

# Highlights: MCC Board Proposed Budget for Fiscal Year 2022 (7/1/21–6/30/22)



McLean  
Community  
Center

*The Center of It All*

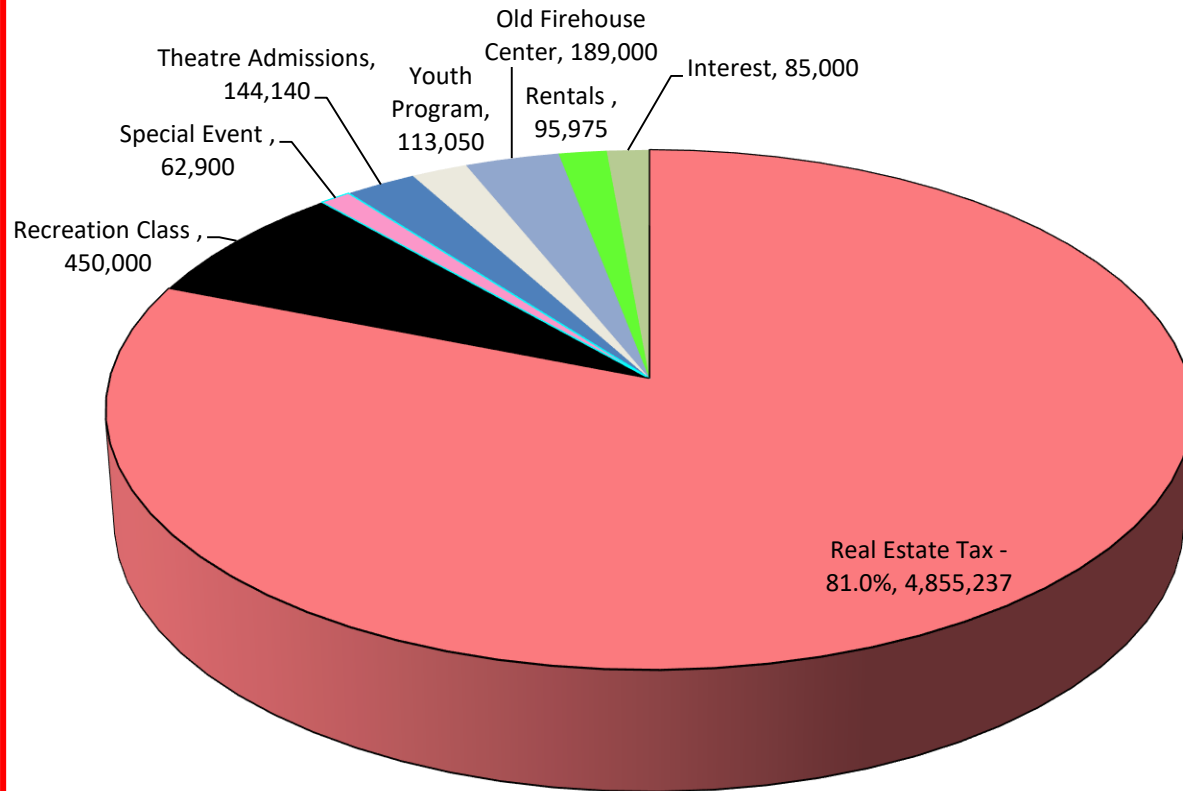
Prepared for MCC Governing Board

Wednesday, Sept. 23, 2020 at 7:30 p.m.

# Executive Summary

- MCC continues the strong history of financial stewardship, with one of the lowest tax rate of our peer groups.
- FY 20 was a challenging year for MCC, as was for the whole economy. Covid19 effected the centers operations from March through June of FY20.
- Program revenue was lower by \$405K from the adopted budget.
- Savings from Operating Expenses were \$719K.
- Recovered \$448K from the Renovation Project Remediation.
- FY21 is also facing the effects of Covid. The Program revenue and corresponding expenses for the first six months, July to Dec 2020 has been lowered. Virtual Programs and other innovative programming is being implemented.  
To the best of our ability precautions for the safety of the residents is being considered when programming.
- FY22 is projected to be a FULL normal year of operations. Revenues are projected to be \$6,135,302 and expenses are projected to be \$6,071,778, assuming operations will be under normal conditions for the full year. Compensation and Benefit Adjustments have not yet been announced by the County.
- McLean Projects for the Arts(MPA) is doing their registration, in their own system.
- Our current tax rate is 2.3c per \$100 of assessed value in FY22.

