

Treasurer's Report for the year ended 31 October 2015

Operating Costs

The operating cost for the home for the year ending 31 October 2015 totaled \$521,710 (2014: \$541,899.) The principal cost areas are

| | 2015 | 2014 |
|----------------------------|-------------------------|-------------------------|
| • Payroll | \$255,106 | \$264,825 |
| • Food and Supplies | \$69,247 | \$68,242 |
| • School and Tutorial fees | \$65,648 | \$67,048 |
| • Utilities | \$36,083 | \$39,611 |
| • Insurance | \$11,652 | \$12,984 |
| • Repairs and Maintenance | \$14,095 | \$18,833 |
| • Transportation cost | \$12,679 | \$16,907 |
| • Depreciation | \$47,438 | \$47,439 |
| • Other | <u>\$9,762</u> | <u>\$6,010</u> |
| • Total | <u>\$521,710</u> | <u>\$541,899</u> |

As can be seen above the principal cost of operating the home is payroll as we have to provide staffing on a 24 hours per day, 365 days per year. We have a total staff of 13 including the administrator. Our wages are not generous but are adequate to attract the quality of staff required

Most of the other costs are the fixed cost of running the home with the exception of school and tutorial fees. The Board of Directors of the home took a policy decision a number of years ago to give all its children the best opportunities in life by enrolling them where possible in private schools.

Funding the operating costs

Total income received by the home for the year was \$548,922 (2014\$ 536,815). A breakdown of our income is as follows

| | | |
|--|-------------------------|-------------------------|
| • Grant from The Government of the Bahamas | \$90,000 | \$90,000 |
| • Net proceeds from the annual raffle | \$88,790 | \$115,257 |
| • Donation from public | \$366,024 | \$327,745 |
| • Interest Income | <u>\$4,108</u> | <u>\$3,814</u> |
| • Total | <u>\$548,922</u> | <u>\$536,816</u> |

As can be seen above, the home has no sustainable income source each year other than the government grant and the annual raffle which is approximately 30% of the annual operating costs. It is dependent on

the generosity of the public (individuals and corporations) to fund 70% of its operating costs. In appealing to the public for support, the home competes with other children charities which are largely funded by the government, a fact which the public are unaware of. This results in the public perception that Ranfurly is always begging for funds. I do not believe that this funding model is sustainable in the long term and we must find a more sustainable funding model

Physical infrastructure

The physical condition of the home is good with the exception of the kitchen which need replacing / upgrading. Replacement of the kitchen and laundry started in 2016 and is substantially complete. The roof was replaced in 2013 and should be good for 15-20 years. The grounds have been enclosed by a substantial wall and are in excellent condition. The home has two relative new buses for transportation. We do not expect any major capital expenditure for the foreseeable future and we are hopefully that the kitchen renovation will be funded by a donor.

Cash resources

At 31 October 2015, the home has cash resources of \$203,780 (2014 -\$195,533) which approximates to 4-5 months expenses. The home has \$168,773 (2014- \$164,665) in a restricted account which was donated specifically for the construction of a transitional home. This project is on hold until the home has sustainable funding for its operation



The Treasurer

10 May 2016