

FY 2015-2016 Mid-Year Budget Report

Overview

The Mendocino Coast Recreation and Park District FY 2015-2016 Mid-Year Budget Report is prepared for the Mendocino Coast Recreation & Park District Board of Directors in accordance with the District’s bylaws. This report reflects the Mendocino Coast Recreation and Park District’s financial activity during the first two quarters of FY 2015-2016 and includes projections of the budget with anticipation of activity during the last two quarters of the fiscal year.

The District as a whole is operating in accordance with the approved FY 2015-2016 budget. Operating revenues are estimated to end the year \$6,899 below budget projections and expenses are estimated to also be below budget projections by \$13,100.

Sections

Overview	1
Operating Revenue	2
Other Revenue	4
Operating Expenses	5
Net Income & Cost Recovery	11
Other Expenses	12
Loan Expense	13
Proposed Budget Adjustments	14

Operating Revenue

Mid-Year Review - Table 1

REVENUE					
	FY15/16 Adopted Budget	FY15/16 Projected Year-End	Variance Favorable (Unfavorable)	Mid-Year	Mid-Year % of Projected
Kudos and Assets	405,225	394,225	(11,000)	149,348	37.9%
Program: Central	99,404	102,360	2,956	57,675	56.3%
Program: North	6,000	6,567	567	3,567	54.3%
Program: South	10,500	9,170	(1,330)	4,000	43.6%
Miscellaneous	24,900	26,808	1,908	18,864	70.4%
Total	\$ 546,029	\$ 539,130	\$ (6,899)	\$ 233,455	43.3%

REVENUES

Revenue generated from operating the District is collected through kudos/assets, programs through our District, and other miscellaneous sources. Overall revenues collected during the first two quarters of the fiscal year came in slightly below budget projections and are on target to end the year 1.26% below budget projections.

Kudos and Assets

Kudos and ASSETS revenue consists of California Department of Education After School Education and Safety (ASES) Program grant funds and 21st Century Community Learning Centers grant funds, both of which are managed and reimbursed by the Fort Bragg Unified School District. ASES funding supports the Kudos for Kids afterschool program and the 21st Century Community Learning Centers funding supports the After School Safety and Enrichment for Teens (ASSETS) program.

As of mid-year it looks like the District will be \$11,000 (or 2.71%) below budgeted mostly due to timing of reimbursements from FBUSD.

Programs: Central

Program revenues for the central region include user fees collected for general admission, registration and rentals for the area of the District from Fort Bragg to Elk.

Central program revenues are projected to be \$2,956 (or 2.97%) more than budgeted.

Programs: North

Program revenues for the north region include user fees collected for general admission, registration and rentals for the Westport area of the District.

Northern program revenues are projected to be \$567 (or 9.44%) more than budgeted.

Programs: South

Program revenues for the south region include user fees collected for general admission, registration and rentals for the area of the District from Manchester to Gualala.

Southern program revenues are projected to be \$1,330 (or 12.67%) less than budgeted.

Miscellaneous

Miscellaneous revenues include funds collected from the C.V. Starr Community Center Operating Agreement, fundraising, and interest income.

Miscellaneous revenues are projected to be \$1,908 (or 7.66%) more than budgeted.

Other Revenue

Mid-Year Review - Table 2

OTHER INCOME					
	FY15/16 Adopted Budget	FY15/16 Projected Year-End	Variance Favorable (Unfavorable)	Mid-Year	Mid-Year % of Projected
Property Tax	\$ 265,145	\$ 264,881	\$ (264)	\$ 182,736	69.0%
Total	\$ 265,145	\$ 264,881	\$ (264)	\$ 182,736	69.0%

Property Tax

The District collects property tax to support recreation and park activities. A tax sharing agreement allocates 45% of the property tax and 100% of Redevelopment Agency Pass-Through funds to the City of Fort Bragg to support C.V. Starr Community Center and Fort Bragg recreation. The remaining 55% of collected property tax supports the District's general fund.

Property tax revenues are projected to be \$264 (or .10%) less than budgeted.

