

## **FY23 Budget Narrative**

### **Port Chester Carver Center**

**6.6.2022**

The attached budget is a provisional budget: it's a first draft of the operating budget for the period of July 1, 2022 – June 30, 2023. We will continue to refine our plans and the budget over the summer and present a final draft of the budget for Board approval at the first board meeting of the year in September.

#### **Highlights**

The budget projects a break-even scenario with income offsetting expenses.

#### **Income:**

We have not planned to take an endowment draw to help offset program expenses.

The projection for unrestricted contributions mirrors our budgeted goal for FY22. At \$1,100,000 it is an aggressive, but not unreachable goal. Our advancement team will develop a written plan to achieve the plan over the summer. We will know by January 2023 how we are doing against goal and can make modifications to the annual plan if we don't think we will be successful.

Restricted contributions have been growing over the past three years. The goal of \$931,904 reflects grants and contributions that have either already been committed or are highly likely to re-occur. Restricted contributions offset commitments to spend the funds on specific activities such as food for the Carver Market; staffing for afterschool programs; and equipment. Examples of large, restricted contributions include a \$150,000 grant from Westchester County for the Carver Market; and the \$212,000 from PCSD to fund our Summer Enrichment Camp for Middle Schoolers. We think there is probably more revenue potential in restricted contributions.

The 2022 Annual Benefit raised \$560,000 and most of the income has been collected. Because next year is our 80<sup>th</sup> Anniversary and we are beginning work on the 2022 event now, we have set a revenue goal of \$500,000 offset by \$110,000 in expenses.

Government Grants mostly reflects anticipated reimbursement income from the Summer Food Service Program and the Child and Adult Food Care Program.

Program Fee Income represents fees for Citizenship and Aquatics Programs.

Food Service Income assumes that we will resume our meal service for Head Start at Carver Center (4 classrooms) and the Spring Street location (8 classrooms) in the fall.

## **Expenses:**

This budget proposes a 3% cost-of-living increase for all staff except the CEO and any employees receiving a salary increase. It has been proposed that, given the inflationary environment, we should consider 5-6%. That would add approximately \$35,000 - 50,000 to our expense budget.

Salaries are nearly \$500,000 higher than they were in 2022 because 1) Approximately \$300,000 of the expense is covered by restricted contributions (for afterschool and camp programs and two Carver Market positions); and 2) we project to fill vacancies, critically the Chief Program Officer position. The projection of \$2.023M is less than Carver spent in 2018 (\$2.5M) and 2019 (\$2.8M).

Food expenses are budgeted at 70% of the government reimbursement. There is opportunity to fundraise for support of this meal program, but we haven't projected contributed income for food service yet.

Occupancy is budgeted break-even to last year. Our gas bills from Con Edison are greatly reduced due to the new boiler, but gas prices are rising.

We anticipate that repairs and maintenance won't be as high in FY23 since we were very aggressive in completing repair projects in FY22. [Note that many of our expenses last year are reflected as improvements to fixed assets on the balance sheet rather than expenses in the operating budget.]

The increase in supplies reflects the increase in programmatic activity, with some costs covered by restricted contributions.