	\$ 615.32	\$ 484.68	56%	44%
Core Services - 10% Overhead/Administration for Admin Ops		\$ 29,299.00	\$ 1,238.73	\$ 2,558.57	\$ 2,816.10	\$ 14,673.11	\$ 14,625.89	50%	50%
Contracts & Grants - Anson County		\$ 9,954.00	\$ -	\$ 4,977.00	\$ 829.50	\$ 5,806.50	\$ 4,147.50	58%	42%
Contracts & Grants - Montgomery County		\$ 8,345.00	\$ -	\$ -	\$ -	\$ -	\$ 8,345.00	0%	100%
Contracts & Grants - Moore County		\$ 29,399.00	\$ -	\$ -	\$ 13,647.36	\$ 13,647.36	\$ 15,751.64	46%	54%
Contracts & Grants - Richmond County		\$ 14,528.00	\$ -	\$ -	\$ -	\$ -	\$ 14,528.00	0%	100%
		\$ 338,791.00	\$ 20,024.87	\$ 22,836.63	\$ 32,139.79	\$ 170,169.73	\$ 168,621.27	50%	50%
Region 5 Infant Toddler Project		\$ 136,642.00	\$ 14,077.30	\$ 10,925.49	\$ 10,852.74	\$ 82,766.79	\$ 53,875.21	61%	39%
Infant Toddler - 10% Overhead/Administration for CCR&R		\$ 1,545.00	\$ 74.69	\$ 1.38	\$ 14.98	\$ 306.75	\$ 1,238.25	20%	80%
Infant Toddler - 10% Overhead/Administration for Admin Ops		\$ 12,119.00	\$ 1,017.75	\$ 1,454.09	\$ 973.36	\$ 7,773.40	\$ 4,345.60	64%	36%
		\$ 150,306.00	\$ 15,169.74	\$ 12,380.96	\$ 11,841.08	\$ 90,846.94	\$ 59,459.06	60%	40%
Region 5 Healthy Social Behaviors Project	10 month contract for FY20-21 [Effective 09/01/2020 - 06/30/2021]	\$ 232,923.00	\$ 25,025.76	\$ 22,307.83	\$ 17,542.16	\$ 99,614.89	\$ 133,308.11	43%	57%
Healthy Social Behavior - 10% Overhead/Administration for CCR&R		\$ 1,000.00	\$ 2.76	\$ 2.76	\$ 29.65	\$ 438.74	\$ 561.26	44%	56%
Healthy Social Behavior - 10% Overhead/Administration for Admin Ops		\$ 22,292.00	\$ 11.90	\$ 7,707.84	\$ 1,664.74	\$ 9,384.48	\$ 12,907.52	42%	58%
		\$ 256,215.00	\$ 25,040.42	\$ 30,018.43	\$ 19,236.55	\$ 109,438.11	\$ 146,776.89	43%	57%
Total Allocated DCD Funds Remaining							\$ 374,857.22		
Summary for 10% Overhead / Administration	PFC	\$ 67,355.00	\$ 2,421.44	\$ 11,726.94	\$ 5,522.98	\$ 33,191.80	\$ 34,163.20	49%	51%

Partnership for Children of Cumberland County, Inc.

All Funding Sources
Fiscal Year 2020 - 2021

FUND CODE		July 1, 2020 Beginning Cash Balance	Receipts				Expenditures				Ending Cash Balance
			December	January	February	YTD	December	January	February	YTD	
RESTRICTED FUNDS											
NC PRE-KINDERGARTEN FUNDS											
206	NC Pre-K Grant - State Funds (per child)	\$ 11,224.00	\$ 318,252.00	\$ -	\$ 234,019.00	\$ 552,271.00	\$ -	\$ 297,682.00	\$ 254,589.00	\$ 563,495.00	\$ -
210	NC Pre-K Expansion Grant - Lottery Funds - STATE FUNDS		\$ -	\$ -	\$ 1,404,481.00	\$ 1,404,481.00	\$ -	\$ -	\$ 564,661.00	\$ 564,661.00	\$ 839,820.00
211	NC Pre-K Grant - 4% Admin Fees	\$ 2,614.45	\$ 27,386.54	\$ -	\$ 61,607.83	\$ 210,010.37	\$ 36,889.51	\$ 25,353.83	\$ 21,584.89	\$ 181,007.66	\$ 31,617.16
211	1/10 CASH PAYMENT from DCDEE - NC Pre-K Grant	\$ -	\$ -	\$ -	\$ -	\$ 52,489.00	\$ -	\$ -	\$ -	\$ 52,489.00	\$ -
212	NC Pre-K Capacity Building Grant - State Funds	\$ (25,234.78)	\$ 17,481.30	\$ -	\$ 51,163.88	\$ 172,381.82	\$ 26,885.02	\$ 24,071.54	\$ 17,132.73	\$ 165,421.01	\$ (18,273.97)
319	NC Pre-K Grant (per slot) - Federal Funds	\$ 800.00	\$ 500,998.00	\$ -	\$ -	\$ 2,751,298.00	\$ 1,265,650.00	\$ 521,568.00	\$ -	\$ 2,752,098.00	\$ -
319	1/10 CASH PAYMENT from DCDEE - NC Pre-K Grant	\$ -	\$ -	\$ -	\$ -	\$ 839,820.00	\$ -	\$ -	\$ -	\$ 839,820.00	\$ -
328	NC Pre-K Grant CCDF Quality Funds- Federal Funds	\$ (27,851.21)	\$ 3,329.43	\$ -	\$ 10,314.50	\$ 87,970.49	\$ 5,498.05	\$ 5,084.25	\$ 3,362.56	\$ 63,749.65	\$ (3,630.37)
Sub-total for NC Pre-K		\$ (38,447.54)								Sub-total	\$ 849,532.82
FEDERAL RESTRICTED FUNDS											
301	Family CareGivers Program	\$ (2,067.12)	\$ -	\$ -	\$ -	\$ 558.00	\$ 6.23	\$ 1.20	\$ 172.93	\$ 739.36	\$ (2,248.48)
307	DCD Grant - SWCDC	\$ 43,760.32	\$ 14,376.89	\$ 14,457.74	\$ 28,169.53	\$ 136,929.88	\$ 20,024.87	\$ 22,836.63	\$ 32,139.79	\$ 213,930.02	\$ (33,239.82)
312	Region 5 - Infant/Toddler Project	\$ 4,600.46	\$ 9,854.47	\$ 12,016.86	\$ 16,010.14	\$ 78,009.80	\$ 15,169.74	\$ 12,380.96	\$ 11,841.08	\$ 95,447.36	\$ (12,837.10)
313	Region 5 - Healthy Social Behavior	\$ (19,631.60)	\$ -	\$ -	\$ 89,417.06	\$ 135,858.18	\$ 25,040.42	\$ 30,018.43	\$ 19,236.55	\$ 136,247.61	\$ (20,021.03)
807	Region 5 - Program Income	\$ -	\$ 480.00	\$ 1,272.10	\$ 1,230.00	\$ 4,179.30	\$ 25.51	\$ 31.63	\$ 30.67	\$ 378.05	\$ 3,801.25
Sub-total for Federal Restricted		\$ 26,662.06								Sub-total	\$ (64,545.18)
SMART START AND RELATED FUNDS											
147	Smart Start - Admin. (FY 19/20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123.19	\$ -	\$ -	\$ -	\$ -
148	Smart Start - Services (FY 19/20)	\$ 423,177.17	\$ -	\$ -	\$ -	\$ -	\$ 505.04	\$ -	\$ -	\$ 423,177.17	\$ -
149	Smart Start - Admin. (FY 20/21)	\$ -	\$ 37,304.00	\$ 27,616.00	\$ 24,697.00	\$ 262,806.00	\$ 46,379.73	\$ 30,066.03	\$ 31,934.14	\$ 266,523.33	\$ (3,717.33)
150	Smart Start - Services (FY 20/21)	\$ -	\$ 333,457.00	\$ 300,849.00	\$ 226,374.00	\$ 2,408,803.00	\$ 264,615.96	\$ 280,458.86	\$ 229,125.61	\$ 1,828,256.36	\$ 580,546.64
201	MAC SS Grant (Accting/Contracting)	\$ -	\$ 16,352.00	\$ -	\$ 16,352.00	\$ 65,408.00	\$ 9,082.97	\$ 7,460.60	\$ 6,331.19	\$ 54,647.11	\$ 10,760.89
216	Dolly Parton's Imagination Library	\$ 1,281.70	\$ -	\$ 7,500.00	\$ -	\$ 22,500.00	\$ 657.00	\$ 675.00	\$ 1,618.66	\$ 5,371.66	\$ 18,410.04
801	Program Income (SS Related)	\$ 68,725.43	\$ 5,798.55	\$ 5,086.63	\$ 4,928.05	\$ 43,866.82	\$ 494.21	\$ 1,627.78	\$ 4,529.89	\$ 14,253.80	\$ 98,338.45
804	GEMS Shared Services (PI SS Related)	\$ 1,300.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300.00
902	COBRA - Employee Insurance Withholdings	\$ 34.87	\$ 88.22	\$ 88.22	\$ 203.96	\$ 787.03	\$ 88.22	\$ 88.22	\$ 107.51	\$ 725.04	\$ 96.86
Sub-total for Smart Start & Related		\$ 494,519.17								Sub-total	\$ 705,735.55

Partnership for Children of Cumberland County, Inc.

All Funding Sources
Fiscal Year 2020 - 2021

FUND CODE	July 1, 2020 Beginning Cash Balance	Receipts				Expenditures				Ending Cash Balance	
		December	January	February	YTD	December	January	February	YTD		
TEMPORARILY RESTRICTED FUNDS - RESTRICTED FOR TIME TO SPEND FUNDS											
537	Foundation for the Carolinas Grant via Long Leaf Foundation [APRIL 16, 2021]	\$ 2,010.81	\$ -	\$ -	\$ -	\$ -	\$ 2,010.81	\$ -	\$ -	\$ 2,010.81	\$ -
539	Foundation for the Carolinas Grant - Operation Restoration [APRIL 16, 2021]	\$ 90,712.50	\$ -	\$ -	\$ -	\$ 75,000.00	\$ 14,239.19	\$ -	\$ -	\$ 14,239.19	\$ 151,473.31
543	CC Foundation - Family Connect Grant [DECEMBER 31, 2024]	\$ 33,922.64	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 6,301.32	\$ 4,966.98	\$ 4,465.11	\$ 39,216.08	\$ 44,706.56
545	CC Foundation - Toilet Training Grant [MARCH 1, 2021]	\$ 7,572.00	\$ -	\$ -	\$ -	\$ -	\$ 624.00	\$ 6,212.00	\$ 16.00	\$ 7,572.00	\$ -
809	Hoke County Consumer Ed (not program income) [JUNE 30, 2021]	\$ -	\$ 4,725.73	\$ -	\$ 11,161.80	\$ 26,233.18	\$ 6,684.20	\$ 5,951.98	\$ 4,813.00	\$ 34,614.42	\$ (8,381.24)
	Sub-total for Temporarily Restricted	\$ 134,217.95								Sub-total	\$ 187,798.63
UNRESTRICTED FUNDS or NO RESTRICTION OF TIME TO SPEND I											
208	Unrestricted State Revenues - For Operating Purposes	\$ 15,140.22	\$ -	\$ -	\$ -	\$ -	\$ 2,158.51	\$ 1,913.98	\$ 1,560.81	\$ 14,125.13	\$ 1,015.09
	Unrestricted State Revenues - Invested in CDs and Money Market Account	\$ 488,220.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 488,220.41
501	Individual Gifts & Donations	\$ 50,620.59	\$ 24,083.00	\$ 435.00	\$ 10,800.23	\$ 40,102.41	\$ 73.99	\$ 8.84	\$ 1.04	\$ (1,441.04)	\$ 92,164.04
515	Vending Machine Commissions	\$ 340.38	\$ 32.98	\$ 44.23	\$ 13.74	\$ 173.42	\$ -	\$ -	\$ 412.98	\$ 412.98	\$ 100.82
518	Kohl's Corporate Grants	\$ 4,356.34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,623.30	\$ -	\$ 1,623.30	\$ 2,733.04
526	Unrestricted Private Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
531	PFC Annual Engagements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
536	The CarMax Foundation Grant	\$ 9,834.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,834.10
544	Falcon Children's Home - Car Seat Safety Program Donation	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00
546	CC Foundation - Diaper Bank Grant	\$ -	\$ 453.52	\$ -	\$ -	\$ 453.52	\$ -	\$ -	\$ -	\$ -	\$ 453.52
802	PFCRC II (Non-Smart Start)	\$ 85,333.91	\$ 24,700.33	\$ 12,244.77	\$ 15,602.39	\$ 123,212.93	\$ 15,350.93	\$ 21,903.25	\$ 17,252.83	\$ 130,627.72	\$ 77,919.12
803	Proceeds From Sale of Property & Equipment (not program income)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
805	Misc. Unrestricted Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
806	Forward March Conference	\$ 42,408.25	\$ -	\$ -	\$ -	\$ (8,750.00)	\$ 2.84	\$ 3.52	\$ 3.41	\$ 12.02	\$ 33,646.23

Partnership for Children of Cumberland County, Inc.

