End Homelessness Winnipeg: Draft Five-year Budget for 2020-21 to 2024-25

Introduction

The draft five-year budget for 2020-21 to 2024-25 that appears on pages 8-9 of this report is based on an analysis of current revenue and expenses, estimates, and assumptions.

The budget adds two new positions to EHW's core operations – a director of finance and operations and an executive assistant – and restores the manager housing support position that has been unfilled since 2018. Salaries and benefits for EHW's current six positions and the three to be added in 2019-20 are EHW's largest expense and account for half of total expenses every year. Management believes that these positions are the minimum required to successfully implement the five-year plan and achieve the 2025 targets.

After salaries and benefits, the next largest expense is the cost of administering HIFIS ($416K to $610K over the 5 years), which will be covered by sub-project funding from Reaching Home (the Community Entity).

Other expenses cover operating costs such as rent, IT, telephones, supplies, etc. These are conservatively budgeted.

The budget shows deficits in each of the five years, which will put net assets (reserves) in a negative position by year 3. As this is not a viable scenario, over the coming years EHW will adjust annual budgets as needed based on funders' commitments and other projections.

Budget notes for key items are provided on pages 2-7.

Budget notes

Line #	Item	Budget Year 1 2020-21	Budget Year 5 2024-25	Details
REVENUE				
14	Total revenue	1.432M	1.607M	In year 1, budgeted revenue is 54% ($502K) higher than in 2019-20 due to the anticipated sub-project funding from Reaching Home for HIFIS, Coordinated access, and the point-in-time count. Details are provided below. Between year 1 and year 5, total revenue is budgeted to increase 12%. This includes EHW's request that the City of Winnipeg provide annual increases of 3%. EHW will also be asking other funders to increase their support – these increases have not been budgeted.
1	Reaching Home sub-projects			Beginning in 2020-21, EHW expects to enter into formal agreements or MOUs with the Community Entity (CE) to receive funding for three sub-projects: HIFIS, coordinated access, and the point-in-time count. This is permitted under Service Canada's guidelines.
2	HIFIS	415,776	610,015	On April 1, 2019, EHW assumed responsibility for administering HIFIS. For 2019-20 the cost of this was recorded as part of the CE's administration budget. This is uncommon – in most communities the CE provides sub-project funding to a community organization to manage HIFIS. As such, beginning in 2020-21 EHW will enter into a sub-project agreement or MOU with the CE to receive funding to administer HIFIS. The HIFIS budget includes direct salaries and benefits, an allocation of EHW's staff (manager of evaluation and measurement and manager of communications and community relations), direct programs costs (IT, professional development, etc.) and a share of rent. The budget increases over the five years due primarily to the addition of three staff between December 2019 and October 2021 to handle the planned addition of 8 new organizations per year to the HIFIS system. The recommended staffing for HIFIS is one staff for every 80-100 individual users of the system. The budget is based on one staff per 100 users.
3	Coordinated access	76,807	37,045	Reaching Home requires all communities that receive Designated funding to establish a coordinated access system within three years. EHW will develop and implement this system under a sub-project agreement with the CE. Funding will offset costs. The plan and budget are being developed and will include an allocation for EHW's managers for

Line #	Item	Budget Year 1 2020-21	Budget Year 5 2024-25	Details
				housing support, prevention, and evaluation and shared measurement. The budgeted revenue covers these allocations, which will decline from year 1 to year 4. As the plan for coordinated access is developed, budgeted revenue and expenses will be increased to include other costs.
4	Point-in-time count	59,577	60,946	Reaching Home requires all communities that receive Designated funding to conduct a point-in-time count (street census) every second year. EHW participated on the steering committee for the 2016 and 2018 surveys, which was led by the Social Planning Council of Winnipeg. Beginning with the 2020 count, EHW will lead a group of community partners under a sub-project agreement with the CE. The budget includes direct costs and an allocation of EHW's staff (manager of evaluation and measurement and administrative coordinator). The budget fluctuates from year to year depending on whether it is year that the count is being planned (lower budget) or being conducted (higher budget)
5 - 9	Core funding			While EHW will ask core funders to increase their support above the current levels that were set in 2015, the budget assumes that at a minimum EHW's core funders will maintain their support at the current level. The agreement with the Government of Manitoba ended on March 31, 2019. EHW has received verbal assurance that there will be a new multi-year agreement. The agreement with the City of Winnipeg ends on December 31, 2019. EHW has applied for 2020 funding and requested a 3% increase. EHW has also asked the City for a new five-year agreement with annual increments of 3% as shown in the budget. United Way's funding is not at risk. In addition to being EHW's largest funder, United Way also provides strategic advice and other in-kind supports. The agreement with the WRHA extends to March 2022.