## FY 22 Revenues



## Financial Summary FY20-FY21-FY22

<b>McLean Community Center</b>						
<b>Financial Summary FY20-FY21-FY22</b>						
<b>Preliminary Projections</b>						
	<i>FY 2020</i>		<i>FY 2021</i>		<i>FY 2022</i>	
	<b>Actual</b>		<b>Adopted Budget</b>		<b>Proposed</b>	
<b>Operating - REVENUE</b>						
Real Estate Tax	4,855,237	77%	4,894,469	79%	4,855,237	81.0%
Interest on Investments	80,762	1%	70,000	1%	85,000	1.4%
<b>Total Tax and Interest Revenue</b>	<b>4,935,999</b>	<b>78%</b>	<b>4,964,469</b>	<b>80%</b>	<b>4,940,237</b>	<b>82.4%</b>
Recreational Class Fees- Instructional Programs	301,391	5%	450,000	7%	450,000	7.5%
Special Events	10,375	0%	74,600	1%	62,900	1.0%
Performing Arts - Theatre	133,204	2%	151,400	2%	144,140	2.4%
Youth Program Fees	111,157	2%	115,300	2%	113,050	1.9%
Teen Center – OFTC Fees	147,703	2%	195,000	3%	189,000	3.2%
Visual Arts Activity Fees	130,795	2%	145,000	2%	0	0.0%
<b>Total Program Revenue</b>	<b>834,625</b>	<b>13%</b>	<b>1,131,300</b>	<b>18%</b>	<b>959,090</b>	<b>16.0%</b>
Miscellaneous (Facility Rentals, Ad Revenue, etc.)	76,218	1%	93,515	2%	95,975	1.6%
Miscellaneous Recoered Costs	448,408		0		0	
Gifts and Donations	25,000		0		0	
<b>TOTAL REVENUE</b>	<b>6,320,250</b>	<b>100%</b>	<b>6,189,284</b>	<b>100%</b>	<b>5,995,302</b>	<b>100.0%</b>

This forecast is based upon reasonable assumption, given the current economic condition; however, it reflects only our best judgement at the present time and constitutes no representation or warrant of what the operating results will, in fact ,be.

# FY22 Budget- Revenue

## The Components making up the Revenues:

- Taxes projected at 2.3c per \$100 of Assessed Value \$4,855,237 81.0%  
(Based on the assessed value of McLean district 1A on 01.20.2020.)
- Program, Rental and Interest Revenues \$ 1,140,065 19.0%

## Instruction

- The projected number of classes are 340 and revenue \$450,000 for FY22.

## Special Events

- 15 Events are proposed to be held in FY22.  
4<sup>th</sup> of July, Scavenger Hunt, Garage Sale Fall, Pet fest, 5K Race, Uncorked, Antique show, Winter Lights, Craft Show, Be Fit / Health Fair, Volunteer Appreciation, Garage Spring Sale, Earth Day and McLean Day.
- Revenue is projected at \$63K.

## Facilities

- Rental Income is Projected to be \$60K.

# FY22 Budget- Revenue

## Performing Arts

- Assumption of returning to a normal year of production at the theatre. Proposing programs based on recommendations made by the Performing Arts Focus Group Participants (More Music/Musicals; More programming for full families, More diversity in types of programming)
- Propose to have 118 events in FY22.
- Revenue expected at \$144K.

## Youth Events

- There will be a total of 6 events held in FY22. Harvest Happening, Holiday Gingerbread House, Breakfast with Santa, Spring Fest and Father Daughter dance. Revenue is projected to be \$8K.
- Camp McLean attendance expected to be 240 and revenue is projected to be \$105K.