Operating Expenses

Mid-Year Review - Table 3

OPERATING EXPENSES					
	FY15/16 Adopted Budget	FY15/16 Projected Year-End	Variance Favorable (Unfavorable)	Mid-Year	Mid-Year % of Projected
Wages and Benefits	\$ 610,134	\$ 593,500	\$ 16,634	\$ 274,446	46.2%
Administrative	96,005	73,933	22,072	37,258	50.4%
Kudos and Assets	11,100	12,184	(1,084)	5,524	45.3%
Operations: Central	54,870	77,769	(22,899)	52,694	67.8%
Operations: North	4,980	5,418	(438)	3,278	60.5%
Operations: South	2,360	2,725	(365)	925	33.9%
Other Expenses	700	1,511	(811)	1,511	100.0%
Total	\$ 780,149	\$ 767,039	\$ 13,110	\$ 374,124	48.8%

OPERATING EXPENDITURES

Operating expenditures are costs directly related to the operation of the District, such as wages and benefits, administrative, kudos & assets, central operations, northern operations, southern operations, and other expenses. Overall, expenditures during the first two quarters are tracking to end the year under budget. Overall expenses during the first two quarters of the fiscal year came in below budget projections and are on target to end the year 1.8% below budget projections.

Wages and Benefits

Mid-Year Review –Wages and Benefits7

	FY15/16 Adopted Budget	FY15/16 Projected Year-End	Variance	Mid-Year	Mid-Year % of Projected
Wages-classes,camps,etc	\$ 39,038	\$ 36,071	\$ 2,967	\$ 16,551	45.9%
Wages - Mendo programs	-	5,158	(5,158)	5,158	100.0%
Wages - Kudos & Assets	322,202	327,921	(5,719)	152,174	46.4%
Wages - sports	-	9,383	(9,383)	9,383	100.0%
Wages & Salaries- Westport	4,054	3,838	216	1,812	47.2%
Wages & Salaries South Coast	11,987	11,977	10	5,984	50.0%
Salaries & wages - Admin	133,289	90,996	42,293	24,349	26.8%
Salaries & Wages CV Admin	-	26,516	(26,516)	26,514	100.0%
Contra Salaries & Wages Admin	-	(4,558)	4,558	(4,558)	100.0%
Payroll tax - classes, camps	5,445	4,711	734	1,990	42.2%
Payroll tax - Mendo Program	-	499	(499)	499	100.0%
Payroll tax - Kudos & Assets	43,525	40,284	3,241	16,539	41.1%
Payroll tax - sports	-	1,196	(1,196)	1,196	100.0%
Payroll Taxes- Westport	565	535	30	252	47.1%
Payroll Taxes- South Coast	1,649	1,547	102	720	46.6%
Payroll tax - G & A	11,784	7,692	4,092	1,800	23.4%
Contra Benefits	-	(1,394)	1,394	(1,394)	100.0%
Group Health Insurance	26,024	23,232	2,792	10,222	44.0%
Worker's Comp Insurance	10,572	7,896	2,676	5,253	66.5%
Total	\$ 610,134	\$ 593,500	\$ 16,634	\$ 274,446	46.2%

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 (FICA), and federal Medicare tax.

Wages and benefits are projected to be \$16,634 (or 2.7%) less than budgeted. This is due to the staff reorganization.

Administrative

Mid-Year Review – Administrative

	FY15/16 Adopted Budget	FY15/16 Projected Year-End	Variance	Mid-Year	Mid-Year % of Projected
Finance Charges	\$ 756	\$ 695	\$ 61	\$ 380	54.6%
Communications	3,000	2,846	154	1,346	47.3%
Maintenance on Equipment	480	240	240	-	0.0%
Medical Supplies	259	232	26	74	31.8%
Misc. Expenses	300	30	270	-	0.0%
Office Supplies	3,000	4,355	(1,355)	2,855	65.6%
Return Checks	403	358	45	-	0.0%
Refunds	437	232	205	110	47.4%
Utilities	2,100	2,091	9	1,041	49.8%
Interest Expenses	15,000	15,000	-	7,500	50.0%
Insurance	7,000	2,054	4,947	2,054	100.0%
Memberships/Dues	3,000	2,619	381	779	29.8%
Professional Services	37,740	28,132	9,608	13,612	48.4%
Staff Training	1,290	1,290	-	-	0.0%
Uniforms	100	50	50	-	0.0%
Publications/Advertising	12,900	5,813	7,087	1,513	26.0%
Taxes & Assessments	3,630	4,189	(559)	4,189	100.0%
Transportation & Travel	3,170	3,015	155	1,715	56.9%
Equipment Purchased	1,440	622	818	22	3.5%
Golf Course Misc. Expenses	-	69	(69)	69	100.0%
Total	\$ 96,005	\$ 73,933	\$ 22,072	\$ 37,258	50.4%

