

HFHB
Controller Report to Board of Directors
For the period July 1 thru April 30, 2018

YTD Overview

Habitat is in good overall fiscal standing. Primary drivers include:

1. \$245,000 Estate Gift from Dr. Bernard D. Wakefield Trust;
2. ReStore profitability is exceeding expectations;
3. Homeowner mortgage payoff's and closing cost assistance is up – increased cash and improved financing subsidies;
4. Reduction in mortgage servicing and foreclosure expenses as well as improvements in CIP procurement.

Improvements include:

1. Improved budget data / efforts resulting in increased assurance of projections and monitoring;
2. Fiscal reporting structure improvements providing meaningful and actionable management reporting and more accurate and articulate presentation to external stake-holders;
3. Overall improved procurement value and reduction of un-necessary purchases;
4. Capital (fixed assets) & strategic growth planning – prioritized and budgeted.

Challenges include:

1. Process deficiencies. Most acutely reporting expenses and gifts-in-kind; exposure concerns reporting to funding sources, published audit findings, and resource inefficiencies;
2. Coordination of efforts;
3. Cash management – leveraging how purchases are made to optimize cash deposits to reduce costs;
4. IT system. The security of our IT system, primarily access, retention and transmission of data poses significant exposure.

Continuous Improvements / Opportunities:

1. Improve presentation of our external financial statements in conformity with Generally Accepted Accounting Practices (GAAP) to increase readability and understanding for external share-holders.
2. Negotiate North ReStore lease and facilities improvements.
3. Coordination of Donor Link and QuickBooks for financial reporting.
4. Operational banking (summarized below).

Banking

We are completing an in-depth assessment of our operational banking needs and opportunities. Key considerations include:

- Treasury Costs (account maintenance fees)
- Line of Credit terms
- 1675 S. Park Mortgage cost, terms, and options. Currently our operating accounts must be with Key Bank as condition of the note.

Cash Flow

Cash balances are sufficient to provide for operations and capital acquisition into the foreseeable future. Our current available funds as of May 14th, net of payables, is approximately \$830,000. In addition, our long-term Landmark Investment Account is valued at ~\$247,000. Restricted cash includes:

2017 Boces Modular	\$	42,495
49 Kilhoffer		31,228
Critical Home Repair Program		79,000
Total	\$	152,723

Construction

Year-to-date construction in process spend has been \$700,000. April CIP spend was \$71,000. Spring construction has a slower start than expected due to delays in site acquisition. Home build and sale data can be found on a separate page.

Development

The House That Beer Built Campaign (beer books & event) was a success, refer to J. Sheldon report.

AHC Construction grant income for 102 Sussex and 101 Grey was \$52,000 after fees and fines; an additional \$27,000 in Homeowner closing cost assistance was receipted.

We received \$39,000 from the Oishei Foundation for our Critical Home Repair Program in April. April House sponsor receipts totaled \$70,000 including:

5 Star Bank	\$	10,000
Patric Lee Foundation	\$	20,000
IUE CWA Hsing Corp.	\$	40,000

ReStore

The ReStore Program's net income was \$17,900 on \$64,800 of net sales or 27.6% in April. Program activity includes partnering with a kitchen cabinet maker to donate cabinets removed from homes.

Mortgage Servicing

A number of families have retired their mortgage obligation with Habitat. This is a win / win and will have a significant positive impact on our operating results attributed to mortgage financing subsidy.

Habitat for Humanity-Buffalo, Inc.
Proforma Cash Flow with April Actual
April - June 2018

	Apr 2018 Actual	May 2018	June 2018
Operating Acct	560,952		
Money Market Accounts	50,745		
Beginning Balance	611,697	867,160	750,326
RECEIPTS			
4300S · Fundraising - Development	86,498	3,000	5,000
4300S · Fundraising - ReStores, net of COGS	55,000	70,522	70,522
4100S · Contributions	13,811	1,000	4,000
4120 · Estate Giving & Endowments			
4000S · Grants	64,300	1,938	94,988
4200S · House Sponsorships	50,000		84,480
4550S · Other Prog. Inc. (Critical Hm Repair)			
4900S · Other Income	259		50
Mortgages and rents *	154,248	42,800	42,800
Grants, HomeOwner Awarded	10,500		
Total Cash Receipts	434,616	119,260	301,840
DISBURSEMENTS			
Non-Expense Outflows			
Construction In Progress	70,585	101,500	76,500
Capital Additions / (Sale Proceeds)	1,490		
Escrow and reimbursable closing costs			
Sales Tax Payable			
Mortgage Debt Service (1675 S. Park)	1,456	2,257	2,257
Other Disbursements			
Total Non-Expense Outflows	73,531	103,757	78,757

