



December - Balance Sheet and Income Statement Recap – 2018

Statement of Financial Position (Balance Sheet)

- **Cash** at year-end has continued to be retained at a level higher, this being due to the new 1st Avenue location and the State's unknown changes in consumer funding.
- **Investment** income has increased again in 2018 due to having a large amount in designated donations sitting in the money market account. Over all general investments are very comparable to the previous year.
- Our **Electrolux Receivable** has decreased slightly over prior year's balance. This is all dependent on payments scheduled and inventory we hold for them that is unassembled. We monitor this account closely and have tried to predict unpredictable payment systems and cycles with this customer. This amount will really start to drop off as Electrolux starts moving their operations to the southern United States which is anticipated to being in June of 2019.
- Our **Program Receivable** is comparable to prior year's balance. Over the last year, our program billing accountant has worked hard on collecting the outstanding contract issues on some long standing contract issues with the State.
- Year-end **Inventory** increased slightly over prior year's balance due to slowing down of Electrolux at year end. Thriftworks! inventory increased slightly over prior years as the value of the donated goods was arrived at using estimated average of monthly sales from the store in operation from January – December 2018 and multiplying it by three months. The recording of inventory is reflected on the Statement of Activities (Income Statement) as an in-kind (or noncash) donation per our auditors.
- In 2018, WACOSA increased in **fixed assets** held by the Organization. The increase is due to the addition of additional vehicles, Payroll Software and the addition of 1st Avenue (Please see additional list of assets attached for more information.)
- Wages payable and accrued vacation payable both increased significantly due to the addition of the 1st Avenue location and with more long term employees accruing more vacation.



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Statement of Activities (Income Statement)

- **Program Service Fee Income**

- During the year of 2018, we increased significantly in MA and that is due to the addition of 1st Avenue location; and also in Vocation Rehab Services and that is due more clients being served in supported employment. We still continue to see and influx of different rates coming in for the different service agreements.

- **Vocational Income**

- This year we were over budget in 2018 in some of the business ventures while falling short in other areas. Consumer wages were slightly over budget in the lower vocational areas as a result of the increases/decreases of growth noted below.
 - Our in-house production was under budget by \$17,000 for the year. WACOSA lost a couple of large contracts throughout the year and have replaced them with smaller ones.
 - Increase in poundage from shred customers is approximately 5,600 pounds over 2017. Shred Revenue increased in 2018 by \$20,000 over 2017 and this increase is due to the increase in shred prices charged per pound.
 - Thriftworks! increased revenue by \$66,830 in 2018 compared to total revenues in 2017. WACOSA budgeted Thriftworks! revenue d to be approximately \$277,000 in 2018 with actual revenues coming in at approximately \$354,000.

- **Donations and Public Support**

- Donations during the year have increased by approximately \$86,000. The reason for the increase is due to a couple of large grants and also designated donations. In 2018, in-kind donations (gifts of noncash) were also recorded as a resulting value from ThriftWorks! inventory on hand (as noted previously) and warehouse space leased at no cost to the Organization. Also included in the In-kind donations for the year, were 1st Avenue assets that were donated to us.



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- Notable Changes in General Expenses

- **Staff Wages** – Staff received one wage increase in the 4th quarter of 2018. These increases were to try to get some of the pay grades in line with the competitive market. There were also a few wage adjustments for people who were out of line with the pay grade and have been employed for a long time with WACOSA. The increase also included the addition of the 1st Avenue employees at the end of 2018.
- **Health Insurance** – During 2018, the net health care costs increased slightly over the 2017 year's activities. These expenses were under with the budget for 2018, as we shifted more of the costs for the traditional plan and family plans back on the participants. WACOSA worked with Principle to examine claims and possible future claims using new tools and systems available. Through this assessment WACOSA will continue looking to develop a wellness program geared to help minimize high claim risks while educating staff on healthy life habits.
- **401(K) Match and Fees** – During 2018, 401(K) match was \$46,000 for the year compared to \$27,000 in 2017. The reason for this increase is that in 2018 WACOSA increased the matching amount to 2%.
- **Client Wages and Related Costs** – Client wages and related cost have increased over 2017 by approximately \$9,000. The reason for this increase is the increase of minimum wage and also in jobs.
- **Utilities / Supplies / Snow Removal** – Utilities were higher than in the prior years and over budget by \$18,000 is this due to the swings in the temperatures during summer and winter months. Equipment under \$1,000 was under budget but over the 2017 expenditures. Building and ground maintenance is under budget as some of the anticipated projects were put on hold for 2018.
- **Vehicle Expenses** – Currently running a fleet of 40 vehicles, WACOSA was approximately \$6,000 over budget for fuel costs in 2018. Throughout the year vehicle maintenance ran over budget by approximately \$43,000. When comparing the year's activities it was noted the difference was a result of older vehicles, additional tire replacement as mileage has increased, vandalism, accidents and various repairs. At the end of 2018, we have 8 leased vehicles which should help lower some of our vehicle maintenance expenses.
- **Professional Fees** – These costs were under budget by approximately \$20,000 in 2018. This was a result of accounting fees not incurred as WACOSA was exploring their new strategic plan, attorney fees, insurance deductibles and various other consulting fees.