Administrative expenditures include advertising, attorney services, auditor services, bank fees, communications, insurance, interest expenses, LAFCO, office supplies/equipment, professional services, property tax administration, recruitment, training, travel expenses, uniforms and utilities. Administrative expenditures support the following District administration, business, and centralized activities:

- Accounting/bookkeeping
- Board of Directors
- Budget administration
- Contract management
- Customer service
- Financial reporting
- Human resource management
- Information technologies
- Legal
- Marketing
- Payroll
- Planning and development
- Purchasing
- Risk management
- Grant management

Administrative expenses are projected to be \$22,072 (or 23.0%) less than budgeted.

Kudos and Assets

Kudos and ASSETS expenditures include supplies and services that support the Kudos and ASSETS program.

The Kudos for Kids afterschool program supports up to 120 children at each of the three school sites: Redwood Elementary School, Dana Gray Elementary School, and Fort Bragg Middle School. The After School Safety and Enrichment for Teens (ASSETS) program supports approximately 150 students at the Fort Bragg High School.

Kudos and Assets expenses are projected to be \$1,084 (or 9.8%) more than budgeted.

Mid-Year Review – Operations: Central

	FY15/16 Adopted Budget	FY15/16 Projected Year-End	Variance	Mid-Year	Mid-Year % of Projected
JFK Vacation Fort Bragg	\$ 1,275	\$ 538	\$ 737	\$ 238	44.3%
Programs & Classes Mendocino	800	9	791	9	100.0%
Programs & Classes FB	500	18,819	(18,319)	18,819	100.0%
2nd grade swim/HS Swim Team FB	4,500	5,000	(500)	500	10.0%
2nd grade swim Mendocino	400	400	-	-	0.0%
Background Checks	1,170	1,326	(156)	1,326	100.0%
Skating Expenses	650	1,479	(829)	1,254	84.8%
Day Camp FB	1,300	1,237	63	737	59.6%
Day Camp Albion/Comptche	600	231	369	131	56.8%
Adult Sports	22,000	26,971	(4,971)	17,871	66.3%
Youth Sports	5,150	5,833	(683)	1,583	27.1%
Rent/Lease Facility FB	7,525	6,925	600	3,475	50.2%
Community Center of Mendocino	9,000	9,000	-	6,750	75.0%
Total	\$ 54,870	\$ 77,769	\$ (22,899)	\$ 52,694	67.8%

Operation expenditures for the central region (area of the District from Fort Bragg to Elk) include supplies and services that support central region programs. Central region programs include the following:

- Flynn Creek Circus Camp (summer)
- Gymnastics (year-round)
- Hoopstars Basketball (fall and winter)
- Junior Giants (summer)
- Just for Kids Summer Day Camp
- Just for Kids Vacation Day Camp
- Second Grade Swim Lessons
- Skate Night (year-round)
- Youth Basketball League (winter)
- Youth Golf Clinics (summer)
- Coed Softball League (spring)
- Drop-in basketball
- Drop-in volleyball
- Coast Cup Soccer Tournament
- Men’s Basketball League (winter)
- Men’s Softball League (summer)
- Jesse Ales Men’s Softball Tournament
- Ricky Del Fiorentino Coed Softball Tournament
- Aquathon / Silent Auction
- Interactive Underwater Program
- Steam Donkey Mile Run/Walk

Central operation expenses are projected to be \$22,899 (or 41.7%) more than budgeted. The district changed the Flynn Creek Circus Camps from district employees to a contractual agreement and didn’t account for the change in the budget.

Operations: North

Operation expenditures for the north region (Westport area of the District) include supplies and services that support north region programs. North region programs include the following:

- Adult drop-in fitness classes (4 classes/week)
- Monthly family movie nights
- Youth enrichment classes (summer)
- Disc golf course maintenance
- Disc golf tournament

Northern operation expenses are projected to be \$438 (or 8.8%) more than budgeted.