Habitat for Humanity-Buffalo, Inc.
Proforma Cash Flow with April Actual
April - June 2018

	Apr 2018 Actual	May 2018	June 2018
Expenses:			
5000S · Constr. Warranty & Critical Hm Repair		2,000	14,000
6000S & 6100S · Labor Exp.	84,416	68,201	91,359
6900S · Tithe		47,800	
7600S · Professional Fees	500	3,118	2,710
6200S · Facilities	6,670	6,157	6,437
6700S · Fundraising Expense	7,322		
6500S · Insurance **			15,262
7400S · Dues, Subscriptions & Publins.	1,200	40	40
7800S · Interest Expense, Mortg. Only	801	826	826
Credit Card & Bank Fees	176		
LOC Interest			
6300S · Vehicle Expense	1,959	1,491	2,367
7000S · Supplies/Equipment	1,214	2,455	2,455
7300S · Travel & Seminars	464		
6600S · Advertising & Marketing		250	250
6800S · Volunteer Appreciation			
8000S · Other Expenses			
7500S · Postage	900		
Total Expenses	105,622	132,338	135,706
Net Cash Flow before LOC	255,463	(116,834)	87,378
LOC - Draw / (Repayment)	-		
ENDING BALANCE	867,160	750,326	837,703
LOC - Outstanding balance	-	-	-

* Mortgage and Rents Detail April 2018

 Include March & Apr. Mortg. Receipts (timing) 86,792

 Early mortg. payoff 79,922

The difference between early payoff amounts and cash activity regards our receipt of

** Workers Compensation insurance is included in Employee Benefits

Habitat for Humanity-Buffalo, Inc.
Profit & Loss Budget vs. Actual
 July 2017 through May 2018

	Jul '17 - May '18	Annual Budget	\$ Over (Under) Budget	% of Budget
Income				
4000S · Grants	320,371	423,400	(103,029)	76%
4100S · Contributions	392,785	544,250	(151,465)	72%
4120 · Estate Giving & Endowments	245,000	-	245,000	100%
4200S · Dedicated Income				
4201 · Critical Hm Repair Prog Funding	79,000	-	79,000	100%
4203 · House Sponsors	259,015	255,000	4,015	102%
Total 4200S · Dedicated Income	338,015	255,000	83,015	133%
4300S · ReStore Fundraising	728,522	769,853	(41,331)	95%
4305 · Event Income	113,859	95,000	18,859	120%
4500S · Home Sales ¹	782,962	932,704	(149,742)	84%
4550S · Other Program Income	261,878	220,998	40,880	118%
4900S · Investment & Other Income	6,131	8,645	(2,514)	71%
Total Income	3,189,523	3,249,850	(60,327)	98%
Cost of Goods Sold	6,552	8,775	(2,223)	75%
Gross Profit	3,182,971	3,241,075	(58,104)	98%

Habitat for Humanity-Buffalo, Inc.
Profit & Loss Budget vs. Actual
 July 2017 through May 2018

	Jul '17 - May '18	Annual Budget	\$ Over (Under) Budget	% of Budget
Expense				
5000S · Direct Construction Costs	480,101	829,011	(348,910)	58%
5300S · Discount on Mortgages Issued ²	469,777	675,000	(205,223)	70%
6000S · Salary & Wages	592,517	738,770	(146,253)	80%
6100S · Payroll Taxes & Benefits	133,604	180,229	(46,625)	74%
6200S · Facilities	77,811	134,226	(56,415)	58%
6300S · Vehicle Expense	18,648	41,604	(22,956)	45%
6500S · Insurance	47,356	47,144	212	100%
6600S · Advertising & Marketing	1,450	11,645	(10,195)	12%
6700S · Fundraising Expense	51,396	50,750	646	101%
6800S · Volunteer Appreciation	4,491	10,700	(6,209)	42%
6900S · Tithes ³	47,831	45,000	2,831	106%
7000S · Supplies/Equipment	11,939	33,255	(21,316)	36%
7200S · Depreciation	45,604	50,977	(5,373)	89%
7300S · Travel & Seminars	7,086	8,500	(1,414)	83%
7400S · Dues, Subscriptions & Publns.	35,292	25,609	9,683	138%
7500S · Postage	2,219	3,000	(781)	74%
7600S · Professional Fees	139,844	189,687	(49,843)	74%
7800S · Interest Expense	22,874	34,434	(11,560)	66%
8000S · Other Expenses	6,730	2,635	4,095	255%
Total Expense	2,196,571	3,112,176	(915,606)	71%
Net Income ⁴	986,401	128,899	857,502	74%