**All Funding Sources
Fiscal Year 2020 - 2021**

FUND CODE		July 1, 2020 Beginning Cash Balance	Receipts				Expenditures				Ending Cash Balance
			December	January	February	YTD	December	January	February	YTD	
812	PFCRC II - Administration	\$ 34,462.52	\$ 4,750.00	\$ 4,750.00	\$ 4,750.00	\$ 38,000.00	\$ 6,581.05	\$ 5,304.16	\$ 4,322.12	\$ 39,341.87	\$ 33,120.65
815	Hohe - Contracted Eval (not program income)	\$ 19,099.46	\$ -	\$ -	\$ -	\$ -	\$ 0.63	\$ 451.61	\$ 403.56	\$ 4,895.67	\$ 14,203.79
816	Contracted Data Services	\$ 3,448.15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,448.15
820	Fundraising - PFC Annual Soiree	\$ 108,763.71	\$ (20,000.00)	\$ -	\$ -	\$ 3,702.27	\$ 1,560.69	\$ 14.06	\$ 5,013.63	\$ 14,905.06	\$ 97,560.92
821	Fundraising - PFC Annual Soiree - GMAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
822	Fundraising - PFC Annual Soiree - Kidstuff	\$ 3,702.27	\$ -	\$ -	\$ -	\$ (3,702.27)	\$ -	\$ -	\$ (3,000.00)	\$ (3,000.00)	\$ 3,000.00
824	Fundraising - PFC Annual Soiree - Administrative Allocation	\$ 6,587.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,587.08
825	Capital Projects Fund	\$ 21,578.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,578.00
826	Fundraising - PFC Annual Soiree - Family Focus Guides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
827	Fundraising - Mission Moments	\$ 139.52	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139.52
828	Fundraising - Early Care & Education Initiatives	\$ 1,804.28	\$ -	\$ -	\$ -	\$ -	\$ 127.33	\$ -	\$ -	\$ 127.33	\$ 1,676.95
897	Sales Tax	\$ (10,066.79)	\$ -	\$ -	\$ 4,501.16	\$ 14,567.95	\$ 457.23	\$ 2,039.21	\$ 798.10	\$ 7,338.47	\$ (2,837.31)
899	Interest Income (from Investment Funds)	\$ 29,160.94	\$ 2.07	\$ 1.94	\$ 1.87	\$ 31.53	\$ -	\$ -	\$ -	\$ -	\$ 29,192.47
904	Forfieted FSA	\$ (7,022.87)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 416.62	\$ 4.25	\$ 575.49	\$ (7,598.36)
905	Employee Withholding	\$ (1,046.13)	\$ 27,467.58	\$ 24,222.04	\$ 23,060.17	\$ 213,948.39	\$ 27,502.73	\$ 23,866.96	\$ 23,479.19	\$ 214,180.29	\$ (1,278.03)
	Sub-total for Unrestricted Funds	\$ 911,864.34								Sub-total	\$ 909,880.20
INFORMATION TECHNOLOGY											
992	PFC IT Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 298.60	\$ 427.21	\$ 294.01	\$ 2,172.69	\$ (2,172.69)
993	IT - Core	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
994	IT - Outside Agencies	\$ 113,633.77	\$ 10,704.26	\$ 9,461.00	\$ 17,248.65	\$ 66,936.72	\$ 10,717.35	\$ 10,896.53	\$ 7,274.68	\$ 73,266.85	\$ 107,303.64
995	IT - PFC Enhanced	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99.98	\$ 271.02	\$ (271.02)
996	IT - PFC Regular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46.99	\$ 1,643.85	\$ (1,643.85)
	Sub-total for Information Technology	\$ 113,633.77								Sub-total	\$ 103,216.08
PERMANENTLY RESTRICTED FUNDS											
599	Cumberland Community Foundation Endowment	\$ 31,384.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,384.00
	Sub-total for Permanently Restricted Funds	\$ 31,384.00								Sub-total	\$ 31,384.00
	TOTAL	\$ 1,673,833.75								TOTAL	\$ 2,723,002.10



February 1, 2021 - February 28, 2021

Account Number: [REDACTED]

Account Type: NON-PROFIT

Customer Update:

All your tax info in one place

Forms 1099 for 2020, FAQs, key deadlines, cost basis info, and more—find them all in our Tax Center at etrade.com/tax.

E*TRADE Securities LLC
P.O. Box 484
Jersey City, NJ 07303-0484
1-800-ETRADE-1 (1-800-387-2331)
etrade.com Member FINRA/SIPC

E*TRADE Securities
Investment Account

IMPORTANT INFORMATION

April 15 is Tax Day, but it's also the last day to make a 2020 contribution to your IRA.



0027106 01 AB 0.425 01 TR 00125 EFAD0302 000000



PARTNERSHIP FOR CHILDREN OF CU
351 WAGONER DRIVE SUITE 200
FAYETTEVILLE NC 28303-4672



Account At A Glance

\$80,239.32



As of 01/31/21

\$79,817.88



As of 02/28/21

Net Change: **\$-421.44**

▲ DETACH HERE

PARTNERSHIP FOR CHILDREN OF CU
351 WAGONER DRIVE SUITE 200
FAYETTEVILLE NC 28303-4672

DETACH HERE ▲

Use This Deposit Slip

Acct: [REDACTED]

Please do not send cash

Make checks payable to E*TRADE Securities LLC

Dollars	Cents

TOTAL DEPOSIT

Mail deposits to:



E*TRADE SECURITIES LLC
P.O. Box 484
Jersey City, NJ 07303-0484

E*TRADE®

022820210001 111450253427


 Account Number: [REDACTED]

Statement Period : February 1, 2021 - February 28, 2021

Account Type: NON-PROFIT

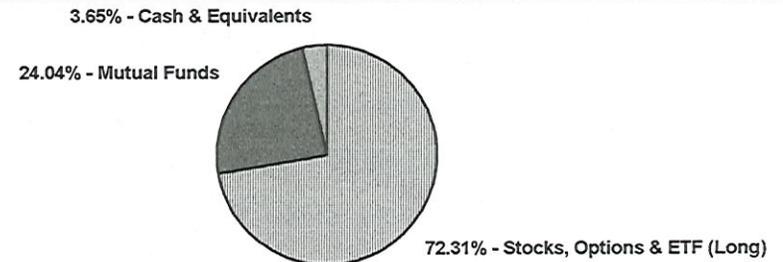
Customer Update:

 Visit the E*TRADE Tax Center to access tax forms, plus tips and tools to help with your tax preparation. Bookmark etrade.com/tax today.

ACCOUNT OVERVIEW

Last Statement Date: January 31, 2021

Beginning Account Value (On 01/31/21):	\$	80,239.32
Ending Account Value (On 02/28/21):	\$	79,817.88
Net Change:	\$	-421.44

 For current rates, please visit etrade.com/rates
ASSET ALLOCATION (AS OF 02/28/21)

ACCOUNT VALUE SUMMARY

	AS OF 02/28/21	AS OF 01/31/21	% CHANGE
Cash & Equivalents	\$ 2,916.43	\$ 2,844.38	2.53%
Total Cash/Margin Debt	\$ 2,916.43	\$ 2,844.38	2.53%
Stocks, Options & ETF (Long)	\$ 57,716.02	\$ 58,214.25	-0.86%
Mutual Funds	\$ 19,185.43	\$ 19,180.69	0.02%
Total Value of Securities	\$ 76,901.45	\$ 77,394.94	-0.64%
Net Account Value	\$ 79,817.88	\$ 80,239.32	-0.53%

Securities products and services are offered by E*TRADE Securities LLC, Member FINRA/SIPC. Sweep Deposit Account is a bank deposit account with E*TRADE Bank, a Federal savings bank, Member FDIC. Sweep deposit accounts at each bank are FDIC-insured up to a maximum of \$250,000. Securities products and cash balances other than Sweep Deposit Account funds are not FDIC-insured, are not guaranteed deposits or obligations of E*TRADE Bank, and are subject to investment risk, including possible loss of the principal invested.

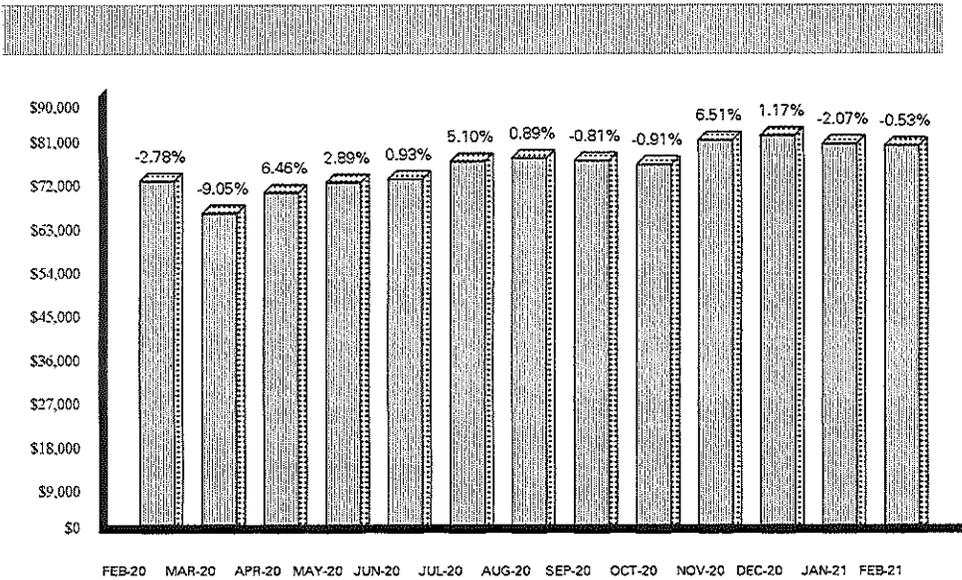


Account Number: [REDACTED]