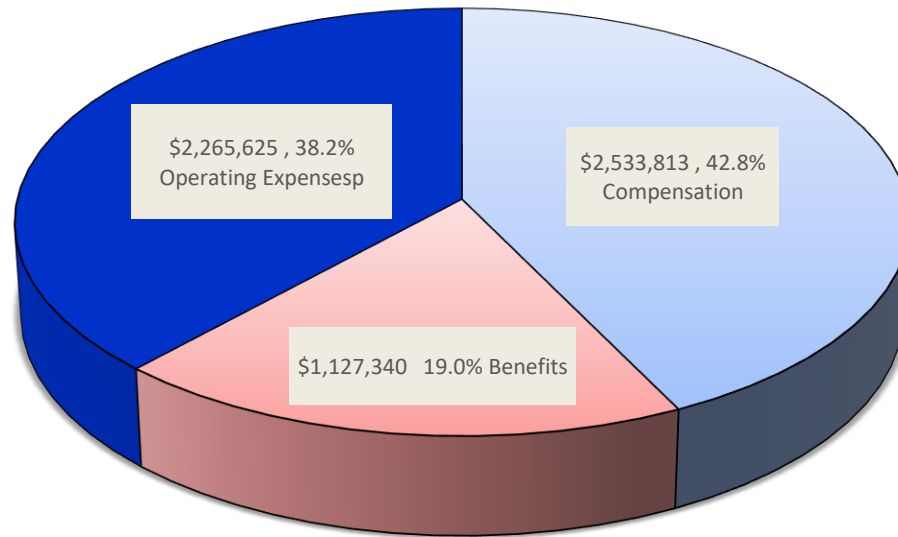
## Old Fire House

- Projected attendance at 13K in FY22.
- Revenue estimates at \$206K, including rental of \$17K.

## Visual Arts

- MPA is doing registration in their own system. No revenue from fees is passed through MCC's books.

# FY22 Expenses



■ Compensation 42.8%   ■ Benefits 19.0%   ■ Operating Expenses 38.2%

# Financial Summary FY20-FY21-FY22

<b>McLean Community Center Financial Summary FY20-FY21-FY22</b>						
<b>Preliminary Projections</b>						
	FY 2020		FY 2021		FY 2022	
	Actual		Adopted Budget		Proposed	
<b>Operating - Expenditure</b>						
<b>Administrative Services</b>	902,917	18%	1,044,848	17%	942,558	16%
<b>Facilities Services</b>	725,838	14%	778,903	13%	784,093	13%
<b>Public Information</b>	455,722	9%	511,865	8%	507,091	9%
<b>Support Expenditures</b>	2,084,477	41%	2,335,616	38%	2,233,742	38%
<b>Recreational Class - Instructional Programs</b>	562,413	11%	760,426	13%	770,448	13%
<b>Special Events</b>	352,630	7%	510,771	8%	578,071	10%
<b>Performing Arts- Theatre</b>	1,050,505	21%	1,317,541	22%	1,308,025	22%
<b>Youth Program</b>	305,077	6%	329,258	5%	328,100	6%
<b>Teen Center - OFTC</b>	570,021	11%	657,471	11%	683,394	12%
<b>Visual Arts Activity</b>	155,982	3%	170,000	3%	25,000	0%
<b>Program Expenditures</b>	2,996,628	59%	3,745,468	62%	3,693,037	62%
<b>Program + Support Expenditures</b>						
	5,081,105	100%	6,081,085	100%	5,926,778	100%

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# FY22 Budget – Expenditures

## Major Expenditures:

### Admin

- Compensation & Benefits-\$814K, Operating Expenses-\$128K
- Major Expenses are consistent with previous years . PC Replacement \$29K, Telecom Services \$25K and Telecom Charge Backs \$17K.

### Admin- PIO

- Compensation & Benefits-\$325K, Operating Expenses-\$183K
- Some of the major expense categories are : Postage \$35K and Commercial Media \$45K, Printing \$60K and Website maintenance and support \$35K.

### Facilities

- Compensation & Benefits-\$519K, Operating Expenses-\$265K.
- Major Expense categories are: Building Maintenance(\$105K), Utilities (\$77K).

### Instruction

- Compensation & Benefits-\$384K, Operating Expenses-\$385K.
- Operating Expenses have been adjusted proportionately to the projected revenue.
- The cost of classes has been projected at 74% of revenue.
- Financial services for class registrations is projected at \$34K.

# FY22 Budget – Expenditures

## Major Expenditures:

### Special Events

- Compensation & Benefits-\$261K, Operating Expenses-\$316K.
- Adjustments are projected for McLean Day, and the additional events to be conducted in FY22. There are a total of 15 events scheduled for FY22

### Performing Arts

- Compensation & Benefits-\$721K, Operating Expenses-\$586K.
- Contracts for all performing arts events is projected \$281K.
- There are 118 scheduled events for FY22. Programming is based on a full normal year.
- Equipment and Supplies for artists and One-Time Purchases are \$73K.
- Other expenses are :Commercial media(\$70K), Postage (\$13K), Printing(\$27K).

