

Bender JCC of Greater Washington

MEMORANDUM

Date: May 14, 2021
 To: Finance and Administration Committee
 From: William Grubb and Bender Staff
 Subject: FY22 Draft Operating Budget for Review

Summary

For each line item of the Summary Budget, there are three comparison columns; FY21 Forecast (summary only, budget never developed or presented in full detail), FY20 Actual (includes four months of COVID closure), and FY19 (totally pre-COVID).

Revenue	FY22 Budget	%	FY21 Forecast	%	FY20 Actual	%	FY19 Actual	%
Membership	1,482,221	14.6%	1,432,730	18.7%	2,150,617	19.0%	2,358,970	18.4%
Program Fees	3,547,162	35.0%	2,044,703	26.7%	4,842,313	42.8%	6,697,535	52.2%
Special Events Revenue	583,790		475,000		865,836		803,347	
Special Events Direct Expenses	(42,720)		0		(64,514)		(88,978)	
Special Events Net	541,070	5.3%	475,000	6.2%	801,322	7.1%	714,369	5.6%
Contributions	678,086	6.7%	625,210	8.2%	650,086	5.7%	500,170	3.9%
PPP Forgiveness	1,431,000	14.1%	0	0.0%	0	0.0%	0	0.0%
Foundation Grants	575,000	5.7%	649,000	8.5%	612,736	5.4%	509,522	4.0%
Federation Grants	790,000	7.8%	1,321,487	17.3%	925,381	8.2%	891,815	6.9%
Government Grants	370,000	3.6%	511,411	6.7%	548,330	4.8%	405,574	3.2%
Endowment Spend	408,968	4.0%	396,064	5.2%	379,789	3.4%	371,606	2.9%
Rentals	299,188	2.9%	174,725	2.3%	171,872	1.5%	243,282	1.9%
Other Income	24,667	0.2%	13,943	0.2%	228,507	2.0%	146,028	1.1%
Total Revenue	10,147,362		7,644,273		11,310,953		12,838,871	
Expenses								
Salaries and Benefits	5,742,274	57.8%	4,564,844	56.7%	7,594,179	63.1%	7,800,873	58.8%
Program Salaries	0		0		0		0	
Professional Fees	834,798	8.4%	673,393	8.4%	786,221	6.5%	937,285	7.1%
Direct Program Costs	722,489	7.3%	415,499	5.2%	1,044,039	8.7%	1,524,551	11.5%
General Operating Costs	778,737	7.8%	785,058	9.8%	893,217	7.4%	1,099,560	8.3%
Overhead and Occupancy Costs	1,852,302	18.7%	1,612,738	20.0%	1,716,340	14.3%	1,908,923	14.4%
Total Expenses	9,930,600		8,051,532		12,033,996		13,271,192	
Surplus (Deficit) Before Depreciation	216,762		(407,259)		(723,043)		(432,321)	

The Surplus (Deficit) is comparable by year since Depreciation has always been ignored (shown below the line). As presented, there is a surplus of \$216,700 (rounded) compared to deficits of (\$400,000) to (\$700,000) in prior years. However, the surplus is a direct result of the forgiveness of the first PPP draw of \$1,431,000 which is properly budgeted as revenue in the year of forgiveness.

Bender JCC of Greater Washington

FY22 Operating Budget Narrative

Membership, Fitness and Aquatics

	FY22 Budget	FY21 Forecast	FY20 Actual	FY19 Actual
Revenue				
Membership	1,482,221	1,432,730	2,150,617	2,358,970
Program Fees	245,859	127,332	405,382	639,436
Special Events Revenue (Net)				
Contributions	6,786	5,000	10,859	8,161
PPP Forgiveness				
Foundation Grants			2,980	19,069
Federation Grants				
Government Grants	27,500	27,500	23,056	15,000
Endowment Spend	3,171	3,073	2,947	2,884
Rentals	155,140	124,725	26,529	21,173
Other Income	4,874	13,943	27,453	44,280
Total Revenue	1,925,551	1,734,303	2,649,823	3,108,973
Expenses				
Salaries and Benefits	899,620	686,871	1,141,566	1,067,539
Program Salaries				
Professional Fees	513,738	452,500	489,134	547,544
Direct Program Costs	156,102	104,136	117,670	236,806
General Operating Costs	74,986	73,119	77,032	71,875
Overhead and Occupancy Costs	67,637	44,928	52,253	54,148
Total Expenses	1,712,083	1,361,554	1,877,655	1,977,912
Surplus (Deficit) Before Depreciation	213,468	372,749	772,168	1,131,061

Membership has finally reached a tipping point in the last few months, where we are gaining more members than we are losing. Prior to COVID we had 2,537 memberships. At the end of January 2021 (mid-COVID) we were down to 1,724 (and over 300 frozen). Today we are at 1,759 (with 200+ still frozen).