Line #	Item	Budget Year 1 2020-21	Budget Year 5 2024-25	Details
10	Community /other special projects	0	0	No amounts are budgeted for community and special projects. However, EHW will explore opportunities for special project grants that align with the five-year plan.
12	Fund development	0	TBD	Over the next 5 years EHW intends to develop the ability to raise start-up capital for housing projects and other priorities. Financial goals cannot be set until a fund development committee is established and preliminary work done. (Fund development costs are shown on line 18.)
EXPENSES				
37	Total admin-mgmt & operations costs	403,941	343,054	The budget shows total admin-management and operation costs decreasing by $61K (-15%) from $404K to $343K over the 5 years. This reduction results from $50K in fund development costs being budgeted in year 1 and no fund development costs budgeted for subsequent years. As explained in the notes for line 20, EHW expects to incur fund development costs in subsequent years but the amount cannot be estimated until preliminary work is done in year 1.
Administration and management				
17	Salaries and benefits	118,047	132,126	As of 2020-21, EHW will have a new staff position – director of finance and operations – that will perform the administrative and other functions that United Way has charged an annual fee to provide over the past five years. In 2019-20, this fee totalled $90K and was allocated between EHW and the CE. The new director's salary and benefits will be split 50-50 between EHW and the CE. The administration and management salaries and benefits budget also includes an allocation for other staff (CEO 15%, administration coordinator 47%). Increases over the 5 years reflect annual increments. Benefits are budgeted at 17% of salaries.
20	Fund development	50,000	TBD	The $50,000 budget will fund preliminary work, which could include some combination of the following: developing a case for support, conducting a fundraising feasibility study, developing a multi-year fund development plan.

Line #	Item	Budget Year 1 2020-21	Budget Year 5 2024-25	Details
21	Occupancy	73,416	49,661	EHW's lease for the Pacific Avenue office ends on February 28, 2021 and the CE's lease on Notre Dame ends on March 31, 2021. At that time all staff will move to one location with occupancy costs shared 50-50. The 2020-21 budget is based on 11 months' rent, utilities and cleaning at Pacific Avenue and one month at a new location that is budgeted based on the cost of the Notre Dame lease. The 2020-21 budget also includes a $15K allowance for leasehold improvements and $10K for moving costs including dismantling and reassembling workstations. Beginning in 2021-22 EHW will recover a portion of its occupancy costs by prorating a share to HIFIS based on number of staff.
24	Furniture & equip	12,000	2,000	The 2020-21 budget provides $12K in 2020-21 for furniture that might be required for the new office. In subsequent years the allowance drops to $2K.
28	United Way admin. fee	0	0	As explained in the note for line 15, in 2020-21 EHW will hire a director of finance and operations who will perform the work previously done by United Way for an annual admin. fee.
Community investment				
41-44	The budget for each of the four pillars (housing support, evaluation and shared measurement, prevention, and housing supply) includes salaries and benefits allocated according to the table shown at the top of the next page. Allocations differ from those used in previous years due to the addition of two staff positions (director of finance and operations and executive assistant), restoration of the manager housing support position that has been unfilled since 2018, and the addition of HIFIS, the PIT count, and coordinated access. Salaries are based on EHW's collective agreement with MGEU which extends to September 30, 2021.			
41	Housing support	110,414	168,219	Housing support costs will increase between year 1 and year 4 as EHW reduces the amount of the manager community support position that is allocated to coordinated access from 50% in year 1 to zero in year 4.
42	Evaluation and measurement	97,077	155,243	In addition to salaries and benefits, beginning in 2021-22 evaluation and measurement includes $50K/year for data analysis and research.

Salary and benefit budget allocations

	Admin & mgmt	Housing support	Eval & measurement	Prevention	Housing Supply	CE	HIFIS	PIT Count	Coord Access	Total Allocations
CEO	15.0%	15.0%	15.0%	15.0%	15.0%	20.0%	5.0%			100.0%
Manager eval and measurement			32.0%			10.0%	15.0%	18.0%	25.0%	100.0%
Manager communic. & community		22.5%	22.5%	22.5%	22.5%	10.0%				100.0%
Manager prevention				85.0%					15.0%	100.0%
Manager housing supply					90.0%	10.0%				100.0%
Manager housing support*		50.0%							50.0%	100.0%
Administrative coordinator	47.0%	11.75%	11.75%	11.75%	11.75%			6.0%		100.0%
Sr. director Reaching Home &		25.0%	25.0%	25.0%	25.0%					100.0%
Director finance & operations	50.0%					50.0%				100.0%
Executive assistant	16.0%	16.0%	16.0%	16.0%	16.0%	20.0%				100.0%

* The manager housing support will be allocated to housing support and coordinated access on a 50-50 basis in year 1, 60-40 in year 2, and 70-30 in year 3. In year 4, 100% of the position will be allocated to housing support.