### Youth

- Compensation & Benefits-\$238K, Operating Expenses-\$89K.
- There are six events scheduled for FY22 and Camp McLean.

### Old Firehouse

- Compensation & Benefits-\$397K, Operating Expenses-\$285K.
- The projected attendance for FY22 is 13K.

### Visual Arts

- No Expenses reflected in MCC Financials. MPA has their own registration system.
- \$25K is budgeted for sponsorship of MPA Artfest.

**McLean Community Center  
Capital Improvement Projects**

9/1/2020

Project Description	FY20	Moved from FY20	FY21	FY22	Comments
<b>Renovation Project Payouts</b>	\$362,052				
<b>THEATRE PROJECTS</b>					
Theatre Dressing Room Design			\$18,000		
Dressing room bathroom-Cabinets				\$200,000	
AV/IT/Dante Cat 6e Wiring Infrastructure Installation in Theatre.			\$40,000		
House Light/Worklight LED Renovation - Design and Engineer (Replacement)			\$25,000	\$200,000	
Harlequin Dance Floor MicroMini Scrubber Machine		*	\$7,600		
Lobby Monitor for Late Arrivals ( new)		*	\$4,000		
Front Video Projector (replacement)		*	\$20,000		
Motorized Projection Screen		*	\$27,130		
dLive Audio Console System (replacement)			\$26,000		
Personnel Lift - replacement			\$10,000		
Theatre Stage Replacement		*	\$111,000		
Theatre Stage Replacement-Design	\$4,973				
Theatre Chain Hoist System		*	\$22,400		
Moving Lights		*	\$77,000		
<b>Total Theatre Projects</b>	<b>\$4,973</b>		<b>\$388,130</b>	<b>\$400,000</b>	
<b>OTHER PROJECTS</b>					
Copy Room Cabinets	\$6,190				
TMG Replace 3rd Floor Tile Grids	\$23,834				
MCC HVAC	\$107,046				
Donors wall Name plate - Carole Herrick	\$400				
Café Tables and Chairs Courtyard	\$2,970				
Building exterior cleaning.	\$17,657				
Kitchen Range and Hotplate Replacement Estimated	\$4,623				
Community Hall Rpairs	\$1,995				
Community Hall Rpairs	\$4,806				
Doors Mafitt and Stedman			\$13,265		
OFTC Landscaping	\$29,480		\$29,480		In Process
OFTC Security and Fire Systems		*	\$34,000		
OFTC HVAC-3 Units Ceiling Mount Duct Work		*	\$200,000		TMG Quotes
Elevator Maintenance / Replacements		*	\$258,160		In Process
<b>Total Equipment Replacement</b>	<b>\$199,002</b>		<b>\$534,905</b>	<b>\$0</b>	
<b>Total Capital Expenses</b>	<b>\$566,026</b>		<b>\$923,035</b>	<b>\$400,000</b>	

# FY22 Budget – Capital Overview

## FY21 Projects:

Theatre \$388K.

Dressing Room Design, Cat 6e Wiring, House Lights LED Conversion, Harlequin Dance Floor, Lobby Monitor, Front Video Projector, Motorized Projection Screen, Audio Console System, Personnel Lift, Stage Replacement, Chain Host System, Moving Lights.

Other Projects \$535K

OFTC HVAC, Security and Fire Systems, MCC Elevator Replacement.

## FY22 Budget reflects the following Capital Expenses:

Theatre Projects:

Dressing room / green Room Hospitality \$200K.

House Lights/Worklight LED Renovation \$200K.

