

Overview

The Mendocino Coast Recreation and Park District FY2019/2020 Mid-year Budget Report is prepared for the Mendocino Coast Recreation & Park District Board of Directors in accordance with the District’s bylaws.



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Summary of Revenue and Expenditures

Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY 18/19 Adopted Budget	FY19/20 Proposed Budget	Variance favorable (unfavorable)	
Operating Revenue						
Enrichment	59,476	71,530	73,888	76,242	2,354	3%
Youth Sports	8,200	10,745	10,985	12,423	1,438	12%
Special Events	16,342	19,453	18,859	21,907	3,048	14%
Adult Sports	29,176	18,555	16,720	17,065	345	2%
Drop In	18,045	16,990	10,161	11,159	998	9%
Miscellaneous	16,643	45,791	24,220	29,690	5,470	18%
Total Operating Revenue	147,882	183,064	154,833	168,486	13,653	8%
Other Revenue						
Cal Recycle Grant	-	-	4,575	-	(4,575)	
Kudos and Assets	398,299	-	-	-	-	
Hoop Upgrade Project	-	-	16,800	-	(16,800)	
Property Tax	261,389	288,054	294,895	300,793	5,898	2%
Total Other Revenue	659,688	288,054	316,270	300,793	(15,477)	-5%
Total Revenues	807,570	471,118	471,103	469,279	(1,824)	0%
Operating Expense						
Wages and Benefits	195,932	246,503	254,912	319,240	(64,328)	-25%
Programs	10,333	7,153	3,860	5,790	(1,930)	-50%
Sports	26,809	11,125	11,770	12,170	(400)	-3%
Marketing	5,607	3,474	3,665	6,795	(3,130)	-85%
Operations	65,012	81,288	76,673	83,741	(7,068)	-9%
Events	4,313	2,589	3,226	3,850	(624)	-19%
Other Expenses	32,476	13,734	13,304	6,725	6,579	49%
Total Operating Expense	340,482	365,866	367,410	438,311	(70,901)	-19%
Other Expenses						
Area Funding Grant	-	1,500	1,500	2,500	(1,000)	-67%
Cal Recycle Grant	-	-	4,575	-	4,575	100%
Kudos and Assets	394,288	-	-	-	-	
Hoop Upgrade Project	-	-	16,800	-	16,800	100%
Website Design	-	3,075	-	-	-	
Loan Principal Payments	20,000	40,000	70,000	-	70,000	100%
Total Other Expenses	414,288	44,575	92,875	2,500	90,375	97%
Total Expenses	754,770	410,441	460,285	440,811	19,474	-4%
Net Revenue/(Expense)	52,799	60,676	10,818	28,468	17,650	62%
Beginning Avail. Net Assets						
Net Revenue/(Expense)	175,463	228,262	288,939	299,757	10,818	4%
Net Revenue/(Expense)	52,799	60,676	10,818	28,468	17,650	62%
Available Net Assets	228,262	288,939	299,757	328,225	28,468	9%
Operating Reserve						
Operating Reserve	85,121	91,467	91,853	109,578	17,725	16%
Unrestricted Net Assets	143,142	197,472	207,904	218,647	10,742	5%
Available Net Assets	228,262	288,939	299,757	328,225	28,468	9%

Operating Revenue

Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY 18/19 Adopted Budget	FY19/20 Proposed Budget	Variance favorable (unfavorable)	
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Drop In	18,045	16,990	10,161	11,159	998	9%
Miscellaneous	16,643	45,791	24,220	29,690	5,470	18%
Total Operating Revenue	147,882	183,064	154,833	168,486	13,653	8%

Operating revenue is generated from collecting fees and sponsorships through enrichment programs, youth sports, special events, adult sports and other miscellaneous sources. Operating Revenue is anticipated to be \$168,486 at year end which is a favorable increase of \$13,653.

Enrichment

Enrichment includes programs and classes such as Gymnastics, the Just for Kid’s Day Camp and South Coast Swim Lessons. This day camp offers children the opportunity to do arts and craft, play games, swim at the C.V. Starr Community Center, as well as take educational field trips to different community locations. Each summer, Swim lessons are offered in partnership with the Redwood Coast Recreation Center to kids on the South Coast, lessons are held at the Sea Ranch Swimming Pool. Enrichment revenue is projected to be \$76,242, which is an increase of \$2,354 compared to the previous fiscal year. This increase can be attributed to the great success of these programs and slight fee increases to off-set the facility rental expenses at the Local Motion Studio.