We are expecting to grow our NET membership base by at least 100 memberships by the end of FY22. This will be accomplished by targeting members that have cancelled or frozen their membership as a result of COVID. Additionally, we will acquire new members by using the marketing vehicles that made us successful prior to the pandemic, including commercials, social media videos/posts, referrals, direct mail and community events. The budget also expands our hours of operation for the pools and fitness center as well as offer more in-person classes. This increases our payroll initially, while the associated revenue takes time to build through more members, more personal training and swim lessons. Our goal is to rebuild our Personal Training revenue to 50% of pre-pandemic and include a new small group training, fee-based option at our new outdoor training/fitness space, and limit the number of free group exercise classes to under 40 classes per week. We will continue to provide private swim lessons throughout the year and plan to bring back group lessons in the fall. We have also secured two swim teams to rent the pools year round (or nine months).

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FY22 Operating Budget Narrative

Preschool/ECC

	FY22 Budget	FY21 Forecast	FY20 Actual	FY19 Actual
Revenue				
Membership				
Program Fees	1,992,370	1,503,450	2,121,251	3,222,305
Special Events Revenue (Net)				
Contributions		11,000	137,424	2,144
PPP Forgiveness				
Foundation Grants		20,000	20,000	20,000
Federation Grants				
Government Grants			10,000	0
Endowment Spend	17,076	16,270	15,601	15,265
Rentals				
Other Income			15,696	10,013
Total Revenue	2,009,446	1,550,720	2,319,972	3,269,727
Expenses				
Salaries and Benefits	1,375,583	1,083,333	2,239,726	2,218,739
Program Salaries				
Professional Fees	63,500	53,690	60,162	70,648
Direct Program Costs	88,250	65,462	122,573	162,741
General Operating Costs	28,810	40,300	36,275	86,958
Overhead and Occupancy Costs	15,200	12,870	14,975	15,964
Total Expenses	1,571,343	1,255,655	2,473,711	2,555,050
Surplus (Deficit) Before Depreciation	438,103	295,065	(153,739)	714,677

We are expecting to have over 100 students in 9 classes (compared to 175 students and 14 classes before COVID closed us down).

The ECC is slowly returning to our pre-COVID community. With extended hours (aftercare 4-5:30), we are aiming to better meet the needs of families working full time and slowly returning to work away from home. Morning and afternoon carpool will continue as we will not be able to have visitors in the school. We will still be cohorting groups, with limited mixing between classes of the same age group to enable us to offer the extended hours, and limited sharing of staff between classes to minimize disruption from any illness that arises. We'll also be able to better support our teachers with a part-time pedagista and part-time administrative assistant.

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FY22 Operating Budget Narrative

Camp JCC

	FY22 Budget	FY21 Forecast	FY20 Actual	FY19 Actual
Revenue				
Membership				
Program Fees	753,482	35,775	1,270,273	1,432,460
Special Events Revenue (Net)				
Contributions			16,135	12,625
PPP Forgiveness				
Foundation Grants				
Federation Grants				
Government Grants				
Endowment Spend	15,364	14,635	14,033	13,731
Rentals				
Other Income			1,891	4,173
Total Revenue	768,846	50,410	1,302,332	1,462,989
Expenses				
Salaries and Benefits	460,435	172,707	557,801	612,728
Program Salaries				
Professional Fees	38,700		44,154	68,886
Direct Program Costs	143,360	6,000	289,509	321,630
General Operating Costs	15,334		60,389	89,305
Overhead and Occupancy Costs			509	787
Total Expenses	657,829	178,707	952,362	1,093,336
Surplus (Deficit) Before Depreciation	111,017	(128,297)	349,970	369,653

In a typical summer, we have around 500 campers and 250 camp staff, this summer we are going to be around 50% of that with roughly 250 campers and 120 staff.