Statement Period : February 1, 2021 - February 28, 2021

Account Type: NON-PROFIT

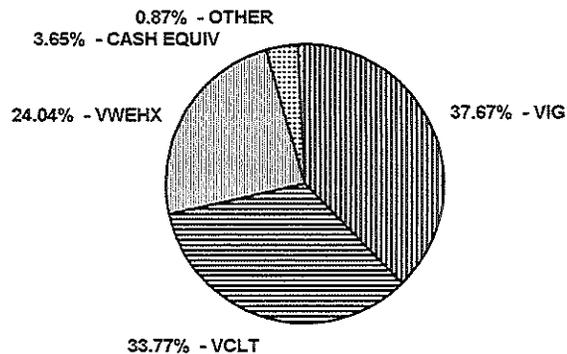
NET ACCOUNT VALUE BY MONTH END



ACCOUNT TRANSACTION SUMMARY

DESCRIPTION	THIS PERIOD	YEAR TO DATE
<u>Interest Received</u>		
Taxable	\$ 0.02	\$ 0.04
<u>Dividends Received</u>		
Taxable	\$ 141.37	\$ 141.37

TOP 10 ACCOUNT HOLDINGS (AS OF 02/28/21)




Account Number: [REDACTED]

Statement Period : February 1, 2021 - February 28, 2021

Account Type: NON-PROFIT

ACCOUNT HOLDINGS
CASH & CASH EQUIVALENTS (3.65% of Holdings)

DESCRIPTION	PORTFOLIO %	AMOUNT
Extended Insurance Sweep Deposit Account		
Opening Balance		2,844.38
Closing Balance	3.65	2,916.43
Average Balance		2,895.51
Extended Insurance Sweep Deposit Account Balance by Bank as of February 28, 2021		
ETRADE BANK		2,916.43

Under the Extended Insurance Sweep Deposit Account (ESDA) Program, cash balances from your brokerage account into the ESDA Program may shift from one program bank to another on a daily basis and a different combination or subset of the Program Banks may be used from day to day with dynamic deposit limits. Your ESDA Program cash balances will be FDIC-insured up to an aggregate of at least \$1,250,000. Uninvested cash balances in the ESDA program are not covered by SIPC. The balance in your bank deposit sweep account may be withdrawn on your order and proceeds returned to your securities account or remitted to you. To see a list of Program Banks please visit www.etrade.com/esdaagreement or call us at 1-800-ETRADE-1 (1-800-387-2331).

TOTAL CASH & CASH EQUIVALENTS 3.65% **\$2,916.43**

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS (72.31% of Holdings)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD [%]
***THOMSON REUTERS CORP COM NEW	TRI	Cash	8	86.8900	695.12	0.87	13.00	1.87%
VANGUARD SCOTTSDALE FUNDS VANGUARD LONG-TERM CORPORATE BOND ETF	VCLT	Cash	259	104.0600	26,951.54	33.77	887.00	3.29%
VANGUARD SPECIALIZED FUNDS VANGUARD DIVIDEND APPRECIATION ETF	VIG	Cash	216	139.2100	30,069.36	37.67	496.00	1.65%
TOTAL STOCKS, OPTIONS & ETF					\$57,716.02	72.31%	\$1,396.00	2.42%



Account Number: [REDACTED]

Statement Period : February 1, 2021 - February 28, 2021

Account Type: NON-PROFIT

MUTUAL FUNDS (24.04% of Holdings)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME
**VANGUARD FIXED INCOME SECS FD INC-HIGH YIELD CORP PORTFOL	VWEHX	Cash	3,229.87	5.9400	19,185.43	24.04	882.00
TOTAL MUTUAL FUNDS					\$19,185.43	24.04%	\$882.00
TOTAL PRICED PORTFOLIO HOLDINGS (ON 02/28/21)					\$79,817.88		
TOTAL ESTIMATED ACCOUNT HOLDINGS ANNUAL INCOME					\$2,278.00		

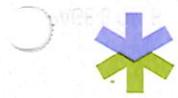
TRANSACTION HISTORY

DIVIDENDS & INTEREST ACTIVITY

DATE	TRANSACTION TYPE	DESCRIPTION	SYMBOL/ CUSIP	AMOUNT DEBITED	AMOUNT CREDITED
02/01/21	Dividend	**VANGUARD FIXED INCOME SECS FD INC-HIGH YIELD CORP PORTFOL RECORD 01/31/21 PAY 01/29/21	VWEHX		69.34
02/04/21	Dividend	VANGUARD SCOTTSDALE FUNDS VANGUARD LONG-TERM CORPORATE BOND ETF CASH DIV ON 259 SHS REC 02/02/21 PAY 02/04/21 NON-QUALIFIED DIVIDEND	VCLT		72.03
02/26/21	Interest	EXTENDED INSURANCE SWEEP DEPOSIT ACCOUNT INTEREST			0.02
TOTAL DIVIDENDS & INTEREST ACTIVITY					\$141.39
NET DIVIDENDS & INTEREST ACTIVITY					\$141.39

OTHER ACTIVITY

DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT DEBITED	AMOUNT CREDITED
02/01/21	**VANGUARD FIXED INCOME SECS FD INC-HIGH YIELD CORP PORTFOL REINVEST PRICE \$ 5.96	VWEHX	Reinvest	11.634		69.34	
TOTAL OTHER ACTIVITY						\$69.34	



Account Number: [REDACTED]

Statement Period : February 1, 2021 - February 28, 2021

Account Type: NON-PROFIT

OTHER ACTIVITY (Continued)

DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT DEBITED	AMOUNT CREDITED
NET OTHER ACTIVITY						\$69.34	

EXTENDED INSURANCE SWEEP DEPOSIT ACCOUNT (ESDA) ACTIVITY (0.0100% APY/0.0100%APY Earned as of 02/28/21)

Under the Extended Insurance Sweep Deposit Account (ESDA) Program, cash balances from your brokerage account into the ESDA Program may shift from one program bank to another on a daily basis and a different combination or subset of the Program Banks may be used from day to day with dynamic deposit limits. Your ESDA Program cash balances will be FDIC-insured up to an aggregate of at least \$1,250,000. Uninvested cash balances in the ESDA program are not covered by SIPC. The balance in your bank deposit sweep account may be withdrawn on your order and proceeds returned to your securities account or remitted to you. To see a list of Program Banks please visit www.etrade.com/esdaagreement or call us at 1-800-ETRADE-1 (1-800-387-2331).

DATE	TRANSACTION TYPE	DESCRIPTION	TRANSACTION AMOUNT
02/01/21		OPENING BALANCE	\$2,844.38
02/04/21	Deposit	EXTND INS SWEEP ACCT(FDIC-INS)	72.03
02/26/21	Deposit	EXTND INS SWEEP ACCT(FDIC-INS)	0.02
02/28/21		CLOSING BALANCE	\$2,916.43

THIS STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY



**Smart Start Allocation Review Team Recommendations
Meeting of March 9, 2021**

ACTION

A. Allocation Process Overview

PFC staff worked with an external consultant to support the Board review of PFC’s Strategic Plan and upcoming priorities for the next allocation cycle. Feedback from Committees also contributed to the process of refining planning assumptions and priorities. The following describes Board direction supporting allocation:

Strategic Priorities:

- Capacity Building
- Community Collaboration Leader
- Sustainability

Directives to the President:

- Strategic Planning
- Levering Technology
- Expanding Market Reach
- Program delivery/enhancement of local presence

Board Focus Areas for Programs:

- Advancing Children’s Well-Being
- Strengthen the Early Care and Education System
- Empowering Families

These and other guiding factors will help us be laser-focused in our Smart Start funding stewardship across Cumberland County.

1. We held two *2021-2024 Smart Start Application Request for Proposal Bidders Conference* sessions on **October 12, 2020**, via Zoom.
2. Grants were originally due **December 9, 2020**, using an online upload portal through the Smart Start Application Center on the PFC website, with an extension granted to **December 15, 2020**. During the proposal development period, staff provided technical assistance via Zoom, telephone, and email.
3. The total Smart Start Grant requests submitted compared to available funds:

Number of Proposals: 18	Available Service Allocation Funds Available	Smart Start Requested Activities	Amount Over Available Funds
Total Admin \$	\$383,479	\$383,479	\$0
Total Service \$	\$6,189,568	\$6,612,772	\$423,204
Total Budget	\$6,573,047	\$6,996,251	\$423,204

4. The P&E Committee and other PFC staff reviewed and refined the list of Board, Committee, and other community volunteers, inviting 139 people to consider participation as reviewers for the Smart Start Allocation Process. A total of 31 community members accepted, with two that stepped down before the process started, leaving 29. Below are a few key stats about the review team:
 - All three Committee Chairs are current Board members



- Eleven PFC Board and/or Committee members (38%) and four former Board members (14%)
 - Thirteen first-time reviewers (45%)
 - 69% of reviewers participated in all three meetings
5. Three meetings included four PFC staff providing the following support roles to each Review Team: Program, Budget, Zoom, and Timekeeper/Notetaker on the following dates:
- a. **January 12, 2021:** An orientation to the process, review of funding parameters, and an overview of each group's applications during the breakout.
 - b. **February 9, 2021:** Presentations by Direct Service Providers for activities submitted for funding.
 - c. **March 9, 2021:** A budget review of current funding (if applicable), request, and required funding parameters of Smart Start; review team breakouts to make final recommendations; whole team budget negotiation and concurrence on recommended allocations.

The chart below provides each review team's composition, PFC support staff, and the Smart Start grant activities reviewed in each group.

Allocation Panel	Early Care & Education	Family Support / Health	System Support & State Contracts
Breakout Room	1	2	3
Proposals to Review	<ol style="list-style-type: none"> 1. PFC Subsidy (TANF/Non-TANF) 2. NC Pre-K Enhancements (New) 3. Parents for Higher Education (PFHE) Subsidy (TANF) 4. Spainhour (Non-TANF) 5. Child Care Health Consultant (New) 6. Child Care Resource & Referral (CCR&R) 7. Lending Library 	<ol style="list-style-type: none"> 1. Circle of Parents 2. All Children Excel (ACE) 3. Kaleidoscope (New) 4. Family Connects 5. Kindermusik & Music Therapy 6. Assuring Better Child Health and Development (ABCD) 7. Reach Out and Read (ROR) 	<ol style="list-style-type: none"> 1. Planning, Monitoring & Evaluation 2. Community Engagement and Development (including the Family Resource Center) 3. WAGE\$ 4. DSS Subsidy** (Budget Only) <p><i>Note: PFC Admin and 1% Fundraising are exempt from review.</i></p>
Team Leader	Amy Cannon (PFC Board and P&E Chair)	Meredith Gronski (PFC Board)	Cotina Jones (PFC Board and P&E Committee)
Team Members	<i>Mary McCoy (P&E)*</i> <i>Martina Sconiers-Talbot (P&E)</i> <i>Christopher Cauley (City FAY)</i> Sharon Glover (Alliance MH/SOAR) <i>Kathy Jensen (FAY City Council)</i> Amanda Klinck (CCF) Amy Navejas (United Way) Mark Rice (Former Board) Lorna Ricotta (Former Board)	<i>Scott Chase (P&E)</i> <i>Carl Mitchell (P&E)</i> Sean Brost (CCS/ABCD) <i>Dr. Marvin Connelly (Board/CCS)</i> Rebecca Jackson (City of FAY) Shelagh Lane (Community) <i>Kim Nagowski (Former Board)</i> <i>Natasha Scott (Cmte/CCS)</i> Birgit Sexton (City FAY)	Kandy Cox Dillion (P&E) Lauren Arp (FTCC) Jewrine Brown (SOAR) Kristy Curran-Newitt (Cmte/CCS) Alana Hix (Board/CCS) Erica Little (UNCP/Formal Board) Stepheria Nicholson (CCHD) Susan Walz (DPI)
Fiscal Staff	Carole Mangum	Anna Marie Hall	Marie Lilly Dottie Adams
Program Staff	Pamela Federline* Anthony Ramos (Zoom Support)	Mary Sonnenberg Belinda Gainey (Zoom Support) Julanda Jett (Zoom Support)	Rebecca Beck Julanda Jett (Zoom Support)
Recorder/ Timekeeper	Lydia Wiles Julanda Jett (Zoom Support & Floater) Daniele Malvesti	Genelle Blue	Cali Simchuk (Zoom Support)

Italics indicate review team members who did not participate in all three sessions.

