

Carver Center Finance Update 3/5/25

Summary: Similar to the update at our late Jan board meeting, YTD fiscal 2025 looks very healthy financially as Carver builds stability and diversity of income sources and plans for major capex investments

Income statement:

Income: Revenues reached \$3.38M YTD, which is slightly below budget of \$3.75, but that is a timing issue given the budget was set by dividing the FY by 12 months and doesn't account for seasonality and events such as the gala.

- Unrestricted contributions or donations hit \$1.3M and already reached the FY budget of \$1.3M
- Restricted Contributions and Govt Grants are pretty much on track w/ expectations (even if below bud)
- Food service income will not hit budget due to the cancellation of Head Start, but will be balanced by lower expenses

Expenses: Expenses reached just about \$3M YTD and are \$950k below budget

- This is still impacted by less initial hiring for teachers for the RECOVS program
- Food expenses are lower since Carver's not serving meals for Head Start
- A couple of small overages on advertising due to hiring related costs and telephone/internet to improve security

Net: YTD Carver has a positive net operating income or surplus of ~\$390k and overall net income of ~\$420k

Cash Flow: Current cash position is \$890k, which is healthy. For context each month Carver needs on avg \$300k for salaries/benefits/month and ~\$500k/mo to cover expenses.

Balance Sheet: Also a strong w/ the healthy cash flow plus ~\$650k in T-bills, lower receivables, and higher endowment income

Capital Expenditure: Major capex work (e.g., roof/façade, parking lot) which require short term cash are not expected to begin until mid-year since there's still on-going work on the plans and permits; most of the work will be covered by reimbursement grants

Endowment: This is mostly a repeat of Jan

- Moved all funds from Silvercrest to Vanguard in Sept 2024 to lower the cost of investment management (e.g., Vanguard offers the lowest fee at 30 basis pts vs 60-125 for others) and invest in diversified ETFs to reduce risk
- Current Allocation: Equities 55% total (US 44%, Intl 11%), Fixed Income 40% (32% US, Intl 8%), 5% cash/money market
- Endowment funds reached \$1.93M and the Board-designated investments reached \$305k on 2/28/25; 2025 YTD investment returns +\$11,343; expense ratio of 0.04%