



Museum & Archives of Rockingham County

Financial Sustainability Report: 2022 - 2026

MARC Mission Statement:

“The Rockingham County Historical Society Museum and Archives is dedicated to preserving, disseminating, and exhibiting the history, culture, human and natural resources of Rockingham County, North Carolina, for the benefit of present and future generations”

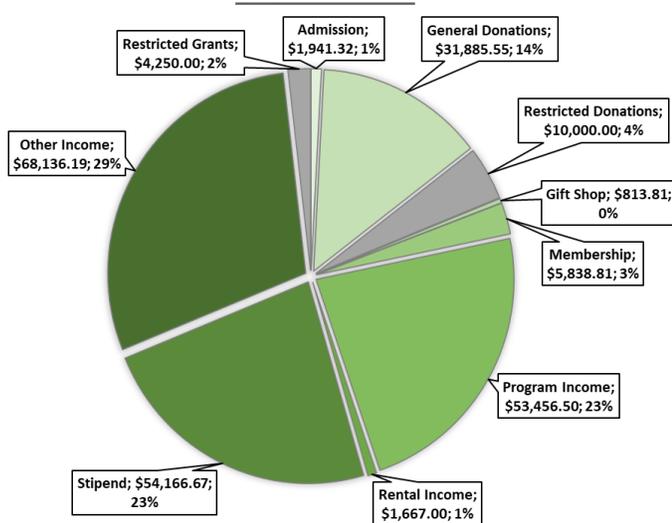
MARC Vision Statement:

“The Rockingham County Historical Society Museum and Archives will be a sustainable organization. It will uphold professional standards and best practices in the curation of exhibits, the preservation of artifacts and archival material, and its public programs, tours and fieldtrips. The MARC will strive to serve Rockingham County’s diverse residents by providing year-round educational opportunities to explore, experience, and learn about the county’s history”

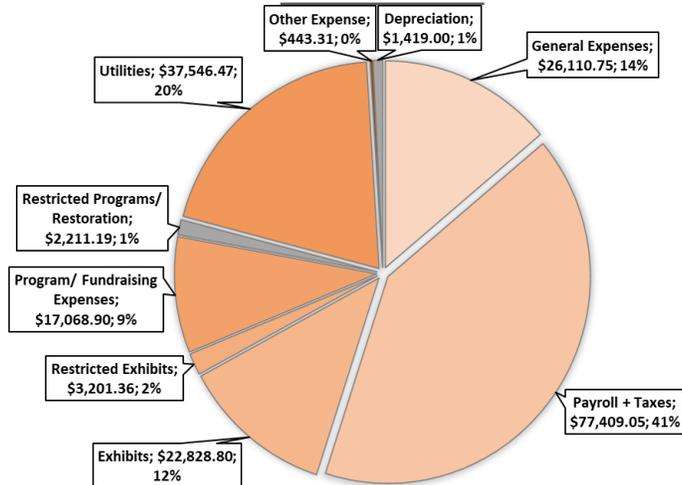
Past Financials Profit & Loss:

Below are the income and expenditure charts 2017 – 2021 to demonstrate MARC’s financial robustness over 5 years, within the framework of an independent 501(c)(3) non-profit organization:

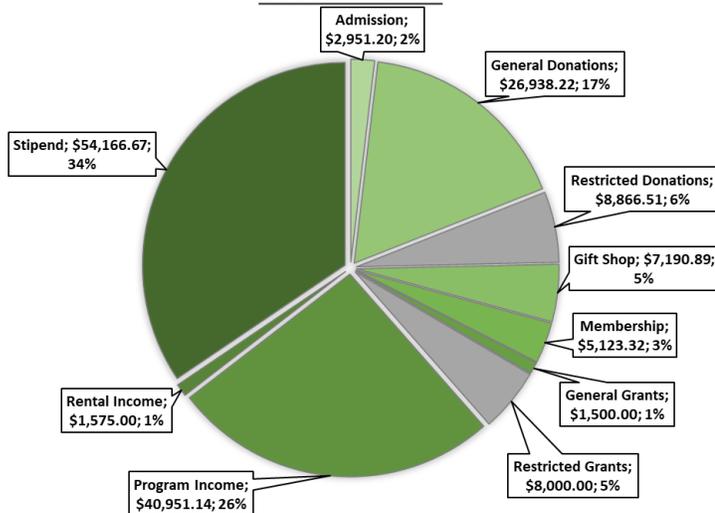
2017 INCOME



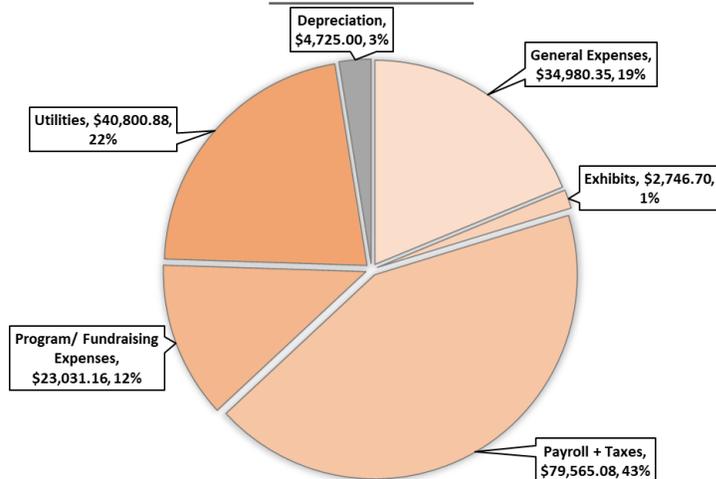
2017 EXPENSES



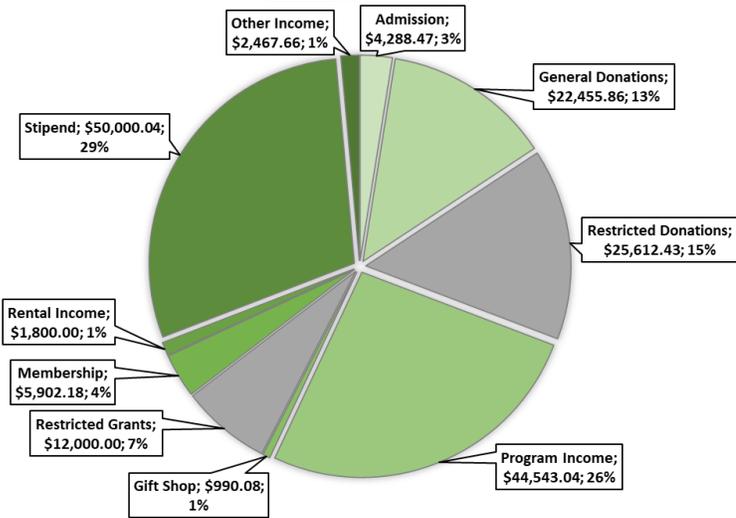
2018 INCOME