B. Allocation Rubric Scores*

All applications were evaluated by an independent committee of community members using the Smart Start Allocation Rubric. The rubric assessed PFC Strategic Priorities, including alignment to the Strategic Plan and other guiding factors to be considered in the allocation process. For example, applicants were asked to review and consider how they would address equity, alignment to Evidence-Based, Evidence-Informed programs, the impact of the bigger picture of the Leandro ruling and the Early Childhood Action Plan, and their activity’s alignment to the NCPC Early Childhood Profile.

The matrix below provides the average ranking for each activity submitted and reviewed by three teams.

RFP Allocation Cycle Grant Review Overall Scores

Activity	Score
Family Connects	90.1
Circle of Parents	86.6
WAGE\$ ³	86.3
Kindermusik & Music Therapy	86.3
All Children Excel (ACE)	84
Community Engagement & Development (CED)	84
Child Care Health Consultant (CCHC)	83
Child Care Resource & Referral (CCR&R)	82.5
Kaleidoscope	78.4
Reach Out and Read (ROR)	77.1
Assuring Better Health and Development (ABCD)	76
PFC Dual Subsidy	75.7
Parents for Higher Education (PFHE)	73.8
Lending Library	70.8
NC Pre-K Enhancements ^{1, 2}	62.3
Planning, Monitoring, and Evaluation (PME) ¹	60
Spainhour	53.7
Department of Social Services (DSS) Subsidy ³	Not Scored

¹ No Logic Model (less 15 points)

² Funding usually based on the availability of extra funds

³ State Contracts usually level-funded unless extra funding becomes available

C. Early Care and Education & Subsidy (ECE) Allocation Review Team

1. **Team Members:** Amy Cannon (Chair). Refer to the chart on page 2 for the full team.
2. **Recusals:** Amy Cannon on Child Care Health Consultant
3. **Funding Summary:** The Smart Start requirement is to fund \$4,378,709 in total service dollars toward ECE & Subsidy (70%). ECE & Subsidy service dollar Level is \$4,800,234, or 78% of Service Dollars. ¹ EC&E Subsidy is \$3,159,818, or 51% of the total service allocation; EC&E Quality is \$1,640,416, or 27% of the total service allocation.
4. **Allocation Recommendations:**

Activity	Amount Requested	Amount Approved	Difference	Recommendation
PFC Child Care Subsidy (TANF)	\$366,368	\$366,368	\$0	Fully fund
PFC Child Care Subsidy (Non-TANF)	\$60,000	\$60,000	\$0	Fully fund
PFC Child Care Subsidy Support (Admin)	\$41,000	\$41,000	\$0	Fully fund
NC Pre-K Enhancements (TANF)	\$71,000	\$71,000	\$0	Fully fund
NC Pre-K Enhancements (Non-TANF)	\$12,527	\$12,527	\$0	Fully fund
FTCC Parents for Higher Education (PFHE) Child Care Subsidy (TANF)	\$207,260	\$207,260	\$0	Fully fund
FTCC Parents for Higher Education (PFHE) Child Care Subsidy Support (Admin)	\$11,550	\$11,550	\$0	Fully fund
Spainhour / Child Play Subsidy (Non-TANF)	\$68,787	\$0	(\$68,787)	Hold for availability of contingency funding
Child Care Resource & Referral (CCR&R)	\$1,195,000	\$1,195,000	\$0	Fully fund
Lending Library	\$47,325	\$47,325	\$0	Fully fund
Child Care Health Consultant	\$60,348	\$60,348	\$0	Fully fund
Total Reviewed ¹	\$2,225,647	\$2,072,378	(\$153,269)	

¹ DSS Child Care Subsidy and WAGE\$ were reviewed by the System Support & State Contract Review Team and endorsed by the ECE & Subsidy Review Team.

D. Family Support and Health Allocation Review Team

1. **Team Members:** Meredith Gronski (Chair). Refer to the chart on page 2 for the full team.
2. **Recusals:** Sean Brost on Kindermusik & Music Therapy
3. **Funding Summary:** Family Support & Health is \$1,002,282 or **16%** of the total service allocation
4. **Allocation Recommendations:**

Activity	Amount Requested	Amount Approved	Difference	Recommendation
Assuring Better Health & Development (ABCD)	\$92,000	\$92,000	\$0	Fully fund
Family Connects	\$369,935	\$100,00	(\$269,935)	Fund at less than full request due to availability of federal PDG grant funds.
Kindermusik & Music Therapy	\$57,209	\$57,209	\$0	Fully fund
Circle of Parents Support Program	\$45,000	\$45,000	\$0	Fully fund
All Children Excel (ACE)	\$157,550	\$157,550	\$0	Fully fund
Kaleidoscope	\$41,300	\$41,300	\$0	Fully fund
Reach Out and Reach (ROR)	\$16,500	\$16,500	\$0	Fully fund
Total Reviewed	\$779,494	\$509,559	(\$269,935)	

E. System Support & State Contracts Allocation Review Team

1. **Team Members:** Cotina Jones (Chair). Refer to the chart on page 2 for the full team.
2. **Funding Summary:** System Support is \$819,427 or 13% of the total service allocation. State Contracts make up \$2,788,204 of the total service allocation and are funded under the ECE & Subsidy activity.
3. **Allocation Recommendations:**

Activity	Amount Requested	Amount Approved	Difference	Recommendation
Planning, Monitoring, & Evaluation (PME)	\$387,052	\$387,052	\$0	Fully fund
Community Engagement & Development (including absorption of Family Resource Center)	\$432,375	\$432,375	\$0	Fully fund
DSS Child Care Subsidy (TANF)	\$2,230,306	\$2,230,306	\$0	Fully fund ¹
DSS Child Care Subsidy Support (Admin)	\$159,807	\$159,807	\$0	Fully fund ¹
WAGE\$	\$482,573	\$398,091	(\$84,482)	Fund at less than full request and add additional funds as they become available. ¹
Total Reviewed	\$3,692,113	\$3,607,631	(\$84,482)	

¹ DSS Child Care Subsidy and WAGE\$ were reviewed by the System Support & State Contract Review Team and endorsed by the ECE & Subsidy Review Team.

In total, the Smart Start Allocation Review Team approved **\$6,189,568** in available service dollars (excluding Administrative funds) for recommended funding for consideration by the Finance Committee and PFC Board.



F. Programmatic Changes

1. Required Contract Activity Description Templates will be used for:
 - a. DSS Child Care Subsidy (TANF)
 - b. FTCC Parents for Higher Education Subsidy (TANF)
 - c. PFC Child Care Subsidy (TANF)
 - d. PFC Child Care Subsidy (Non-TANF)
 - e. NC Pre-K Enhancements (TANF)
 - f. NC Pre-K Enhancements (Non-TANF)
 - g. Child Care Resource & Referral (CCR&R) – New this year
 - h. Lending Library – New this year
2. Outcomes for each purpose service code (PSC) are either required by NCPC or highly recommended. The recommendation is to treat the NCPC recommendation as required for grantees. Any exception will be made on a case by case by Planning and Evaluation Committee.
3. All activities align with an NCPC Early Childhood Profile indicator.

(Created: January 11, 2021) UPDATED March 8, 2021

		Effective July 1, 2021								
PSC	AC	Activity	Contractor	FY 20/21 Smart Start Allocations at 07/01/20	Increase (Decrease) in Proposal Request	Consolidation/ Separation of Activities	Changes based on Allocation Process	Final Allocation Team Recommendations to Board - Projections for FY 21/22-22/23-23/24 Smart Start Allocations Effective 07-01-2021	Totals and Percentages to Ensure Smart Start Legislative Mandates Are Met	
		EC&E Subsidy [X3XX]								
2341	002	Child Care Subsidy (TANF)	Partnership for Children	\$ 366,368				\$ 366,368		
2342	034	NC Pre-K Enhancements (TANF)	Partnership for Children	\$ -	\$ 71,000			\$ 71,000		
2340	760	DSS Child Care Subsidy (TANF)	Department of Social Services	\$ 2,230,306				\$ 2,230,306		
2341	218	FTCC CC Scholarship (TANF)	Fayetteville Technical Community College	\$ 207,260				\$ 207,260		
										(\$ 2,803,934 required)
									\$ 2,874,934	46%
2361	021	Child Care Subsidy/Admin.	Partnership for Children	\$ 35,150	\$ 5,850			\$ 41,000		
2360	750	DSS CC Subsidy Support/Admin.	Department of Social Services	\$ 159,807				\$ 159,807		
2361	256	FTCC CC Scholarship/Admin.	Fayetteville Technical Community College	\$ 11,450	\$ 100			\$ 11,550		
									\$ 212,357	3%
2347	022	Child Care Subsidy (Non-TANF)	Partnership for Children	\$ 59,500	\$ 500			\$ 60,000		
2347	210	Spainhour/Child Play Subsidy	Easter Seals UCP	\$ 91,716	\$ (22,929)		\$ (68,787)	\$ -		
2348	035	NC Pre-K Enhancements (non-TANF)	Partnership for Children	\$ -	\$ 12,527			\$ 12,527	\$ 72,527	1%
									\$ 3,159,818	51%
		EC&E Quality [X1XX]								
3104	001	Child Care Resource and Referral	Partnership for Children	\$ 1,389,200	\$ (194,200)			\$ 1,195,000		
3107	720	WAGES	Child Care Services Association	\$ 371,554	\$ 111,019		\$ (84,482)	\$ 398,091		
3115	036	Lending Library	Partnership for Children	\$ -	\$ 47,325	*separation		\$ 47,325		
									\$ 1,640,416	27%
									\$ 4,800,234	78%
										(\$ 4,378,709 required)
										70% required/80% target
5410	259	ABCD [Assuring Better Child Health & Development]	4Cs (Carolina Collaborative Community Care)	\$ 92,238	\$ (238)			\$ 92,000		
5413	032	Family Connects	Partnership for Children	\$ 100,000	\$ 269,935		\$ (269,935)	\$ 100,000		
5417	220	Kindermusik	Kerri Hurley	\$ 57,209	\$ -			\$ 57,209		
3414	263	Child Care Health Consultant	Cumberland County Health Dept	\$ -	\$ 60,348			\$ 60,348		
									\$ 309,557	5%
		Family Support [X5XX]								
5505	232	Circle of Parents Support Program	Autism Society of Cumberland County	\$ 45,000	\$ -			\$ 45,000		
5505	031	All Children Excel	Partnership for Children	\$ 200,950	\$ (43,400)			\$ 157,550		
5506	027	PFC Family Resource Center	Partnership for Children	\$ 158,144		\$ (158,144)		\$ -		
5506	033	Child Passenger Safety Car Seats	Partnership for Children	\$ 5,000	\$ (5,000)			\$ -		
5506	037	Kaleidoscope	Partnership for Children		\$ 41,300	*separation		\$ 41,300		
5517	030	Community Engage. & Dev.	Partnership for Children	\$ 254,000	\$ 20,231	\$ 158,144		\$ 432,375		
		<i>*Consolidate FRC and Comm Engage</i>								
5523	262	Reach Out & Read (ROR)	4Cs (Carolina Collaborative Community Care)	\$ 16,500	\$ -			\$ 16,500		
									\$ 692,725	11%