In addition, a majority of the camp day will be outside, some families have elected to have an activity or two inside but many campers and staff will remain outdoors for the entire day.

Our program options will continue to follow the Session model with the breakdown of 2, 2, and 3 weeks for a total of 7 weeks. This summer we are not going to have field trips or daily bussing as a part of our summer offerings. That meant that some of our programs have been adjusted towards more of a traditional camp model where campers experience things like art, sports, music, dance and swim. To reduce staff touching of campers' food, we will not be offering snack for campers this summer.

We do have a very exciting addition to camp for this summer, our new Climbing Wall has already broken ground and should be completed long before camp begins.

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FY22 Operating Budget Narrative

Youth Programs

	FY22 Budget	FY21 Forecast	FY20 Actual	FY19 Actual
Revenue				
Membership				
Program Fees	339,122	268,930	687,126	1,003,563
Special Events Revenue (Net)				
Contributions	16,000	6,695	35,877	38,439
PPP Forgiveness				
Foundation Grants	100,000	100,000	140,740	109,254
Federation Grants	40,000	87,500	132,055	98,462
Government Grants				
Endowment Spend	50,909	49,435	47,404	46,383
Rentals				
Other Income	16,500		24,744	41,869
Total Revenue	562,531	512,560	1,067,946	1,337,970
Expenses				
Salaries and Benefits	419,780	218,704	454,239	499,087
Program Salaries				
Professional Fees	78,958	66,748	120,365	154,968
Direct Program Costs	73,709	31,657	212,009	270,599
General Operating Costs	19,615	12,283	37,507	31,869
Overhead and Occupancy Costs			6,946	7,891
Total Expenses	592,062	329,392	831,066	964,414
Surplus (Deficit) Before Depreciation	(29,531)	183,168	236,880	373,556

The Youth and Families department has been consolidated to include a wide range of individual departments – Youth and Adult Sports, After School programming, including the Club J after school program, Dance and Art classes, private Music lessons, and the Bender-Dosik Parenting Center which includes Holiday programming and weekly Challah sales. The JCC Maccabi and the Mid-Atlantic Junior Games are not scheduled for FY22. If the Junior Games are rescheduled for spring 2022, all expenses will be covered by program registration fees. Youth classes (sports, karate, arts, and dance) will be reintroduced as in-person classes, but enrollment and offerings are entered as conservative due to the current environment. Class size restrictions may be expanded if county restrictions are lifted which will allow for more participants without additional staffing expenses. The Family Engagement team is projecting lower program fees for FY22 due to fewer in person offerings and smaller program capacity as required by Montgomery County. Should these restrictions be lifted, we hope to increase revenue expectations. Support from Federation has not yet been determined but if the grant is lower than the FY21 amount, expenses will be reduced to accommodate this change. Club J (formerly KAS) will return in the fall as a 5-day afterschool option and will be supervised by Camp JCC staff. Conservatively budgeted for a program of 36 students in a 5-day, 3-day or 2-day program (compared to 70 students in March 2020). There are opportunities for revenue growth in weekly enrollment

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FY22 Operating Budget Narrative

numbers, school out day participation, and winter/spring breaks. The uncertainty of the MCPS fall schedule will have an effect on the need for after school care.

Senior Programs

	FY22 Budget	FY21 Forecast	FY20 Actual	FY19 Actual
Revenue				
Membership				
Program Fees	46,192	24,926	65,659	116,634
Special Events Revenue (Net)				
Contributions		34,000	38,640	65,600
PPP Forgiveness				
Foundation Grants	15,000	30,000	40,500	70,773
Federation Grants		4,987	19,262	19,290
Government Grants	185,000	175,450	278,524	235,364
Endowment Spend	75,574	84,503	81,030	79,284
Rentals				
Other Income			5,774	5,577
Total Revenue	321,766	353,866	529,389	592,522
Expenses				
Salaries and Benefits	142,190	93,330	210,705	230,374
Program Salaries				
Professional Fees	24,540	18,405	7,817	12,519
Direct Program Costs	53,828	66,531	87,318	157,361
General Operating Costs	2,235		22,614	16,504
Overhead and Occupancy Costs	9,385		44	89
Total Expenses	232,178	178,266	328,498	416,847
Surplus (Deficit) Before Depreciation	89,588	175,600	200,891	175,675