Operations: South

Operation expenditures for the south region (area of the District from Manchester to Gualala) include supplies and services that support south region programs. South region programs include the following:

- Junior Giants (summer)
- Just for Kids Summer Day Camp
- Redwood Coast Recreation Center (RCRC) development
- RCRC Rec Rally
- Swimming lessons (during summer)

Southern operation expenses are projected to be \$365 (or 15.4%) more than budgeted.

Other Expenses:

Other expenses include fundraising expenditures.

Other expenses are projected to be \$811 (or 115.9%) more than budgeted.

Net Income & Cost Recovery

The District is tracking to end the year with a net gain of \$6,211 (2.65%) greater than projected in the budget.

Mid-Year Review - Table 4

NET OPERATING INCOME

	FY15/16 Adopted Budget	FY15/16 Projected Year-End	Variance Favorable (Unfavorable)	Mid-Year	Mid-Year % of Projected
Revenue	\$ 546,029	\$ 539,130	\$ (6,899)	\$ 233,455	43.3%
Operating Expenses	780,149	767,039	13,110	375,635	49.0%
Net Operating Income	\$ (234,120)	\$ (227,909)	\$ 6,211	\$ (142,181)	62.4%

The budgeted cost recovery rate was 70.0%. As of the mid-year point, the Center is on target to end the year with a cost recovery rate of 70.3%.

Mid-Year Review - Table 5

OPERATING COST RECOVERY

	FY15/16 Adopted Budget	FY15/16 Projected Year-End
Cost Recovery	70.0%	70.3%

Other Expenses

Mid-Year Review - Table 6

OTHER EXPENSES					
	FY15/16 Adopted Budget	FY15/16 Projected Year-End	Variance Favorable (Unfavorable)	Mid-Year	Mid-Year % of Projected
Classification/Comp Study	\$ 10,000	\$ 10,000	\$ -	\$ -	0.0%
Total	\$ 10,000	\$ 10,000	\$ -	\$ -	0.0%

Classification/Compensation Plan

As recommended in an operational assessment completed by consultant Mike Shellito, the MCRPD and CVSCC have “an inconsistent approach to the use of position titles, salary ranges and benefits. The classification and compensation study cost is shared between the CVSCC and MCRPD budgets with the allocation determined by the proportion of FTEs between the budgets. The total cost allocated to the MCRPD budget is estimated to be \$10,000.

Loan

Loan Principle Payments

The District entered into a lease with WestAmerica Bank secured by real property. This capital lease is currently in default in the amount of \$2,173,130. The District has filed for bankruptcy to resolve this debt, which has been appealed by WestAmerica Bank and has yet to be resolved. Repayment of this debt has not been included in the proposed FY 15/16 budget.

The District entered into a note with Ray Roeder Living Trust in 2010. The note is currently in default in the amount of \$130,000. The district made single principal payment was for \$20,000 and will continue to pay monthly interest payments (10% per annum).

Mid-Year Review - Table 7

ROEDER LOAN						
	FY15/16 Adopted Budget	FY15/16 Projected Year-End	Variance Favorable (Unfavorable)	Mid-Year	Mid-Year % of Projected	
Roeder Pincipal Payment	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	100.0%	
Total	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	100.0%	

Proposed Budget Adjustments

The following are proposed budget adjustments to allow for the continued operation and development of the District.

Mid-Year Review - Table 8

PROPOSED BUDGET ADJUSTMENTS		
	Recurring or 1x Cost?	FY 15/16 Add'l Cost (Savings)
1) Operations: Central Adjustment	1 x	18,300
2) Administrative Adjustment	1x	(4,900)
Total		\$ 13,400

- 1) Operations: Central Adjustment- In past years we offed the Flynn Creek Circus Camps with the staff as our employees, this year we had an agreement with the circus to pay them as a contractor and they would play the employees. This agreement wasn't finalized until after the budget was approved. The change increased out programs cost by \$18,300.
- 2) Administrative Adjustment – The Insurance account in administrative expenses is lower than budget because we received two different dividends from CAPRI for prior year. This amount would lower our insurance by \$4,900.