(Created: January 11, 2021) UPDATED March 8, 2021

PSC	AC	Activity	Contractor	FY 20/21 Smart Start Allocations at 07/01/20	Increase (Decrease) in Proposal Request	Consolidation/ Separation of Activities	Changes based on Allocation Process	Final Allocation Team Recommendations to Board - Projections for FY 21/22-22/23-23/24 Smart Start Allocations Effective 07-01-2021	Totals and Percentages to Ensure Smart Start Legislative Mandates Are Met	
		System Support [X6XX]								
5603	007	Planning, Monitoring & Evaluation	Partnership for Children	\$ 338,216	\$ 48,836			\$ 387,052		
		*Consolidate FRC and Comm Engage							\$ 387,052	6%
									\$ 1,389,334	22%
									20% target	
				\$ 6,189,568					\$ 6,189,568	100%
		Requests (Over)/Under Allocation						\$ -	\$ -	
		TOTAL SERVICES		\$ 6,189,568				\$ 6,189,568		
9100	999	Administration	Partnership for Children	\$ 317,749				\$ 317,749	\$ 317,749	5%
9200	990	Fundraising - 1% Allowance of Total Allocation. Maximum amount is \$65,730	Partnership for Children	\$ 65,730				\$ 65,730	\$ 65,730	1%
		TOTAL ADMINISTRATION		\$ 383,479				\$ 383,479		
		TOTAL ALLOCATION		\$ 6,573,047	\$ 423,204	\$ -		\$ 6,573,047	\$ 6,573,047	

\$ 6,573,047	Projected Base Allocation for Annual Funding
\$ -	Projected NEW Smart Start Funding
\$ (6,573,047)	Less Current Requests for Smart Start Funding
\$ -	Unallocated Funds
\$ -	Requests MORE THAN available Smart Start funding

(Created: January 11, 2021) UPDATED March 8, 2021

PSC	AC	Activity	Contractor	FY 20/21 Smart Start Allocations at 07/01/20	Increase (Decrease) in Proposal Request	Consolidation/ Separation of Activities	Changes based on Allocation Process	Final Allocation Team Recommendations to Board - Projections for FY 21/22-22/23-23/24 Smart Start Allocations Effective 07-01-2021	Totals and Percentages to Ensure Smart Start Legislative Mandates Are Met
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THE INFORMATION BELOW IS AN INTEGRAL COMPONENT TO THIS DOCUMENT.

Direct funding towards the highest priority needs, “move the needle” and have a substantial impact with collective strategic investments, and lead to the outcomes PFC desires for children, families, and/or early childhood professionals in the Early Childhood System. These outcomes can be grouped into three categories:

**Access outcomes* includes the supports and services that all children and families should be able to access.

**Quality outcomes* underscore what research and practice indicates; access alone does not provide the desired outcomes, high quality supports and services are essential.

**Equity outcomes* target specific populations. With achievement gaps, disparities in health status, and the geographic and socioeconomic diversities in Cumberland County, there is a need to target resources and services to specific populations.

The FY 21/22 Smart Start Allocation Plan and organizational budget plan will be submitted to the Board for approval.

Legislative Mandates:

- (1) Not less than seventy percent (70%) of the funds spent in each year of the direct services allocation must be used for programs child care-related activities and early childhood education
- (2) Not less than thirty percent (30%) of the funds spent in each year of the direct services allocation must be used for child care subsidies
- (3) Because of the \$59m federal funding matching requirement, PFC is required to maintain child care subsidies at not less than \$2,803,934.

A Smart Start allocation reduction in any amount or percentage must come from other activities and not from the activities with PSC 2340 or PSC 2341.

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
Summary of Fixed Assets for Disposal
To the Board for Approval on March 25, 2021

FIXED ASSET TAG #	STATUS	DESCRIPTION	YEAR PURCHASED	COST		
				FURNITURE & EQUIPMENT OVER \$500	COMPUTERS & EQUIPMENT OVER \$500	BUILDINGS OVER \$500
	<i>During PFC's periodic purge of the Master Fixed Assets List, the following expenditures reflected as Buildings are either obsolete, unusable or have been previously disposed of through the normal replacement with newer items. PFC acquired a new phone system in December 2020 which is the reason for the removable of the obsolete wiring and installation from years 2006 and 2007.</i>		Sorted in date order			
N/A	See above	Wiring for telephone systems [Neuse Company]	May-06			8,500.00
N/A	See above	Wiring for telephone systems [Neuse Company]	Jun-06			22,470.00
N/A	See above	Telephone installation [TSM South]	Aug-07			4,813.20
N/A	See above	Telephone systems [NEC]	Aug-07			81,911.05
N/A	See above	Replace lamp, capacitor & ballast [3-D Electric]	Dec-09			761.16
N/A	See above	Installation of switches, outlets, data ports, phone outlets [Starr Electric]	Jun-10			1,695.00
N/A	See above	Replace lamp, capacitor & ballast [Starr Electric]	Sep-10			1,375.00
20864	See above	One 2-ton A/C unites [Ivey Mechanical]	Sep-10			8,449.00
N/A	See above	Install new exterior lights [Starr Electric]	Oct-10			755.09
20862	See above	PFC exterior sign [King Signs]	Oct-10			2,136.55
N/A	See above	Replace parking lot pole lights [Starr Electric]	Dec-10			1,329.14
N/A	See above	Replace parking lot lights [Starr Electric]	Apr-11			810.00
N/A	See above	Replace ballast lamps and fixture in parking lot lights [Starr Electric]	Jan-12			655.00
N/A	See above	Replace bulb and fixtures in parking lot lights [Starr Electric]	Feb-12			500.00
N/A	See above	Replace parking lot pole lights [Starr Electric]	Jun-12			780.00
N/A	See above	Phone line wiring and configuration [TSM South]	Jul-12			1,709.72
N/A	See above	Replace parking lot pole lights [Starr Electric]	Nov-12			1,185.00
N/A	See above	Move of phone line extensions in the ELH Lending Library [TSM South]	Aug-18			725.25
				\$ -	\$ -	\$ 140,560.16
TOTAL DISPOSALS				\$140,560.16		

March 3, 2021

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, 2020, and have issued our report thereon dated March 3, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, 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 May 6, 2020. 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; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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 most sensitive accounting estimates affecting the financial statements are estimates for the statement of functional expenditures - modified cash basis.

We evaluated the key factors and assumptions used to develop the statement of functional expenditures - modified cash basis and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We identified no such sensitive disclosure affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

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

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. 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 March 3, 2021.

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.

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 the modified cash basis of accounting, 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,

CohnReznick LLP

Charlotte, North Carolina

March 3, 2021

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, 2020, 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,



Charlotte, North Carolina
March 3, 2021

FINANCIAL STATEMENT AUDIT REPORT OF
PARTNERSHIP FOR CHILDREN OF CUMBERLAND
COUNTY, INC.

FAYETTEVILLE, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2020

BOARD OF DIRECTORS

CHAS SAMPSON, 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, 2020, 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, 2020, 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 25 and Schedule 5 on page 28 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 the 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 March 3, 2021, 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
March 3, 2021

Partnership for Children of Cumberland County, Inc.
Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis
For the Year Ended June 30, 2020

Exhibit A

	Without Donor Restrictions	With Donor Restrictions	Total Funds
Receipts:			
State Awards and Contracts	\$ 5,536,468	\$ 1,282	\$ 5,537,750
Federal Awards	7,622,049	-	7,622,049
Private Contributions	33,299	56,329	89,628
Special Fund Raising Events	10,305	429	10,734
Interest and Investment Earnings	6,628	-	6,628
Sales Tax Refunds	16,231	-	16,231
Other Receipts	389,976	-	389,976
Total Receipts	13,614,956	58,040	13,672,996
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	29,161	(29,161)	-
	13,644,117	28,879	13,672,996
Expenditures:			
Programs:			
Child Care and Education Affordability	787,397	-	787,397
Child Care and Education Quality	1,972,143	-	1,972,143
Family Support	925,738	-	925,738
Health and Safety	270,085	-	270,085
NC Pre-K	8,464,554	-	8,464,554
Support:			
Fund Raising	15,000	-	15,000
Management and General	767,417	-	767,417
Program Planning, Coordination and Evaluation	309,775	-	309,775
Other:			
IT Support and Services	112,165	-	112,165
Refund Prior Year Grant	29,345	-	29,345
Sales Tax Paid	17,350	-	17,350
Total Expenditures	13,670,969	-	13,670,969
Excess (Deficiency) of Receipts Over Expenditures	(26,852)	28,879	2,027
Net Assets at Beginning of Year	1,068,240	165,072	1,233,312
Net Assets at End of Year	\$ 1,041,388	\$ 193,951	\$ 1,235,339
Net Assets Consisted of:			
Cash and Cash Equivalents	\$ 1,206,470	\$ 162,567	\$ 1,369,037
Investments	273,411	-	273,411
Beneficial Interest in Community Foundation	-	31,384	31,384
Refunds Due From Contractors	2,415	-	2,415
	1,482,296	193,951	1,676,247
Less: Due to State	425,592	-	425,592
Funds Held for Others	15,316	-	15,316
Total Net Assets	\$ 1,041,388	\$ 193,951	\$ 1,235,339

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, 2020

Exhibit B

	<u>Total</u>	<u>Personnel</u>	<u>Contracted Services</u>	<u>Supplies and Materials</u>	<u>Other Operating Expenditures</u>	<u>Fixed Charges and Other Expenditures</u>	<u>Property and Equipment Outlay</u>	<u>Services/Contracts/Grants</u>
Smart Start Fund:								
Programs:								
Child Care and Education Affordability	\$ 757,397	\$ 7,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,247
Child Care and Education Quality	1,260,024	896,581	111,742	48,222	74,775	14,478	11,650	102,576
Family Support	677,828	443,066	77,121	11,987	63,371	6,679	14,448	61,156
Health and Safety	254,007	10,000	90,000	-	-	-	-	154,007
NC Pre-K	76,206	-	-	-	-	-	-	76,206
	<u>3,025,462</u>	<u>1,356,797</u>	<u>278,863</u>	<u>60,209</u>	<u>138,146</u>	<u>21,157</u>	<u>26,098</u>	<u>1,144,192</u>
Support:								
Fund Raising	15,000	7,512	-	5,014	1,041	1,433	-	-
Management and General	316,849	229,324	29,074	8,970	27,865	16,005	5,611	-
Program Planning, Coordination and Evaluation	270,400	168,048	32,583	39,537	23,463	3,272	3,497	-
	<u>602,249</u>	<u>404,884</u>	<u>61,657</u>	<u>53,521</u>	<u>52,369</u>	<u>20,710</u>	<u>9,108</u>	<u>-</u>
Total Smart Start Fund Expenditures	<u>\$ 3,627,711</u>	<u>\$ 1,761,681</u>	<u>\$ 340,520</u>	<u>\$ 113,730</u>	<u>\$ 190,515</u>	<u>\$ 41,867</u>	<u>\$ 35,206</u>	<u>\$ 1,144,192</u>
Other Funds:								
Programs:								
Child Care and Education Affordability	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Child Care and Education Quality	712,119	555,279	30,647	9,979	40,224	6,882	4,671	64,437
Family Support	247,910	53,544	30,750	4,598	86,622	37,880	34,436	80
Health and Safety	16,078	14,507	65	291	71	-	1,144	-
NC Pre-K	8,388,348	243,665	51,448	6,615	25,254	3,496	4,381	8,053,489
	<u>9,394,455</u>	<u>866,995</u>	<u>112,910</u>	<u>21,483</u>	<u>152,171</u>	<u>48,258</u>	<u>44,632</u>	<u>8,148,006</u>
Support:								
Management and General	450,568	422,615	16,682	1,212	8,250	861	948	-
Program Planning, Coordination and Evaluation	39,375	26,445	232	8,505	3,771	422	-	-
IT Support and Services	112,165	304,204	(218,912)	11,022	11,729	1,178	2,944	-
	<u>602,108</u>	<u>753,264</u>	<u>(201,998)</u>	<u>20,739</u>	<u>23,750</u>	<u>2,461</u>	<u>3,892</u>	<u>-</u>
Other:								
Refund of Prior Year Grant	29,345	-	-	-	-	29,345	-	-
Sales Tax Paid	17,350	-	-	17,350	-	-	-	-
	<u>46,695</u>	<u>-</u>	<u>-</u>	<u>17,350</u>	<u>-</u>	<u>29,345</u>	<u>-</u>	<u>-</u>
Total Other Funds Expenditures	<u>\$ 10,043,258</u>	<u>\$ 1,620,259</u>	<u>\$ (89,088)</u>	<u>\$ 59,572</u>	<u>\$ 175,921</u>	<u>\$ 80,064</u>	<u>\$ 48,524</u>	<u>\$ 8,148,006</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, 2020

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 of the Financial Accounting Standards Board's Accounting Standards for *Not-For-Profit Entities*, the accompanying financial statements present information according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions are the part of net assets not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Net assets with donor restrictions are the part of net assets subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). As permitted by this Standard, contributions with donor restrictions received and expended in the same year are reported as receipts without donor restrictions rather than receipts with donor restrictions.