NOTES

¹ See separate page for home sales

² Estimated

³ Current Tithe "expense" includes 2017 catch-up

⁴ Projected annual net income = \$576,903

Habitat for Humanity-Buffalo, Inc.
Balance Sheet Prev Year Comparison

As of April 30, 2018

	Apr 30, 2018	Apr 30, 2017	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1000 · KeyBank - Operating *318	480,931	15,396	465,535	
1010 · KeyBank - ReStore North *238	7,611	5,162	2,449	
1011 · Cash on Hand	603		603	
1020 · KeyBank - ReStore South *919	8,180	2,875	5,305	
1025 · KeyBank - Online Giving *072	1,025	234	791	
1026 · KeyBank - Capacity Bldg *0080	28	250	(222)	
1030 · M & T	254,177	19,297	234,880	
1040 · KeyBank - Money Market *858	132,052	79,675	52,377	
1060 · Key Investment Services	760	6,324	(5,564)	
1070 · NW Bank Mortg Escrow *5400	83,147		83,147	
1071 · NW Bank Principal *5392	3,026		3,026	
Total Checking/Savings	971,540	129,213	842,327	652%
Accounts Receivable	(885)	3,789	(4,674)	-123%
Other Current Assets				
1100 · Marketable Securities	246,524	229,556	16,968	7%
1150 · Gift Cards	1,259	5,794	(4,535)	-78%
1270 · Prepaid expenses	22,384	3,798	18,586	489%
1300 · Construction in Progress	1,435,077	1,513,501	(78,424)	-5%
1715 · Closing Costs, Refundable	57,077	642	56,435	8790%
Total Other Current Assets	1,762,320	1,753,291	9,029	1%
Total Current Assets	2,732,975	1,886,293	846,682	45%
Fixed Assets	431,460	467,682	(36,222)	-8%
Other Assets				
1610 · Mortgage Receivable	3,243,560	2,769,644	473,916	17%
1700 · Refundable Deposit		1,500	(1,500)	-100%
1710 · Other Homeowner Receivables	3,611	3,611		0%
1720 · Escrow-AmeriNational		14,650	(14,650)	-100%
1740 · Escrow Receivable	1,709	(40)	1,749	-4373%
1800 · Mortgage Costs	5,242	6,241	(999)	-16%
Total Other Assets	3,254,122	2,795,606	458,516	16%
TOTAL ASSETS	6,418,557	5,149,581	1,268,976	25%

Habitat for Humanity-Buffalo, Inc.
Balance Sheet Prev Year Comparison
As of April 30, 2018

	Apr 30, 2018	Apr 30, 2017	\$ Change	% Change
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	30,160	64,138	(33,978)	-53%
Credit Cards	14,281	19,435	(5,154)	-27%
Other Current Liabilities				
2200 · Sales tax payable	11,475	8,762	2,713	31%
2300 · Escrow	81,037	2,482	78,555	3165%
2400 · Rent & Down Payments	93,831	34,667	59,164	171%
Total Other Current Liabilities	186,343	45,911	140,432	306%
Total Current Liabilities	230,784	129,484	101,300	78%
Long Term Liabilities				
2500 · Mortgage Payable	224,713	241,848	(17,135)	-7%
2600 · Note Payable - land	24,728	24,728		0%
Total Long Term Liabilities	249,441	266,576	(17,135)	-6%
Total Liabilities	480,225	396,060	84,165	21%
Equity	5,938,332	4,753,522	1,184,810	25%
TOTAL LIABILITIES & EQUITY	6,418,557	5,149,582	1,268,975	25%