Youth Sports

Youth sports are offered throughout the year and offer a supportive setting in which children can learn sportsmanship, teamwork and the rules of the game. Currently, the District offers both Hoopstars Basketball Clinics and the Coast Youth Basketball League. In addition to basketball, a Youth Golf Clinic is offered at the Little River Golf Course every summer. Youth Sports revenue is expected to end the year at \$12,423, an increase of \$1,438 from the previous fiscal year. This is due to a modest fee increase.

Special Events

The District holds a variety of events throughout the year. MCRPD hosts the Jesse Ales Men’s Softball Tournament every summer, the Steam Donkey Fun Run takes place Labor Day weekend, and our big fundraiser event is the Annual Aquathon & Silent Auction held in mid-winter. Special Events revenue is projected to be \$21,907, which is an increase of \$3,048. The significant increase can be attributed to the restructuring of the Aquathon, giving swimmers more flexible options to complete their pledged swims.

Adult Sports

Adult Sports include Men’s Basketball, Men’s Softball, and Coed Softball. The Men’s Basketball League season runs from January through March, the Coed Softball League season runs from April through June, and the Men’s Softball League season runs from May through the beginning of August. Adult Sports revenue is expected to be \$17,065.

Drop In

Drop in programs and classes offered include Adult Drop-in Volley Ball, as well as the popular Family Skate Night. Drop-in revenue is expected to come in at \$11,159.

Miscellaneous

Miscellaneous revenues include funds collected such as donations and administrative fees from the C.V. Starr Community Center and the Kudos and Assets program. Miscellaneous revenue is expected to be \$29,690. The increase of \$5,470 is due to added administrative fees being collected from the KUDOS and ASSETS grant program due to MCRPD staff providing additional services for a smoother running program.

Other Revenues

Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY 18/19 Adopted Budget	FY19/20 Proposed Budget	Variance favorable (unfavorable)	
Other Revenue						
Cal Recycle Grant	-	-	4,575	-	(4,575)	
Kudos and Assets	398,299	-	-	-	-	
Hoop Upgrade Project	-	-	16,800	-	(16,800)	
Property Tax	261,389	288,054	294,895	300,793	5,898	2%
Total Other Revenue	659,688	288,054	316,270	300,793	(15,477)	-5%

Property Tax

The District collects property tax to support recreation and park activities. A tax sharing agreement allocates 45% of the property tax revenue to support C.V. Starr Community Center. The remaining 55% of collected property tax supports the District's general fund. The District is estimating \$300,793 in property tax revenue.

Operating Expenses

Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY 18/19 Adopted Budget	FY19/20 Proposed Budget	Variance favorable (unfavorable)	
Operating Expense						
Wages and Benefits	195,932	246,503	254,912	319,240	(64,328)	-25%
Programs	10,333	7,153	3,860	5,790	(1,930)	-50%
Sports	26,809	11,125	11,770	12,170	(400)	-3%
Marketing	5,607	3,474	3,665	6,795	(3,130)	-85%
Operations	65,012	81,288	76,673	83,741	(7,068)	-9%
Events	4,313	2,589	3,226	3,850	(624)	-19%
Other Expenses	32,476	13,734	13,304	6,725	6,579	49%
Total Operating Expense	340,482	365,866	367,410	438,311	(70,901)	-19%

Operating expenses are any costs associated with providing day to day District programs and services including wages and benefits. Operating Expenses are projected to be \$438,311 which is an increase of \$70,901.

Wages and Benefits

Wages and benefits account for the monetary compensation paid to employees, healthcare benefits, workers compensation insurance, state unemployment insurance, state employment training tax, federal insurance contribution act tax, and federal Medicare tax. The proposed FY2019/2020 wages and benefits are \$319,240 which is an increase of \$64,328 from the previous year. This is attributed to the restructuring of the cost allocation between CVSCC and MCRPD staff. This new allocation reflects a more accurate and realistic usage of staff time between the two entities.

In addition to the change in allocations, measures have been taken help improve employee retention. To achieve this, the proposal calls for all employees on July 1, 2019, to receive a 2% COLA, as well as the option to pay into a retirement plan, in which the employer will provide a match up to 3%. Moreover, on January 1, 2020, employees would have the opportunity for an additional wage increase based on their annual performance evaluation. Should an employee's annual performance evaluation result with a quantified rating of 70% or higher, the employee would be eligible for a 3% step increase. If the results of the measured performance are 85% or higher, the employee would be eligible for an additional 3% merit increase.