Contributions with donor restrictions that are not expended within the year received are reported as an increase in net assets with donor restrictions. When the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Receipts, Expenditures, and Net Assets as net assets released from restrictions.

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. Investments** - This classification includes money market funds, certificates of deposit for which the original maturity term exceeds three months, and E-Trade funds. Under the modified cash basis of accounting, investments in marketable securities are reported at cost, which may differ significantly from their fair values.
- F. Beneficial Interest in Community Foundation** - This classification consists of funds invested with Cumberland Community Foundation, Inc. as reported in Note 15. These amounts are included in the amounts shown in the With Donor Restrictions column of Exhibit A and represent the irrevocable principle in an endowment fund as described more fully in Note 16.
- G. Refunds Due From Contractors** - Refunds Due from Contractors represent the unexpended amount of advances to contractors at year-end that are to be refunded back to the State. As recoveries are collected, the advances are recorded as a reduction to the State awards balance.
- H. 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.
- I. 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, 2020, the Cumberland County Partnership was holding amounts withheld from employee paychecks related to the dental and vision insurance plans and employee benefits to be distributed to the appropriate party and rental security deposits from tenants. The Cumberland County Partnership also distributed amounts on behalf of employees for the health insurance and flexible spending plans that will be collected from employee paychecks subsequent to June 30, 2020. The amounts are as follows:

Tenant Security Deposits	\$ 23,350
Dental Insurance Plan	19
Vision Insurance Plan	6
Flexible Spending Plan	(847)
Health Insurance Plan	<u>(7,212)</u>
	<u><u>\$ 15,316</u></u>

- J. Property and Equipment** - Under the modified cash basis of accounting, purchases of property and equipment are reported as expenditures in the year incurred. However, 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 their original purchase price, which may be different from their valuation as of June 30, 2020. Donated items are recorded on the property and equipment log at estimated acquisition value at the date of donation, 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.
- K. 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 10A.
- L. 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.
- M. 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

- A. Deposits** - All 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 subjects the Cumberland County Partnership to a concentration of credit risk. At June 30, 2020, the Cumberland County Partnership's bank deposits in excess of the FDIC insured limit was \$1,437,618.

B. Investments - The Cumberland County Partnership prepares its financial statements on the modified cash basis of accounting. Investments are reported at cost on the Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis as of June 30, 2020 as follows:

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
Stocks	\$ 68,000	\$ 4,954	\$ -	\$ 72,954
Certificate of Deposit	<u>200,000</u>	<u>5,412</u>	<u>-</u>	<u>205,412</u>
Total	<u>\$ 268,000</u>	<u>\$ 10,366</u>	<u>\$ -</u>	<u>\$ 278,366</u>

The Cumberland County Partnership records interest and dividend earnings and realized gains and losses in the Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis under the heading interest and investment earnings. Investment fees are recorded in the bank charges expense account and reported as management and general expenditures.

Interest and investment earnings for the year ended June 30, 2020 are as follows:

Investment Earnings - Certificates of Deposit \$ 5,411

NOTE 3 - FAIR VALUE MEASUREMENT

ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. ASC 820-10 defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets may include securities that are traded in an active exchange market, or actively traded over-the-counter markets.

Level 2 - Valuation is based on directly or indirectly observable inputs other than quoted prices included within Level 1 such as: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable or can be corroborated to observable market data for substantially the full term of the asset or liability.

Level 3 - Valuation is based on unobservable inputs for the asset or liability. Level 3 assets may include financial instruments whose value is determined using pricing models with internally developed assumptions, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Money Market Mutual Funds - Money market mutual funds are valued at a stable \$1.00 net asset value which is the value at which the fund is traded and approximates fair value based on the fair value of the underlying investments. Such securities are classified within Level 2 of the valuation hierarchy.

Corporate Stocks - Valued based on quoted market prices in active markets at year end.

The following table sets forth by level within the fair value hierarchy, the Partnership's investments as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Stocks	\$ 68,000	\$ -	\$ -	\$ 68,000
Certificate of Deposit	205,411	-	-	205,411
Total	<u>\$ 273,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,411</u>

NOTE 4 - 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) 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 accompanying the financial statements.

The Cumberland County Partnership was awarded and has received \$4,057,976 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 refunded \$425,592 of this contract to the State based on financial status reports submitted to NCPC subsequent to June 30, 2020. The Cumberland County Partnership also refunded \$4,673 of a prior year contract during the year ended June 30, 2020.

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 \$101,000, received \$98,092 and expended \$97,790 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 refunded \$302 of this contract to the State based on financial status reports submitted to NCPC during June 30, 2020. 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 \$796,555 under three (3) current year grant contracts with SWCDC and has received \$672,610 and expended \$644,151 of this amount. The unexpended balances of these grant contracts are subject to reversion to SWCDC. The Cumberland County Partnership has returned \$55,263 of these contracts to the SWCDC based on financial status reports submitted to SWCDC subsequent to June 30, 2020. The Cumberland County Partnership also refunded \$29,193 of a prior year grant contract during the year ended June 30, 2020.

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

NC Pre-K - 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). 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.

The Cumberland County Partnership was awarded \$9,098,098 and received \$8,729,845 and expended \$8,701,028 under a current year financial assistance contract and expended \$151 under a prior year contract as of June 30, 2020. However, the final current year's reimbursement of \$38,344 was received from DCDEE subsequent to June 30, 2020. The Cumberland County Partnership expects to receive continued funding of the preschool program through new

contracts with the State. The Cumberland County Partnership also refunded \$754 of a prior year contract during the year ended June 30, 2020.

Dolly Parton's Imagination Library (DPIL) - Cumberland County Partnership was awarded \$33,526, received \$30,000 and expended \$32,244 under a current year contract with NCPC. As allowed by program regulation, the unexpended balance of the current year contract is available to carry-forward to the subsequent year.

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

Mid-Carolina Area Agency on Aging - Cumberland County Partnership was awarded \$4,500, received \$2,433 and expended \$4,500 under a current year contract with Mid-Carolina Area on Aging.

The Cumberland County Partnership expects to receive continued funding through new contracts with Mid-Carolina Area on Aging.

NOTE 5 - 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 6 - 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 and associated with State subsidy contract and services support (Division of Child Development and Early Education) [DCDEE], Head Start wraparound/extended day, dual subsidy and dual subsidy administration. Head Start classrooms and coordination, child care transportation for subsidized children, part-day subsidy programs, subsidy

preschool classes and public pre-K subsidy. Also, support for part-day programs for children not in full-time care.

Child Care and Education Quality - Used to account for service activities including *or* associated with child care resource and referral and professional development and supplements.

Family Support - Used to account for service activities including *or* associated with family resource centers, ongoing parenting education, literacy or family literacy projects and community systems building and public awareness.

Health and Safety - Used to account for service activities including *or* associated with Assuring Better Child Health and Development (ABCD), prenatal/newborn services and early intervention services/special education.

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

B. Support Functions

Fund Raising - Expenditures that are incurred in inducing others to contribute money, securities, time, materials, or facilities for which the contributor will receive no direct economic benefit.

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 Planning, Coordination and Evaluation - Expenditures that are incurred to coordinate the policies, procedures, daily practices, and evaluation of service delivery, needs assessment and strategic planning. 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 7 - OPERATING LEASE OBLIGATIONS

Future minimum lease payments under non-cancelable operating leases consist of the following at June 30, 2020:

Fiscal Year	Operating Leases
2021	\$ 18,530
2022	18,300
2023	17,978
2024	15,593
Total Minimum Lease Payments	<u>\$ 70,401</u>

Rental expense for all operating leases during the year was \$18,729.

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, 2020, the Cumberland County Partnership received \$228,008 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, 2020:

Fiscal Year	Operating Leases
2021	\$ 186,842
2022	140,386
Total Minimum Lease Payments	<u>\$ 327,228</u>

NOTE 8 - 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, 2020 the Cumberland County Partnership contributed \$70,738 in matching retirement benefits.

NOTE 9 - 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:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
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 10 - COMMITMENTS AND CONTINGENCIES

A. 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, 2020 is \$212,617. No funds or reservation of net assets has been made for this commitment.

B. In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. As of June 30, 2020, there was no significant impact to the Cumberland County Partnership's operations. However, the Partnership for Cumberland County Partnership is not able to reliably estimate the length or severity of this outbreak. If the length of the outbreak and related effects on the Cumberland County Partnership's operations continues for an extended period of time, there could be a loss of revenue and other material adverse effects to the Partnership's financial position, results of operations, and cash flows.

NOTE 11 - RESTRICTIONS ON NET ASSETS

- A. Net Assets With Donor Restrictions** - Net assets with donor restrictions at June 30, 2020 are available for the following purposes:

Purpose	Amount
Dolly Parton's Imagination Library	\$ 1,282
The CarMax Foundation - Collaborative	9,834
Foundation for the Carolinas	2,011
Foundation for the Carolinas - Operation Restoration	90,712
Cumberland Community Foundation - Family Connects	33,923
Falcon Children's Home Car Safety Seat	5,000
Cumberland Community Foundation - Toilet Training	7,572
Partnership for Children Annual Fundraiser - Kidstuff Activity	3,702
Partnership for Children Annual Fundraiser - Administrative	6,587
Partnership for Children Annual Fundraiser - Mission Moments	140
Partnership for Children Annual Fundraiser - Early Care & Education Initiatives	1,804
	<u>\$ 162,567</u>

- B. Net Assets Released From Donor Restrictions** - Net assets were released from donor restrictions during the fiscal year ended June 30, 2020 by incurring expenditures satisfying the restricted purposes as follows:

Purpose	Amount
Dolly Parton's Imagination Library	\$ 3,526
The Carmax Foundation - Collaborative	636
Foundation for the Carolinas	11,351
Foundation for the Carolinas - Operation Restoration	9,287
Think Babies Community Infant Toddler Project	1,000
Partnership for Children Annual Fundraiser - Kidstuff Activity	3,361
	<u>\$ 29,161</u>

- C. Net Assets With Donor Restrictions** - Endowments restricted in perpetuity at June 30, 2020 were restricted for the following purposes:

Purpose	Amount
Endowment	<u>\$ 31,384</u>

NOTE 12 - BOARD DESIGNATED FUNDS

Occasionally, the Cumberland County Partnership's Board designates a portion of financial assets for various programs. In the event of an unanticipated liquidity need, the Cumberland County Partnership's Board could use these designated financial assets to meet unanticipated liquidity needs. At June 30, 2020, the Cumberland County Partnership had Board designated funds of \$71,578 for the following programs:

Region 5 Federal Grants (if there is a government funding reduction)	\$ 50,000
Capital Projects Fund	<u>21,578</u>
	<u>\$ 71,578</u>

NOTE 13 - FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS

The following reflects Cumberland County Partnership's financial assets as of June 30, 2020 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30, 2020:

Financial assets at year-end	
Less those unavailable for general expenditures within one year, due to:	\$ 1,235,339
Contractual or donor-imposed restrictions:	
Restricted by donor with time and purpose restrictions (See Note 11A)	(162,567)
Perpetually restricted by donor (See Note 11C)	(31,384)
Board Designated Funds: (See Note 12)	<u>(71,758)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 969,630</u>

The Cumberland County Partnership is supported by contributions with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Cumberland County Partnership must maintain sufficient resources to meet these responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year.