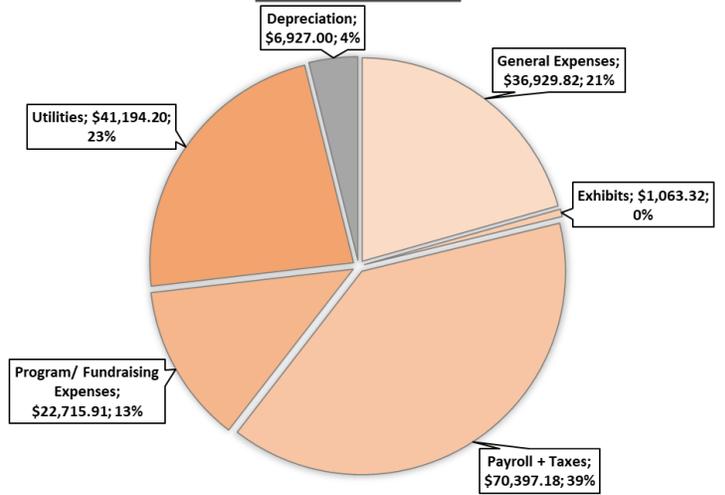
2018 EXPENSES



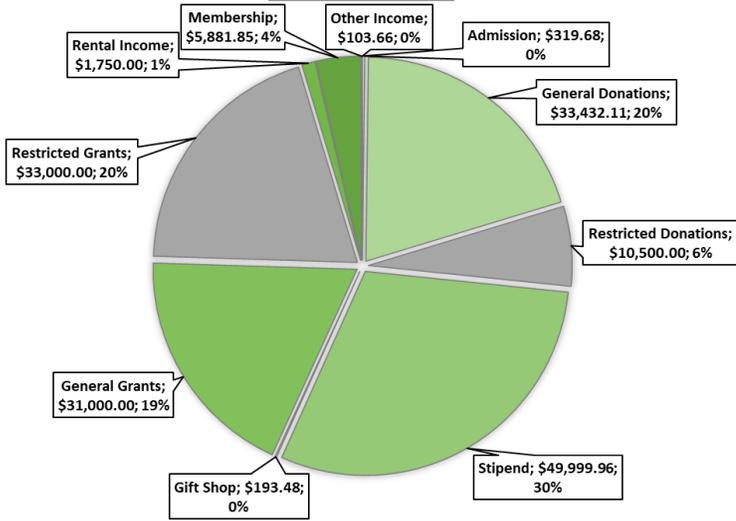
2019 INCOME



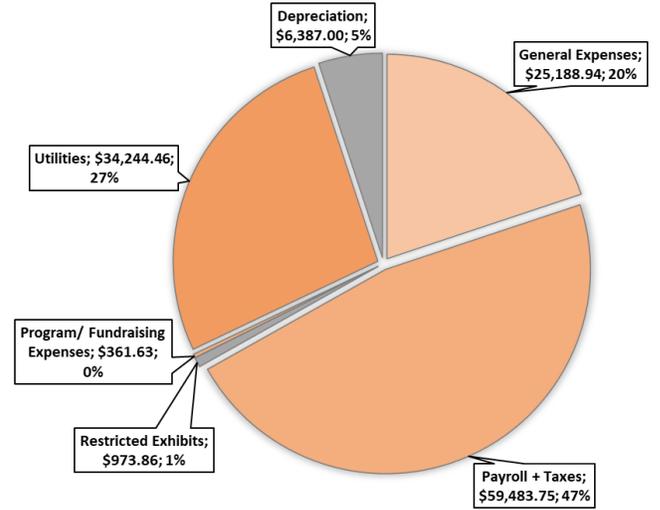
2019 EXPENSES



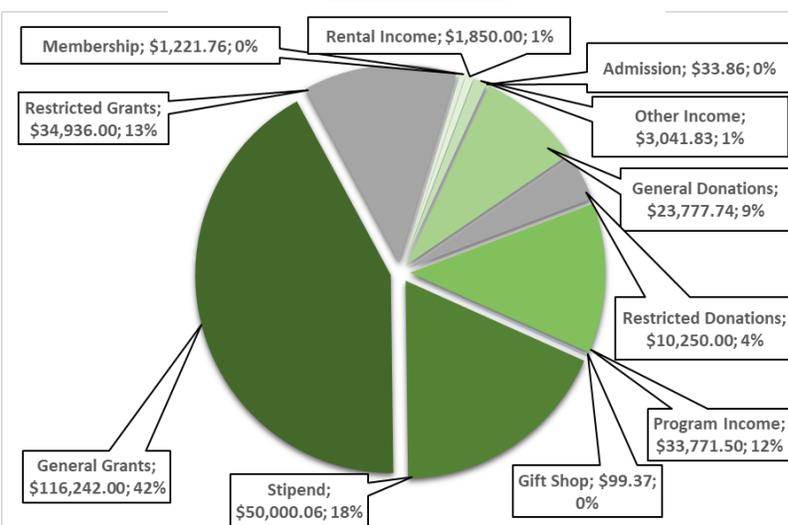