The Coming of Age Adults Program will be very conservative in transitioning back to in-person programming, as many in our group are still hesitant to resume normal activities. Over the summer, any in-person programs will be outdoors, abiding by county guidelines for social distancing and number of participants. As of now, any in-person outdoor program over the summer will be limited to 25-50 people. Most programs will continue on Zoom. Starting in the fall, we hope to transition to more in-person indoor programs, as our members begin to feel more comfortable. We will again abide by county guidelines (as well as the comfort level of our members) for social distancing and number of participants. Food served will be dependent on the current situation at the time. We also plan to continue doing Zoom program in January and February, when bad weather is more of a problem. We hope to resume theater trips in the spring, which have always been extremely popular.

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FY22 Operating Budget Narrative

Arts and Culture

	FY22 Budget	FY21 Forecast	FY20 Actual	FY19 Actual
Revenue				
Membership				
Program Fees	98,700	84,290	139,199	162,086
Special Events Revenue (Net)				
Contributions	54,800	33,000	54,333	40,014
PPP Forgiveness				
Foundation Grants		19,000	24,000	3,000
Federation Grants				
Government Grants	100,000	129,981	103,645	99,128
Endowment Spend	87,185	50,314	48,247	47,208
Rentals				
Other Income	3,293		6,693	9,162
Total Revenue	343,978	316,585	376,117	360,598
Expenses				
Salaries and Benefits	154,983	151,665	180,506	233,560
Program Salaries				
Professional Fees	35,871	550	27,004	49,077
Direct Program Costs	53,319	17,985	39,109	80,454
General Operating Costs	4,230		18,384	41,117
Overhead and Occupancy Costs	200		271	2,348
Total Expenses	248,603	170,200	265,274	406,556
Surplus (Deficit) Before Depreciation	95,375	146,385	110,843	(45,958)

We are projecting less revenue as we are running fewer programs in the coming year and are forecasting lower attendance numbers as we return to normal and our audience members become more comfortable gathering in person. With consideration for Artists of Excellence we are scheduling only three concerts for FY22 to account for COVID considerations. We are also projecting fewer attendees than in the past. Finally, we have zeroed out some programs on the budget as we assess viability for the coming year but if these programs run they will cover all expenses. We are offering more engagement oriented free programs in the coming year than we have in the past to build community engagement and connect.

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FY22 Operating Budget Narrative

Inclusion

	FY22 Budget	FY21 Forecast	FY20 Actual	FY19 Actual
Revenue				
Membership				
Program Fees	71,437		148,449	115,019
Special Events Revenue (Net)				
Contributions		18,000	31,384	30,696
PPP Forgiveness				
Foundation Grants	155,000	125,000	190,500	180,000
Federation Grants				
Government Grants		30,000	25,000	25,000
Endowment Spend	132,884	77,437	74,255	72,655
Rentals				
Other Income			8,513	8,222
Total Revenue	359,321	250,437	478,101	431,592
Expenses				
Salaries and Benefits	253,839	11,103	337,901	319,116
Program Salaries				
Professional Fees	13,541		15,202	18,731
Direct Program Costs	6,663	1,525	63,947	77,002
General Operating Costs	2,909		16,018	10,932
Overhead and Occupancy Costs			10	134
Total Expenses	276,952	12,628	433,078	425,915
Surplus (Deficit) Before Depreciation	82,369	237,809	45,023	5,677

This is primarily the two Camp worksheets; Camp Inclusion and Kochavim.

Bender JCC of Greater Washington

FY22 Operating Budget Narrative

Management, General and Overhead

	FY22 Budget	FY21 Forecast	FY20 Actual	FY19 Actual
Revenue				
Membership				
Program Fees				
Special Events Revenue (Net)				
Contributions			23,618	15,847
PPP Forgiveness	1,431,000			
Foundation Grants	305,000	250,000	2,100	
Federation Grants		500,000		
Government Grants	57,500	112,000	108,105	31,082
Endowment Spend	25,088	100,397	96,271	94,196
Rentals	144,048	50,000	145,343	222,109
Other Income			22,905	11,376
Total Revenue	1,962,636	1,012,397	398,342	374,610
Expenses				
Salaries and Benefits	1,757,623	1,905,449	2,112,301	2,241,129
Program Salaries				
Professional Fees	63,200	48,500	18,339	9,242
Direct Program Costs	103,377	104,278	75,803	137,770
General Operating Costs	583,118	644,356	544,562	680,951
Overhead and Occupancy Costs	1,759,880	1,554,940	1,641,263	1,827,442
Total Expenses	4,267,198	4,257,523	4,392,268	4,896,534
Surplus (Deficit) Before Depreciation	(2,304,562)	(3,245,126)	(3,993,926)	(4,521,924)

