

Merrymount Financial Sustainability Plan

2018/2019 Merrymount Budget Summary

Note: Merrymount operates eight (8) fully-funded and three (3) non-fully-funded programs. Fully-funded programs have been grouped for simplicity.

	Government		
	Funding	Expenses	Deficit
Fully-Funded Programs	\$3,890,097	\$3,890,097	\$0
Crisis Residential / Respite Program	\$358,785	\$1,537,816	-\$1,179,031
Family Resource Program	\$719,449	\$1,246,633	-\$527,184
Family Child Support Program	\$1,219,778	\$1,609,767	-\$389,989
	<u>\$6,188,109</u>	<u>\$8,284,313</u>	<u>-\$2,096,204</u>
	Off-Setting		
	Revenues	Expenses	Surplus
Contracted Services	\$150,000		\$150,000
Fundraising Activities	\$615,000	\$220,000	\$395,000
Bequests	\$63,000		\$63,000
Bank Interest	\$10,000		\$10,000
	<u>\$838,000</u>	<u>\$220,000</u>	<u>\$618,000</u>

Net Draw From Foundation (2018/2019): **-\$1,478,204**

Non-Sustainability

*The Net Draw From Foundation is projected to increase annually based on inflation and, by conservative estimates, will **deplete the Merrymount Foundation within 8 to 9 years**.*

Our financial advisors have stated that for the Merrymount Foundation to reach a sustainable funding level, the annual Net Draw From Foundation (transfer of funds to Merrymount operations), **must be reduced to \$850,000 immediately**.

Merrymount has a working plan to reduce to this amount, but cannot reach this transfer level in a quick enough timeframe to avoid service cuts, without bridge funding from the City of London.

Planned Reductions to achieve \$850,000 targeted transfer level:

Starting Balance (2018/2019 Transfer Level)	\$1,478,204
Reduction of One Manager Position (completed)	-\$97,000
Revised Philanthropy Plan (2019/2020)	-\$162,500
Projected 2019/2020 Transfer Level	\$1,218,704
2019/2020 Shortfall to meet \$850,000 target:	\$368,704

Starting Balance (2019/2020 Transfer Level)	\$1,218,704
Reduction in Support Services Costs (2020)	-\$55,000
Revised Philanthropy Plan (2020/2021)	-\$75,000
Projected 2020/2021 Transfer Level	\$1,088,704
2020/2021 Shortfall to meet \$850,000 target:	\$238,704

Starting Balance (2020/2021 Transfer Level)	\$1,088,704
Reduction of Second Manager Position (2021)	-\$97,000
Revised Philanthropy Plan (2021/2022)	-\$75,000
Targeted Bed Donation (2021)	-\$83,000
Projected 2021/2022 Transfer Level	\$833,704
2021/2022 Shortfall to meet \$850,000 target:	-\$16,296

Merrymount is projecting it can reach sustainable funding levels by fiscal 2022 (April 1, 2021).

Request to City of London

Merrymount is requesting bridge funding from the City of London to allow time to reach sustainable funding levels of **\$368,704 in 2019** and **\$238,704 in 2020**. This funding will allow Merrymount to balance its operations and not cut valuable services to the London Community.

Implication if funding is not received

If funding is not received Merrymount will be forced to reduce services by these amounts until sustainability can be achieved.

\$607,408 in reductions equates to:

Closure of 7.11 of 18 beds (= reduction of 2,595 bed nights for children in crisis)

or

Cancellation of 567 targeted parenting / child programs (= loss of 4,217 hours of program service to children and 5,137 hours of program service to parents)