Programs

Program expenses include a wide array of items for the enrichment and drop in programs. These types of supplies vary from mats, aerial silks, fun hoppes, roller skates, pads, arts and craft supplies, music playing systems and anything else required for programs offered. Program expenses are expected to be \$5,790. This increase of \$1,930 is due to the needed purchase of roller skates and a new landing pad for the Gymnastics program.

Sports

Sports expenses include the costs in administering the Youth Basketball Programs, Men's Basketball, Coed and Men's Softball and Youth Golf. Sports expenses are expected to be \$12,170, which is slightly more than last year.

Marketing

Marketing expenses include the costs of the brochure design and printing, promotional supplies, banners and equipment needed at events that feature MCRPD branding. Marketing expenses are expected to be \$6,795, which is an increase of \$3,130. This increase is due to the planned addition of radio advertisement broadcasting.

Operations

Operations expenses account for a large portion of the operating expenses. The following items are necessary to the District's functionality, but do not fall into specific categories relating to services offered: uniforms, office supplies, IT equipment & services, resources and subscriptions, bank fees, utilities, communications, postage and shipping, professional services, insurance, licenses and permits, dues and memberships, training, travel, recruitment and medical supplies. Operations expenses are expected to be \$83,741. This increase of \$7,068 is due to the planned purchase of a replacement computer workstation as well as an increase in projected attorney fees.

Events

Events expenses include softball tournament supplies, skate events, and the silent auction and aquathon supplies. Events expenses are expected to be \$3,850 which is slightly more than the previous year.

Other Expenses

Other expenses include property tax administration Fees, LAFCO, Hwy 20 property supplies and the election expense, which is not a cost this fiscal year. Miscellaneous expenses are expected to be \$6,725, a favorable decrease of \$6,579 from last year.

Other Expenses

Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY 18/19 Adopted Budget	FY19/20 Proposed Budget	Variance favorable (unfavorable)	
Other Expenses						
Recreation Services Grant	-	1,500	1,500	2,500	(1,000)	-67%
Cal Recycle Grant	-	-	4,575	-	4,575	100%
Kudos and Assets	394,288	-	-	-	-	
Hoop Upgrade Project	-	-	16,800	-	16,800	100%
Website Design	-	3,075	-	-	-	
Loan Principal Payments	20,000	40,000	70,000	-	70,000	100%
Total Other Expenses	414,288	44,575	92,875	2,500	90,375	97%

Recreation Services Grant

The MCRPD Recreation Services Grant offers a systematic approach to selecting and offering financial assistance to groups and entities within the District that require some financial assistance to execute their own recreation programming. The maximum grant amount to be rewarded is \$2,500, which is a \$1,000 increase from last year.

Net Revenue/(Expense)

Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY 18/19 Adopted Budget	FY19/20 Proposed Budget	Variance favorable (unfavorable)	
Net Revenue/(Expense)	52,799	60,676	10,818	28,468	17,650	62%

The net operating revenue for FY 2019-2020 is expected to end the year in a favorable position of \$28,468 which is a \$17,650 increase over the previous fiscal year.

Net Assets

Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY 18/19 Adopted Budget	FY19/20 Proposed Budget	Variance favorable (unfavorable)	
Beginning Avail. Net Assets	175,463	228,262	288,939	299,757	10,818	4%
Net Revenue/(Expense)	52,799	60,676	10,818	28,468	17,650	62%
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Unrestricted Net Assets	143,142	197,472	207,904	218,647	10,742	5%
Available Net Assets	228,262	288,939	299,757	328,225	28,468	9%

The Available Net Assets are expected to end the year at \$328,228 with the Operating Reserve being comprised of 25% of the projected FY2018-2019 operating expenditures and the remaining amount going to the Unrestricted Net Assets. This is an anticipated increase of \$28,468.

Other

West America Bank

The District executed an unsecured lease with West America Bank. This capital lease is currently in default in the amount of \$2,173,130. The District filed for Chapter 9 bankruptcy to resolve this debt which has been appealed by West America Bank and has yet to be resolved. Repayment of this debt has not been included in the proposed FY2019-2020 budget.