The Cumberland County Partnership did not have a board-approved liquidity policy as of June 30, 2020. The Cumberland County Partnership's liquidity management practice is to diversify and invest unrestricted cash in excess of the FDIC limit (per bank) into various investment vehicles such as certificates of deposits, money markets and E-Trade funds. In the event of an unanticipated liquidity need, the Cumberland County Partnership could reinstate a line of credit at its primary bank or liquidate its two certificate of deposits and E-Trade funds accounts.

NOTE 14 - 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, 2020. Income tax returns from 2017 through 2019 remain open to examination by tax authorities.

NOTE 15 - 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, 2020 was \$45,637; 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 16 - ENDOWMENT

INTERPRETATION OF ENDOWMENT UNDER UNIFORM PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT (UPMIFA)

Through June 30, 2020, 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 net assets with donor restrictions in perpetuity.

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. There were no such third party contributions directly to the foundation during the year ended June 30, 2020. 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, 2020 follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Funds	<u>\$ -</u>	<u>\$ 31,384</u>	<u>\$ 31,384</u>

NOTE 17 - SUBSEQUENT EVENTS

The Cumberland County Partnership has evaluated events and transactions that occurred between June 30, 2020 and March 3, 2021, 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, 2020 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, 2020.

This information is an integral part of the financial statements.

SUPPLEMENTARY INFORMATION

Partnership for Children of Cumberland County, Inc.
Schedule of Contract and Grant Expenditures - Modified Cash Basis
For the Year Ended June 30, 2020

Schedule 1

Organization Name	Smart Start Fund		Other Funds	
	Amount Advanced	Refund Due	Amount Advanced	Refund Due
Organizations:				
Action Pathways, Inc. (formerly Cumberland Community Action Program, Inc.)	* \$ -	\$ -	\$ 764,001	\$ -
Anson County Partnership for Children	-	-	9,954	-
Autism Society of Cumberland County	45,000	-	-	-
Building Blocks Early Education Learning Centers, Inc.	* 27,528	-	410,243	-
Carolina Collaborative Community Care (4C's)	105,638	2,415	-	-
Vernell C. Thomas, Inc. dba Cozy Corner Childcare / Jump Start University	* 36,918	-	114,692	-
Cumberland County Schools	* -	-	1,438,083	-
Easter Seals UCP - Spainhour	69,480	-	137,953	-
Fayetteville State University	19,845	-	340,909	-
Fayetteville Technical Community College	* 284,281	-	117,616	-
Kerri Hurley	63,163	-	-	-
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	12,092	-	-	-
	<u>663,945</u>	<u>2,415</u>	<u>3,385,723</u>	<u>-</u>
Individuals:				
Car Seats Distribution	3,777	-	-	-
Child Care Expense Reimbursements (Subsidy - TANF)	271,418	-	-	-
Child Care Expense Reimbursements (Subsidy - Non-TANF)	90,551	-	27,480	-
Child Care Expense Reimbursements (NC Pre-K Subsidy - TANF)	54,469	-	3,818,025	-
Child Care Expense Reimbursements (NC Pre-K Subsidy - Non-TANF)	10,073	-	885,600	-
Child Care Expense Reimbursements (Registration Fees & Transportation - Non-TANF)	3,370	-	-	-
Stipends / Scholarships / Bonuses	38,300	-	2,211	-
Participant Training Grants	10,704	-	28,967	-
	<u>482,662</u>	<u>-</u>	<u>4,762,283</u>	<u>-</u>
	<u>\$ 1,146,607</u>	<u>\$ 2,415</u>	<u>\$ 8,148,006</u>	<u>\$ -</u>

* These organizations are represented on the Cumberland Partnership's Board as described in Note 5 - 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, 2020

Schedule 2

Organization Name	DHHS Contracts
Child Care Services Association - WAGE\$ Program	\$ 371,554
Cumberland County Department of Social Services *	2,390,113
	<u>\$ 2,761,667</u>

* These organizations are represented on the Cumberland County Partnership's Board as described in Note 5 - 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 4 - 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, 2020

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)	*	93.575 005-20C	\$ 338,791	\$ 295,031
Child Care and Development Block Grant (Current Year)	*	93.575 005-20-IT	150,306	145,706
Child Care and Development Block Grant (Current Year)	*	93.575 005-20-HSB	183,513	203,414
Child Care and Development Block Grant (Prior Year)	*	93.575 005-19C	-	18,312
Child Care and Development Block Grant (Prior Year)	*	93.575 005-19-IT	-	1,558
Child Care and Development Block Grant (Prior Year)	*	93.575 005-19-HSB	-	9,323
Pass-through from the North Carolina Department of Health and Human Services,				
Division of Child Development and Early Education				
Child Care and Development Fund (NC Pre-K) (Current Year)	*	93.575 38231	198,176	174,963
Child Care and Development Fund (NC Pre-K) (Prior Year)	*	93.575 36870	-	151
Temporary Assistance for Needy Families (NC Pre-K) (Current Year)	* **	93.558 38231	6,748,666	6,747,866
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	2,597	4,500
Total Federal Awards			<u>7,622,049</u>	<u>7,600,824</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 (Prior Year)		N/A	(4,673)	(4,673)
Early Childhood Initiatives Program (Current Year)	*	N/A	3,632,384	3,632,384
Multi-Partnership Accounting and Contracting Grant (Current Year)		N/A	97,790	97,790
Dolly Parton's Imagination Library Expansion (Current Year)		N/A	30,000	32,244
North Carolina Department of Health and Human Services				
Division of Child Development and Early Education				
NC Pre-K (Current Year)	*	38231	1,783,003	1,778,199
NC Pre-K (Prior Year)	*	36870	(754)	-
Total State Awards			<u>5,537,750</u>	<u>5,535,944</u>
Total Federal and State Awards			<u>\$ 13,159,799</u>	<u>\$ 13,136,768</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, 2020

Schedule 4

Furniture and Noncomputer Equipment	\$ 280,054
Computer Equipment/Printers	292,063
Buildings	5,328,940
Leasehold Improvements	63,798
Motor Vehicles	<u>51,936</u>
Total Property and Equipment	<u><u>\$ 6,016,791</u></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, 2020

Schedule 5

Match Provided at the Partnership Level:

Cash	\$ 229,325
In-Kind Goods and Services	<u>91,294</u>
	<u>\$ 320,619</u>

Match Provided at the Contractor Level:

Cash	\$ 47,586
In-Kind Goods and Services	<u>52,860</u>
	<u>\$ 100,446</u>

Note: This schedule is presented in accordance with the program match requirement as provided for by North Carolina Session Law 2018-5, Section 11B.8.(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.

The amounts shown above as allowable for the Partnership in meeting its match requirement do not include allowable amounts included in the North Carolina Families Accessing Services through Technology (NCFAST) system as this information was not available in a timely manner for the fiscal year ended June 30, 2020. For the fiscal year ended June 30, 2020, Smart Start met the legislative statewide match requirement and will be waiving penalties for local partnerships that do not meet their match requirement for the fiscal year ended June 30, 2020.

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, 2020, 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 March 3, 2021.

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) 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 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 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. Given those 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.

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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



Charlotte, North Carolina
March 3, 2021

REPORT ON SINGLE AUDIT
PARTNERSHIP FOR CHILDREN OF CUMBERLAND
COUNTY, INC.
FAYETTEVILLE, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2020

BOARD OF DIRECTORS
CHAS SAMPSON, BOARD CHAIR

ADMINISTRATIVE OFFICER
MARY SONNENBERG, EXECUTIVE DIRECTOR

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, 2020, 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 March 3, 2021.

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) as a basis for designing 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 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. Given those 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.

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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



Charlotte, North Carolina
March 3, 2021

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, 2020. 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.

Opinion on the Major Federal Program

In our opinion, 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 its major federal program for the year ended June 30, 2020.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Partnership for Children of Cumberland County, Inc. as of and for the year ended June 30, 2020, and have issued our report thereon dated March 3, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report on the schedule of expenditures of federal awards is intended solely for the information and use of Partnership for Children of Cumberland County, Inc., management, and federal awarding agencies and pass-through entities, and is not suitable for other purposes.

CohnReznick LLP

Charlotte, North Carolina
March 3, 2021

Partnership for Children of Cumberland County, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal 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					
Temporary Assistance for Needy Families (NC Pre-K) (Current Year)	A - Major	93.558	38231	\$ 6,748,666	\$ 6,747,866
Total TANF Cluster				<u>6,748,666</u>	<u>6,747,866</u>
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					
Child Care and Development Fund (NC Pre-K) (Current Year)	A - Non-Major	93.575	38231	198,176	174,963
Child Care and Development Fund (NC Pre-K) (Prior Year)	A - Non-Major	93.575	36870	-	151
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)	A - Non-Major	93.575	005-20C	338,791	295,031
Child Care and Development Block Grant (Current Year)	A - Non-Major	93.575	005-20-IT	150,306	145,706
Child Care and Development Block Grant (Current Year)	A - Non-Major	93.575	005-20-HSB	183,513	203,414
Child Care and Development Block Grant (Prior Year)	A - Non-Major	93.575	005-19C	-	18,312
Child Care and Development Block Grant (Prior Year)	A - Non-Major	93.575	005-19-IT	-	1,558
Child Care and Development Block Grant (Prior Year)	A - Non-Major	93.575	005-19-HSB	-	9,323
Total CCDF Cluster				<u>870,786</u>	<u>848,458</u>
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	2,597	4,500
Total Other Programs				<u>2,597</u>	<u>4,500</u>
Total Federal Awards				<u>\$ 7,622,049</u>	<u>\$ 7,600,824</u>

See Notes to Schedule of Expenditures of Federal Awards

**PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

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. for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The information in this schedule is presented in accordance with the 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"). Because the Schedule presents only a selected portion of the operations of the Partnership for Children of Cumberland County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Partnership for Children of Cumberland County, Inc.

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 Partnership for Children of Cumberland County, Inc.'s basic financial statements. Such expenditures are recognized following, as applicable, the cost principles contained in OMB Circular A-122, "Cost Principles for Non-Profit Organizations" and the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Partnership for Children of Cumberland County, Inc. 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 Partnership for Children of Cumberland County, Inc.'s basic financial statements and the related federal financial reports submitted by Partnership for Children of Cumberland County, Inc.

**PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the audited financial statements were prepared in accordance with the modified cash basis of accounting, as described in Note 1 to the basic financial statements:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs

Unmodified

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

_____ Yes X No

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.558	Temporary Assistance for Needy Families (TANF Cluster)

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

None

Final recommendation for Construction Perm Style Renovation Loan in the sum of \$1,000,000

After the Executive Committee meeting, it was determined that the main account at the Partnership was extremely complex and any Institution that made this a requirement for construction perm loan would not be conducive to the organization. Therefore, this left only First Bank and Bank of America as viable options. Under the Executive Committee's direction, a phone call was made to each of the Institutions to provide their best loan commitment to the Partnership or Children of Cumberland County, Inc. Attached are the final proposals from each Institution.