		Budget		
Line #	Item	Year 1 2020-21	Year 5 2024-25	Details
Reaching Home sub-projects				
45	Special projects	0	0	In previous years EHW was able to use a portion of funding from the province, United Way, and WHRA to provide grants to community organizations. As anticipated, now that net assets (reserves) have been reduced (see line 53), EHW will not be providing grants unless its fundraising efforts are successful.
48	HIFIS	415,776	610,015	See the notes for line 2.
49	Coordinated access	76,807	37,045	See the notes for line 3.
50	Point-in-time count	59,577	60,946	See the notes for line 4.

Line #	Item	Budget Year 1 2020-21	Budget Year 5 2024-25	Details
51	Start-up capital	TBD	TBD	The amount required for start-up capital and other projects/priorities cannot be determined until specific projects have been identified. It's also possible that EHW will do the fund development work required to raise capital but that the capital and related costs will not be recorded in EHW's records.
56 & 59	Current year surplus/deficit & net assets	(43,779)	(105,411)	The budget shows deficits in each of the 5 years for three reasons. 1. the budget includes the costs that management believes are the minimum required to achieve the 2025 targets 2. the budget includes annual increases from the City, which have already been requested, but no increases from other core funders 3. the budget does not include fund development revenue because this cannot be estimated until a fund development committee is established in 2020 and preliminary work is done As shown on line 59, the budgeted deficits put net assets in a negative position by year 3. This is not a viable scenario. As such even though the five-year budget reflects the staffing levels and other costs required to achieve the 2025 targets, annual budgets will be adjusted as needed based on funders' commitments and other revenue projections.

DRAFT Five-year Budget 2020-21 to 2024-25 to Support the 5-Year Business Plan

Line		2018-19 Actual	2019-20 Budget	DRAFT 5-Year Budget Year 1 2020-21	Year 2 2021-22	Year 3 2022-23	Year 4 2023-24	Year 5 2024-25	Incr (decr) 20-21 to 24-25 $	%
	REVENUE									
1	**Reaching Home sub-projects**	-								
2	HIFIS	-	-	415,776	492,099	582,824	601,256	610,015	194,239	47%
3	Coordinated access	-	-	76,807	70,730	64,020	37,045	37,045	(39,762)	-52%
4	Point-in-time count	-	-	59,577	34,660	60,710	35,315	60,946	1,369	2%
5	**Core funding**									
6	Government of Manitoba	-	250,000	250,000	250,000	250,000	250,000	250,000	-	0%
7	City of Winnipeg	150,000	150,000	154,500	159,135	163,909	168,826	173,891	19,391	13%
8	Winnipeg Regional Health Authority	150,000	150,000	150,000	150,000	150,000	150,000	150,000	-	0%
9	United Way of Winnipeg	300,000	300,000	300,000	300,000	300,000	300,000	300,000	-	0%
10	Community/Other Special Projects	23,030	50,000	-	-	-	-	-		
11	Interest Revenue	1,355	500	500	500	500	500	500	-	0%
12	Fund development	-	-	-	TBD	TBD	TBD	TBD		
13	Service Expo sponsorships	29,750	29,383	25,000	25,000	25,000	25,000	25,000	-	0%
14	**TOTAL REVENUES**	**654,135**	**929,883**	**1,432,160**	**1,482,124**	**1,596,963**	**1,567,943**	**1,607,397**	**175,237**	**12%**
15	**Change over prior year $**			**502,277**	**49,964**	**114,839**	**(29,020)**	**39,454**		
16				**54%**	**3%**	**8%**	**-2%**	**3%**		
	EXPENSES									
	Admininistration and Management									
17	Salaries and benefits	115,065	97,988	118,047	121,476	125,320	128,278	132,126	14,079	12%
18	Recruitment	1,474	3,000	3,000	3,000	3,000	3,000	3,000	-	0%
19	Consulting/Contract Salaries	88,420	50,000	55,000	55,000	55,000	55,000	55,000	-	0%
20	**Fund development**		-	50,000	TBD	TBD	TBD	TBD	(50,000)	-100%
20	**Total admin & management**	**204,959**	**150,988**	**226,047**	**179,476**	**183,320**	**186,278**	**190,126**	**(35,921)**	**-16%**
	Operations									
21	Occupancy (relocation in 2021)	43,797	49,735	73,416	54,487	50,629	49,169	49,661	(23,755)	-32%
22	IT - Hardware & Software support	11,382	15,296	15,296	15,300	15,300	15,300	15,300	4	0%
23	Insurance	3,245	3,650	3,723	3,797	3,873	3,951	4,030	307	8%
24	Furniture & Equipment	1,642	3,000	12,000	2,000	2,000	2,000	2,000	(10,000)	-83%
25	Staff travel	12,366	10,000	13,000	13,000	13,000	13,000	13,000	-	0%
26	Training	1,411	3,600	5,750	5,750	5,750	5,750	5,750	-	0%
27	Parking & mileage	6,287	8,750	11,582	18,000	18,000	19,136	19,136	7,554	65%
28	United Way of Winnipeg Admin Fee	65,000	31,765	-	-	-	-	-	-	