2020 INCOME



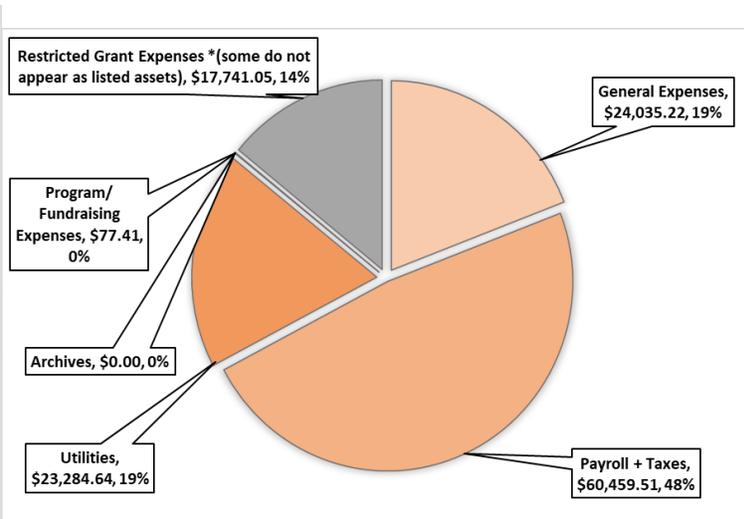
2020 EXPENSES



2021 INCOME



2021 EXPENSES



Past Financial Analysis:

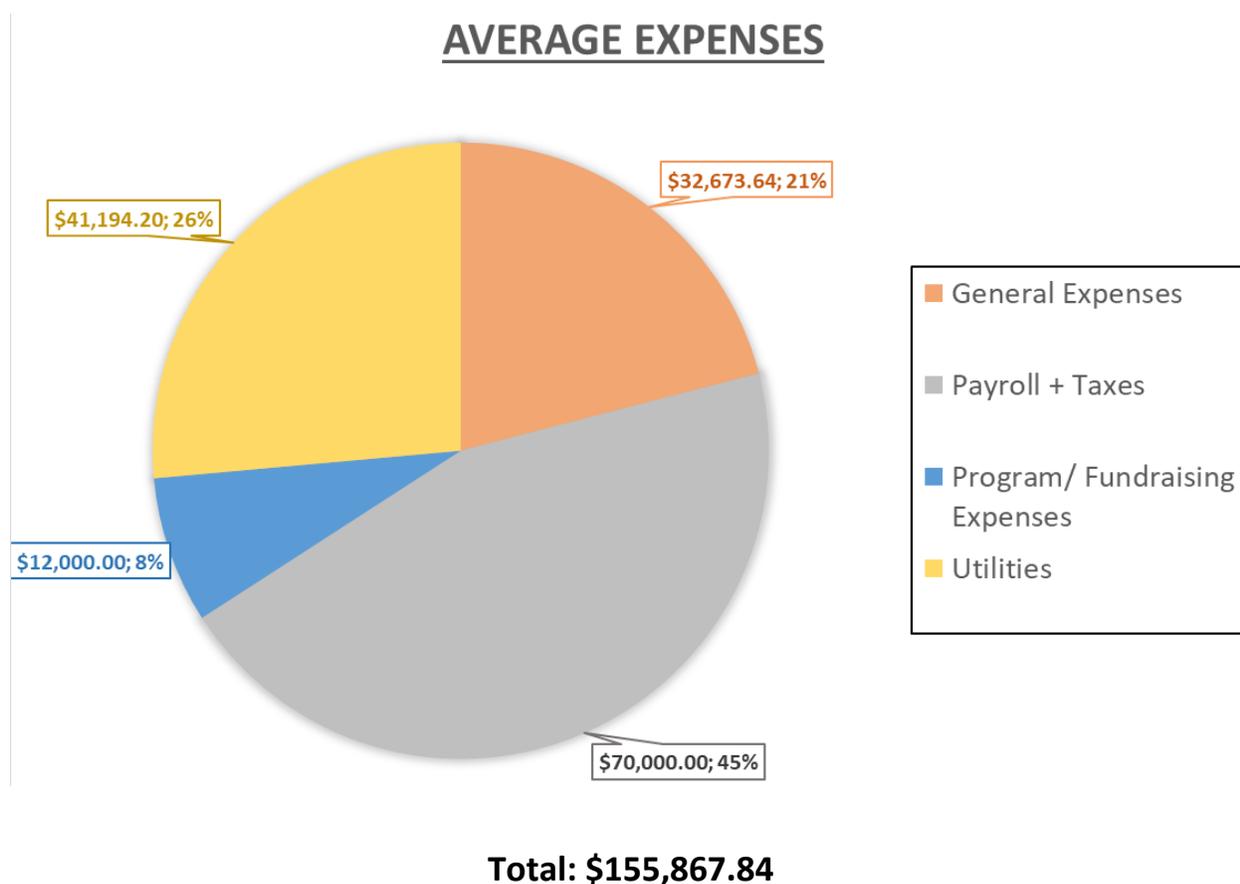
Profit & