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| 2022 -2023 Income and Expenses  |

**2022 – 2023 Budget Summary**

**Overview:**

Welcome to the overview of the 2022 – 2023 Habitat for Humanity of Catawba Valley Budget.

The 2021-2022 was a year that none of us could have predicted with the windfall gift of $2.5 million from MacKenzie Scott. The bulk of this gift, minus the repayment to Paul Thompson for the loan of $450,000, remains on deposit with Peoples Bank.

In preparing the 2022-2023 Budget, the Scott gift was deducted from the revenue line item. To predict more accurately, this budget is based on the projected profit and expenses based on the April 2022 totals.

We live in uncertain times with inflation, supply chain uncertainty and labor shortages, but Habitat is in a solid position to increase capacity with focused and expanded development, ReStore and construction operations.

**Details:**

Habitat has many moving parts, and the budget reflects each Habitat department (Program, Repairs, General & Admin, Development and ReStore). Most *Revenue* is generated by three basic categories: Gross Sale of Homes (revenue from the sale of Habitat and Open Market Homes), Donations (revenue from contributions that are tracked by the gift source: individuals, corporations, churches, etc.) and ReStore sales (revenue from in-person and on-line sales.)

Sub-categories under *Expenses* are the different “departments” of Habitat including:

1. ***Program*** (all expenses associated with new home construction),
2. ***Habitat Repairs*** (payroll **and** repair costs),
3. ***General and Administrative*** (back office or overhead expenses),
4. ***Development*** (Fundraising),
5. ***Restore*** (payroll **and** operating costs).

Let’s begin by looking at the details of the budget and the explanation of the footnotes added to some line items:

**Income:**

1. **4000 Gross Sales of Homes** – this item projects 10 homes to be completed and sold in 2022-23. In our current projection has 7 traditional Habitat Homes and 3 Open Market homes for total revenue of $1,798,000 including $6,000/house ($60,000 total) through the Duke Energy HERO energy efficiency program.

*(Corresponding Expense line item 5000 is the cost of the homes: building materials, land and subcontractors).*

1. **4005 Donations –** Projected increase of $500,000 from previous year’s budget with improved fundraising efforts. Home is the Key will become a hybrid event with in-person and virtual options.
2. **4200 Corporate Donations –** Additional $40,000 added from PNG grant funding for increase in Habitat Repairs! projects.
3. **4005 Total Donations –** overall increase of $500,000.
4. **4900 Other Income –** Proceeds from sale of Administrative Building (gross sale $375,000 less $200,000 down payment.
5. **4990 ReStore Sales –** Projected increase in sales to $95,000/month with “sprucing up” of store interior as the ReStore enters the 12th year in current location. Additionally store will begin a “purchased product” supplementing furniture inventory and creating dependable supply of better quality upholstered furniture.

**Expenses:**

1. **5002, 5302 & 9002 –** Salaries for the 3 Habitat departments: ***Program*** (new construction), ***Home*** ***Repairs*** and ***ReStore***.

Captures new positions for development director and content specialist approved by Board in February 2022. Additionally, budget includes shift from parttime to full time Home Repairs Manager (new total of 2 – Richard was parttime), adds 2 construction site assistants, an Office Administrator with HR skills, and 2 PT ReStore clerks.

1. **5199 Cost of Homes –** the total expense of materials, land and contractor labor for 10 homes projected to be built and sold. Currently 6 homes are under construction in various stages making the 10-home goal realistic.

1. **5215 Closing Costs –** cost of selling Habitat and Open Market homes to homebuyers.
2. **5354 Repair Project Expenses –** Budget estimates 50 repairs at an average cost of $5,500/repair.
3. **5390 Interest –** Interest in purchase of new construction van.
4. **5504 Rent -** $1,500/month beginning 1/23 for warehouse space
5. **5540 Dues & Fees –** Reduction in interest paid to Catawba Valley Building Supply with on time payments.
6. **5550 · Computer Supp & Equip –** Additional computers needed for additional staff.
7. **5590 · Interest –** Projected interest on new admin building loan.
8. **5645 Professional Fees –** Includes $5,000 balance of fees for strategic planning consultants.
9. **5680 Vehicle Expense –** Adjusted for increase in fuel expenses.
10. **7520 Dev-Trng/Prof Dev –** Reduction in Funding for Good consulting fees with addition of Development Director
11. **7520 Development Training/Professional Development –** Professional fundraising training and strategic planning
12. **7640 Marketing and Media –** marketing and advertising with outside vendors.
13. **7890 Dev- Consulting –** Grant writer expenses
14. **9560 ReStore- General Maintenance –** Includes interior renovations to improve sales.
15. **9590 ReStore other purchases -** $50,000 allocated to purchased product (furniture) projected to increase sales by $100,000.
16. **9603 ReStore-Training –** Funding for ReStore staff to attend HfHNC Conference and ReStore University.
17. **9610 · ReStore-Other Expense –** Temporary contract labor used to fill gap when unable to fill open staff positions.
18. **9625 · ReStore-Advertising –** Social media, marketing, mailings.
19. **9660 · ReStore-Office & Tool Supplies –** Hand trucks, water cooler, ladder.
20. **9680 · ReStore-Vehicle Expense –** Increased fuel costs, tires, lift gate repairs
21. **9690 ReStore-Volunteer Hospitality –** T-shirts for volunteers

**Capital Expenditures –**

**ReStore** –

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| **Capital improvements** |  |
|  |  | **Replace 2 HVAC Units** | 20,000.00 |
|  |  | **Computer upgraded** | 5,400.00 |
|  |  | **Landscap improvement** | 5,500.00 |
|  |  | **Dock Repairs & Upgrades** | 11,000.00 |
|  |  | **Shelving store merchandise** | 5,000.00 |
|  |  |  |  |
|  |  | **Total ReStore Capital Improvements** | 46,900.00 |
|  |  |  |  |
| **New Repair Van** | 42,000.00 |
| **New Construction Van** | 42,000.00 |
|  |  |  |  |
|  |  | **Total improvements** | 130,900.00 |