- 1.) Bank of America currently holds the main account.
First Bank did not require the main account but did require the smaller Specialty accounts.
- 2.) Both Banking Institutions met the One-Million-dollar requirement.
- 3.) Both Institutions agreed on the Construction Perm Style Loan agreement with interest only until converting to a ten-year fixed rate, twenty-year amortization schedule.
- 4.) Bank of America's draw interest rate is 3.25%. First Bank draw interest is 2.85%.
Permanent interest rate for a period of ten years with a twenty-year amortization, Bank of America is 3.40% and First bank is 2.85%.
- 5.) Each Bank will charge closing costs. Bank of America estimated fees of \$5,000.
First Bank estimated fees of \$4,000.
- 6.) Bank of America requires the entire complex to secure the loan. First Bank only requires one of the two parcels as security.
- 7.) Bank of America has pre-payment penalties, First Bank has no pre-payment penalties.
- 8.) Both Institutions will require financial statements, organizational documents, and assignment of leases.

In closing, based on the information provided by both banks, it is my recommendation that we utilize First Bank as our Financial Institution of choice for the \$1,000,000 Construction Perm Loan.

Respectfully,


Charles C. Morris
Board Member Emeritus

Executive Committee (Acting on Behalf of Board)
(Virtual Meeting)
Thursday, February 25, 2021
President's Report

- A. North Carolina Partnership for Children (NCPC) Updates / DCDEE Updates / Legislative Updates**
1. **NCPC** – Network meetings with executive directors have shifted to once weekly with topical agendas.
 - **State Expansion of Child Care Health Consultants – contracts will run through NCPC.**
Contracts are now in process. The Health Department has posted the positions.
 2. **DCDEE** – Continue to monitor updated guidance for child care programs and NC PreK operation.
 - Approximately 95% of centers and 93% of Family Child Care Homes were open with 60% of their pre-pandemic enrollment. Enrollment varies across the state from very low (20%) to some programs being closed to fully enrolled. On average, child care providers are facing a 47% increase in operating costs during the pandemic. Pre-pandemic there were 41,000 teachers and staff, now there are 39,000.
 - We continue to limit face to face TA visits to issues related to health and safety concerns. Programs will begin to get cited on health and safety violations in March. Virtual options continue to be provided.
 - NC PreK – site monitoring is in progress with providers. Recruitment is ongoing for this year and recruitment has started for School Year 21-22.
 - Vaccine access has been expanded to child care providers and teachers as the first part of Group 3 Essential workers, effective February 24. Smart Start Partnerships and CCR&R Regional Leads are assisting getting information out to providers regarding the vaccine and coordinating with local entities giving the vaccines. Cumberland County Health Department has opened up appointments for child care providers and teachers through their online appointment system.
 - While DCDEE is determining how to utilize the new COVID related funds, they are getting out operations grants to open sites March & April and covering parent fees for parents receiving subsidy. The state has received \$336M in funds for child care supports that must be utilized by September 2022.
 3. **Federal Level** – Additional funding is being considered with negotiations in process. Vaccine supplies are increasing. Additional options for sites for vaccinations are starting to increase (i.e. Rural Community Health Centers, Walgreens, CVS, etc.).
 4. **Local Level – Support to programs**
 - **Healthiest Cities and Counties Challenge grant** - Candy is working on getting information out regarding the community assessment. For more information on the community assessment survey, contact Candy (cscott@ccpfc.org).
 - Program staff collaborating closely with Health Department and Child Care Health Consultants on getting information out to child care providers about the COVID-19 vaccine. Kudos for everyone pitching in to support our child care providers.

B. Grant Opportunities/Updates/RFPs

1. **Infrastructure Project:** The contract has been signed with WxProofing LLC for construction. Staff impacted during construction are in process of moving offices; moves to be completed by March 5. Having additional conversations with the banks for financing quotes at Executive Committee.
2. **We are the recipient of one of three PDG Regional Grants for Family Connects through NCPC.** We submitted a revised budget on February 19 to increase the number of births served, and thus the number of nurses to be hired. Carolina Collaborative Community Care (4C) has been designated the hiring agency for the Family Connects activity. Robeson and Hoke Counties are our collaborative partners for this grant. The effective date for the contract is March 1. The kick-off for the pilots is March 10 from 9:00-noon. The other counties that received the grant are Henderson and Watauga. Eight counties will be covered through this pilot.
3. **Community Development Block Grant (CDBG) RFP, City of Fayetteville** – Submitted request for funding to assist with the Infrastructure Project on February 19.

C. COVID-19 Updates

PFC implemented its HR 110 Communicable Disease Policy on Monday, March 16. Building closed to general public March 30 and this status continues. As the vaccine becomes more readily available and federal and state health and safety guidelines are updated, we will review PFC Guidelines and the status of the building being closed to the general public.

1. **Executive Order 195:** We are implementing procedures and protocols following federal and state health and safety guidelines for returning to work. On February 24 the Governor eased restrictions as NC trends continue to improve and vaccine distribution increases. EO 195 takes effect February 25 at 5:00 pm and expires March 26 at 5 pm. The order lifts the Modified Stay at Home Order and ends the curfew. The number of people who may gather indoors increases from 10 to 25, while 50 remains the limit for outdoors. Many businesses, venues and arenas will have increased occupancy both indoors and outdoors. Most schools will have in person options starting next week. Most of our child care programs are open and operating under enhanced health and safety standards. Face coverings are still required.
2. **PFC Guidelines:**
 - a. Staggered schedules continue, determined by supervisors by department to manage business and programmatic functions. Staggered schedules may include a combination of teleworking and on-site work. The Governor continued to encourage such operations where feasible to reduce spread.
 - b. Staff primarily teleworking include TAs and Professional Development staff and staff who are in high-risk categories.
 - c. The Consolidated Appropriations Act allowed for voluntary continuation of FFCRA Paid Sick Leave available for those staff who meet the criteria. We have opted to continue this leave. Tax credits for the leave are handled through our payroll system. The CAA also gives employers the option to allow participants to roll over all unused amounts in their health or dependent care flexible spending accounts from 2021 to 2022. Employers can also allow participants to make election changes, including new elections, to their FSA benefits. We are offering both.
 - d. Masks provided to all staff to reinforce the 3 Ws. PFC Staff, Tenants and their clients, and

contractors (i.e. cleaning and security) must complete a screening questionnaire for COVID-19 prior to entry into the building. Staff screening questionnaire applies to staff coming into the office or doing limited work in the field representing PFC.

- e. Enhanced cleaning of the building throughout the day continues.
- f. The building is restricted to PFC staff, tenants and tenant clients by appointment only. Access is Monday-Friday during the hours of 8:30 am – 6:00 pm with extended hours two evenings a week until 9:00 pm and one Saturday each month from 9:00 am – 3:00 pm. The building remains closed all other weekends and PFC recognized holidays through Phase 3 Executive Orders.
- g. Limited utilization of conference room space for groups of no more than 10 people continues under the modified Phase 3 extension. Screening procedures, the 3 Ws and cleaning procedures must be followed by all participants including the facilitator of the group.
- h. Virtual options for contact with families and providers continue. Limited face-to-face contact with families and providers done with supervisor guidance when dictated to complete deliverables. In those cases, procedures for 3 Ws and screening are followed.
- i. Per Policy HR 110, President maintains regular contact with Board Chair for review and continuation of services. Regular communication going out to Board and staff. Decisions are made based on federal and state guidance and mandates.
- j. Email Updates and DHHS Guidance documents posted on website: ccpfc.org.

D. PFC Updates

1. **Audit** -We received our draft audit reports. There were no findings. We are still waiting for the finalized documents. Once received, they will be posted on our website and sent out to Board.
2. **Proposals are being reviewed for the next three-year Smart Start allocation period.** Final recommendations for allocations from the review teams will be made during the March 9 meeting from 2:00-5:00 pm. These recommendations will then be taken to the Board of Directors for action for Fiscal Year 21-22.
3. **ACH payment** – The process is going relatively smoothly in paying our DSPs, NC PreK providers and Dual-Subsidy providers. We are working on notifications to recipients of their ACH payments.

E. Events

1. **Board and Committee Meetings:** Meetings conducted virtually at least through the duration of the COVID emergency due to space limits of conference rooms for social distancing. We are assessing any additional equipment needed to be able to have a virtual option along with face-to-face meetings.
2. **All Staff Virtual meetings:** Scheduled the second and fourth Wednesdays, 2:30-3:30 pm through the duration of the COVID-19 emergency.
3. **NC Pre-K Drive-through Application Days: February 27, March 27 and April 24** from 9:00 – 11:00 am at the Partnership. Applications for School year 21-22 are online NOW!
4. **Drive-Through Truckload of Hope Diaper Bank: March 13, April 10, May 8 and June 12** from 8:30-10:30 am. Volunteers needed. Contact Daniele Malvesti (dmalvesti@ccpfc.org) if you can assist.

Cumberland County Formal Site Visit (FSV) Report Status FY 2020-21

Program Name	Site Visit Date / Time (9:00 a.m. - 12:00 p.m.)	Status/Notes	Report to Pamela	Report to DSP	Report Signed by DSP	Signed Copy Sent to Mary	Copy Signed by Board
All Children Excel (ACE) Nurturing Parenting Program (NPP)	4/6/2021						
Assuring Better Child Health and Development (ABCD)	3/15/2021						
Circle of Parents® Support Program	3/22/2021						
CCR&R (Consumer Education)	3/2/2021	Initial visit completed; Review and Report In progress					
CCR&R (Lending Library)	2/11/2021 (9:00 am 10:30 am)	Initial visit completed; Review and Report In progress					
CCR&R (Provider Services) (Technical Assistance and Professional Development)	4/8/2021						
Child Passenger Safety Car Seat	3/2/2021	Initial visit completed; Additional information requested					
Community Engagement and Development (CED)	2/17/2021	Initial visit completed; Review and Report In progress					
DSS Child Care Subsidy	No Site Visit Required						
Family Connects	3/11/2021	Initial visit completed; Review and Report In progress					
Family Resource Center (FRC) (Diaper Bank)	To Be Scheduled*	Measurement issues review needed in advance of site visit					
Family Resource Center (FRC) (Kaleidoscope)	2/11/2021 (10:30 am 12:00 pm)	Initial visit completed; Review and Report In progress					
Kindermusik & Music Therapy	2/2/2021 (1:00 - 3:00 pm)	Initial visit completed; Review and Report In progress					
Parents for Higher Education (PFHE) Subsidy	2/18/2021	Initial visit completed; Review and Report In progress					
PFC Child Care Subsidy TANF/CCDF and Non-TANF/CCDF	3/16/2021						
NC Pre-K Enhancements (TANF & Non-TANF)	To Be Scheduled*	Was not in contract when initial schedule created. Data requested to begin the initial review process					
Reach Out and Read (ROR)	3/15/2021						
Spainhour Subsidized Child Care	Not in Contract; Activity Suspended						
WAGE\$	No Site Visit Required						

Update:

Hoke County Formal Site Visit (FSV) Report Status FY 2020-21

Program Name	Site Visit Date	Status/Notes	Report to Pamela	Report to DSP	Report Signed by DSP	Signed Copy Sent to Jean Squire	Copy Signed by Board
Speech Connections	3/9/2021 (12:00 pm)	Initial visit completed; Review and Report In progress					
Parents as Children (PAT)	3/17/2021 (10:00 am)						
Child Safety Seat Program	3/17/2021 (1:30 pm)						
Quality Child Care (QCC)	3/18/2021 (10:00 am)						
NC Pre-K (Hoke County Schools)	3/19/2021 (9:00 am)						
Mobile Preschool Program (MPP)	4/8/2020 (10:00 am)						
Quality Enhancement Program (QEP)	4/8/2020 (1:30 pm)						
Children's Developmental Center-Enhanced Therapy Services (CDC)	N/A	Activity Suspended					
DSS Child Care Subsidy	No Site Visit Required						

Note: Site visits originally scheduled for February were rescheduled due to COVID closure impacting access to programs.