We have continued to cut expenses as much as possible. Our deficit is reduced by the Bender foundation commitment to cover the CEO salary with a contribution/grant. The FY21 deficit is reduced by both the first CEO salary payment as well as a contribution to reimburse us for the refund of camp deposits (~\$500k) that we needed to repay as a result of canceling camp.

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FY22 Operating Budget Narrative

Fundraising

	FY22 Budget	FY21 Forecast	FY20 Actual	FY19 Actual
Revenue				
Membership				
Program Fees			4,974	6,032
Special Events Revenue	583,790	475,000	865,836	803,347
Special Events Direct Expenses	(42,720)		(64,514)	(88,978)
Special Events Net	541,070	475,000	801,322	714,369
Contributions	600,500	517,515	301,816	286,644
PPP Forgiveness				
Foundation Grants		105,000	191,916	107,426
Federation Grants	750,000	729,000	774,064	774,063
Government Grants		36,480		
Endowment Spend	1,717			
Rentals				
Other Income			114,838	11,356
Total Revenue	1,893,287	1,862,995	2,188,930	1,899,890
Expenses				
Salaries and Benefits	278,221	241,682	359,434	378,601
Program Salaries				
Professional Fees	2,750	33,000	4,044	5,670
Direct Program Costs	43,881	17,925	36,101	80,188
General Operating Costs	47,500	15,000	80,436	70,049
Overhead and Occupancy Costs			69	120
Total Expenses	372,352	307,607	480,084	534,628
Surplus (Deficit) Before Depreciation	1,520,935	1,555,388	1,708,846	1,365,262

The Fundraising numbers for FY22 remain similar to prior years despite COVID-19. We anticipate most donors will continue to give. Government giving will be down from last year because there was COVID relief funding available in FY21; this helped to offset the reduction of individual contributions last year. Events are planned at a conservative level, better than FY21 but not up to prior years yet.

Bender JCC of Greater Washington

FY22 Operating Budget Narrative

Personnel/Salaries and Benefits

	FY22 Budget	FY21 Forecast	FY20 Actual	FY19 Actual
Salaries and Benefits	5,742,274	4,564,844	7,594,179	7,800,873

The company personnel number (split between departments on the budget summary pages) is 20% higher than FY21 but (32%) and (35%) lower than prior years. FY22 includes 91 salaried and hourly positions as well as approximately 30 session workers and 120 summer camp counselors (session workers and counselors are included in the Microix sheets by department since they don't normally receive benefits). In FY21 there were over 162 positions (salaried, hourly and session workers; there was no camp).

Cash Flow

Related to the annual operating budget is an estimate of our cash flow for the year. For instance, we've budgeted a \$216,700 surplus above; we received (and used) the cash for the PPP loan in FY20, but it wasn't 'recognized income' until the debt was forgiven by the SBA (we anticipate that in FY22). So that 'income' doesn't really help our cash position.

FY22 Cash Flow Projection

		FY22
Cash Balance at 5/7/2021	(1)	2,521,614
FY22 Operating Budget Surplus		216,700
Items in Operating Surplus NOT cash		(1,431,000)
Items Adding to Cash:		
Estimate of FY23 Camp Deposit collected before yearend	300,000	
Total Additions to Cash	300,000	300,000
Items Using Cash:		
Morningstar Principal Payments	(250,000)	
Equipment Lease Payments (principal portion)	(9,560)	
Accounts Payable (Outstanding Checks at 5/7/21)	(100,000)	
Prepaid Expenses for FY23 Camp	(350,000)	
Portion of FY21 forecasted deficit	(250,000)	
Total Uses of Cash	(959,560)	(959,560)
Estimated Cash at End of Year		647,754

Notes

(1) This balance includes \$787,500 2nd PPP Draw that we are using now

(2) This statement does not consider the \$1 mil JCRIF loan nor the \$500k EagleBank line of credit. We do NOT anticipate using either during the year.

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FY22 Operating Budget Narrative