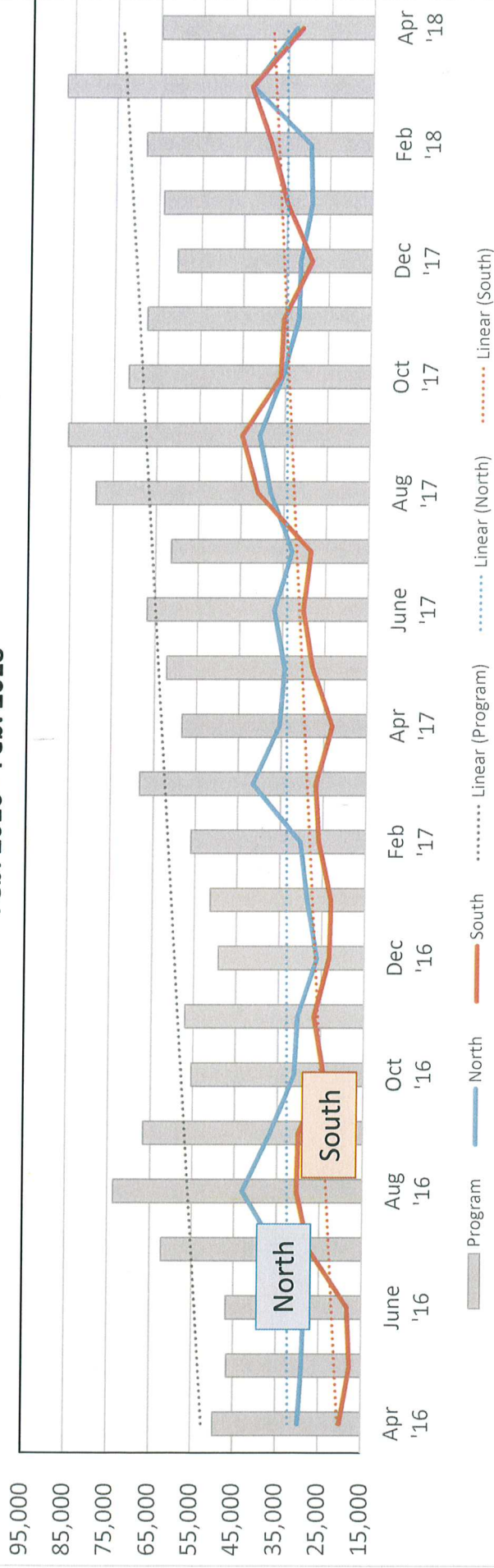
HFHB
Home Data
@ April 30, 2018

Sale of Homes YTD	Sale Date	Family
290 Germania St.	Oct. 2017	Myintcho Lay & Jasmine Myint
667 LaSalle Ave*	Oct. 2017	Gwendolyn Miller
101 Grey St	Jan. 2018	Dhan & Chandrawski Play Gurung
38 Glendale	Feb. 2018	Keriyeh Akil & Hassan Mohammad
390 Marilla St	Feb. 2018	Ali Mwechiwa & Msekwa Mbeni
227 Maple St	Feb. 2018	Hussein Alimasi & Mwajuma Jumaine
95 Vanderbilt St.	Feb. 2018	Maria Alvarado
102 Sussex St	Mar. 2018	Laurent Bangenzabose & Christine Niyonsenga

Pending Home Sales	Sale date	Family
390 Dewey Ave	May	Evangeline Minani and Alexander Bakundukize
579 Sycamore St	May	Shannon Hayes
42 Wende	May/June	Awal Hissu
84 Maryland	May/June	Claude Serugendo
19 Ferguson Ave.	June	Edwin Koffa
256 Rhode Island St.	June	Regine and John Mfuamba, Joella Kabuya
83 Zittel St.	June	Naseeb Gade
554 Shirley Ave	July	Laul and Aguil Dut
312 Trenton Ave.	July	Denise Tossah
56 Wende St.	July	Theogene Mutuyimana & Beata Kampire
320 Florida St.	August	Yoseph Kahsay
461 Busti Ave.	August	Helen Mukasakindi

Constr. in Process			Family
49 Kilhoffer St	New Bld	3bdrm	Michell Iang & Steven Thang
463 Busti Ave	New Bld	4bdrm	Jamila Abagidi
41 Kearns Ave	Rehab	4bdrm	Tamara Garrett
352 East St	Rehab	3bdrm	Tanaka King
75 Poultney St	Rehab	3bdrm	Kimberly Lee
11 Normandy Ave.	Rehab	4bdrm	
162 Zenner	Rehab	3bdrm	
79 Kilhoffer St	Rehab	Clubhouse	Peace Maker's Clubhouse

ReStore Gross Sales Feb. 2016 - Feb. 2018



ReStore Program Sales, Expense and Net Income Net Income Margin