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Line		2018-19 Actual	2019-20 Budget	DRAFT 5-Year Budget Year 1 2020-21	Year 2 2021-22	Year 3 2022-23	Year 4 2023-24	Year 5 2024-25	Incr (decr) 20-21 to 24-25 $	Incr (decr) 20-21 to 24-25 %
29	Telephone & Internet	7,502	8,000	8,000	8,000	8,000	8,000	8,000	-	0%
30	Office Miscellaneous excl. cleaning	6,489	7,500	8,000	8,000	8,000	8,000	8,000	-	0%
31	Amortization Expense	7,013	7,013	7,613	7,613	7,613	7,613	7,613	-	0%
32	Professional Fees	6,726	6,987	7,266	7,339	7,413	7,487	7,562	295	4%
33	Events/Meeting Expenses	3,609	5,300	5,300	5,406	5,514	5,624	5,737	437	8%
34	Office supplies	4,055	4,700	4,747	4,794	4,842	4,891	4,940	193	4%
35	Bank Charges & Other Fees	1,870	1,900	2,200	2,200	2,200	2,200	2,200	-	0%
36	**Total operation costs**	**182,394**	**167,196**	**177,894**	**155,687**	**152,135**	**152,121**	**152,928**	**(24,966)**	**-14%**
37	**Total admin-mgmt & operations costs**	**387,353**	**318,184**	**403,941**	**335,163**	**335,455**	**338,399**	**343,054**	**(60,887)**	**-15%**
38	**Change over prior year $**			**85,757**	**(68,778)**	**292**	**2,944**	**4,655**		
39				**27%**	**-17%**	**0%**	**1%**	**1%**		
40	**Community Investment**									
41	Housing support	294,525	84,242	110,414	122,315	135,823	166,686	168,219	57,805	52%
42	Evaluation & shared measurement	257,644	131,200	97,077	149,373	152,518	153,710	155,243	58,166	60%
43	Prevention	208,266	145,893	143,798	147,275	151,602	152,794	154,328	10,530	7%
44	Housing supply	155,811	125,358	143,549	151,795	156,232	157,425	158,958	15,409	11%
45	Special Projects	5,467	115,000	-	-	-	-	-		
46	Service Expo	29,976	29,383	25,000	25,000	25,000	25,000	25,000	-	0%
47	Reaching Home sub-projects									
48	HIFIS	-	-	415,776	492,099	582,824	601,256	610,015	194,239	47%
49	Coordinated access	-	-	76,807	70,730	64,020	37,045	37,045	(39,762)	-52%
50	Point-in-time count	-	-	59,577	34,660	60,710	35,315	60,946	1,369	2%
51	Start-up capital for housing & other projects	-		TBD	TBD	TBD	TBD	TBD		
52	**Total community investment**	**951,689**	**631,076**	**1,071,998**	**1,193,247**	**1,328,729**	**1,329,231**	**1,369,754**	**297,756**	**28%**
53	**Change over prior year $**			**440,922**	**121,249**	**135,482**	**503**	**40,522**		
54				70%	11%	11%	0%	3%		
55	**TOTAL EXPENSES**	**1,339,042**	**949,260**	**1,475,938**	**1,528,410**	**1,664,184**	**1,667,630**	**1,712,807**	**236,869**	**16%**
56	**CURRENT SURPLUS/(DEFICIT)**	**(684,907)**	**(19,377)**	**(43,779)**	**(46,286)**	**(67,221)**	**(99,687)**	**(105,411)**	**(61,632)**	**141%**
	NET ASSETS									
57	Balance beginning of year	839,770	154,863	135,486	91,708	45,422	(21,799)	(121,487)		
58	Current year surplus/(deficit)	(684,907)	(19,377)	(43,779)	(46,286)	(67,221)	(99,687)	(105,411)		
59	**Balance end of year**	**154,863**	**135,486**	**91,708**	**45,422**	**(21,799)**	**(121,487)**	**(226,897)**		