**McLean Community Center  
Financial Summary FY20-FY21-FY22**

**Preliminary Projections**

	FY 2020		FY 2021		FY 2021		FY 2022	
	Actual		Adopted Budget		FFX Revised Budget		Proposed	
<b>FUND STATEMENT</b>								
Tax Rate per \$100 of Assessed Value	2.3		2.3				2.3	
<b>Beginning MCC General Fund Balance</b>	<b>5,386,675</b>		<b>4,638,770</b>		<b>6,059,796</b>		<b>5,194,246</b>	
Total Revenue	6,320,250		6,189,284		6,189,284		5,995,302	
Total Operating Expenditures	(5,081,105)		(6,081,085)		(6,131,799)		(5,926,778)	
<b>Net Surplus (Shortfall) from Operations</b>	<b>1,239,145</b>		<b>108,199</b>		<b>57,485</b>		<b>68,524</b>	
Less :Capital Expenses	(566,026)		0		(923,035)		(400,000)	
Net Surplus/(Shortfall) for Financial Year(incl. Capitals)	<b>673,119</b>		<b>108,199</b>		<b>(865,550)</b>		<b>(331,476)</b>	
<b>MCC General Fund Balance</b>	<b>6,059,796</b>		<b>4,746,969</b>		<b>5,194,246</b>		<b>4,862,770</b>	
<b>Break Down of Fund</b>								
	FY 2020		FY 2021		FY 2021		FY 2022	
	Actual		Adopted Budget		FFX Carry Forward		Proposed	
Annual Capital Equipment	126,405		123,786		123,786		119,906	
<b>Capital Improvement Reserve Fund</b>	5,408,394		4,098,187		4,545,463		4,217,866	
Operating Contingency Reserve- Effective 2014	525,000		525,000		525,000		525,000	
<b>Total Fund Balance</b>	<b>6,059,796</b>		<b>4,746,969</b>		<b>5,194,246</b>		<b>4,862,770</b>	
Unreserved Ending Bal.Surplus/(Shortfall)-Gen Fnd	0		0		(0)		0	

The Ending Balance fluctuates due to adjustments in revenues and expenditures, as well as carryover of balances each fiscal year.  
 The Equipment Replacement Reserve Fund has been established by the McLean Community Center Governing Board to set aside funding for future equipment purchases at 2 percent of total revenue.  
 The Operating Contingency Reserve has been established by the MCC Governing Board to set aside cash reserves for operations as a contingency for unanticipated expenses and fluctuations in the center's revenue stream. The amount was increased to \$525,000.

This forecast is based upon reasonable assumption, given the current economic conditions; however, it reflects only our best judgement at the present time and constitutes no representation or warrant of what the operating results will, in fact ,be.

# FY22 Budget – Expenditures

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- Operating Expenses represent the expenses used to operate MCC on an annual basis. They include regular costs such as, facility maintenance, utilities, instructor fees, theatre productions and expenses associated with events like July 4<sup>th</sup> and McLean Day. The funding for operating expenses is budgeted and approved for a single fiscal year.
- Personnel Expenses include salary compensation, taxes and benefits, such as health, retirement and workman's compensation.
- Capital Expenses are monies used to buy, replace and improve large items like air conditioning units, the Alden sound system, and projects like the planned renovation of the MCC and Old Firehouse facilities. These expenses are budgeted to be spent either in a single fiscal year or, sometimes to be spent across multiple years. An unfinished Capital project can have its funding moved to the next fiscal year if this is deemed necessary to complete the purchase/work.

# FY22 Budget – Taxes

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- Tax Revenues = Total Tax Assessment of Properties in MCC Tax District multiplied by tax rate.
  - Example: For a house assessed at \$1,000,000, MCC tax assessment at 2.3¢ per \$100 would be \$230 per year.
- MCC uses FY20 tax assessment projections, provided by the County, for FY 2022 tax calculations.
- Actual Assessments for FY22 will not be announced until Feb 2021.
- As a result, at this time, tax revenue for FY 2022 is a projection.

**Notes:**

**FY22 Revised Real Estate Tax Valuation reflects the increase county published projections, as of Feb, 2020.**

**The Capital Equipment Reserve is to be maintained at 2% of Revenue.**

**The Contingency Fund Reserve is to be maintained at \$525,000**

**Assessed Value of Properties in Small District 1A**

**Residential Base - \$20,752,949,190**

**Commercial Base - \$1,225,180,780**

**2020 Tax Base - \$21,978,129,970**



# Looking Forward

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- The Renovation of the MCC has been completed.
- Accumulated reserves were used for this renovation and other capital equipment or improvement projects. MCC may, in future years, consider an increase or decrease in tax rate to have expenditures equal revenues. This decision will be influenced by many variables, especially changes in assessed value of property in MCC tax district in FY 22 and beyond.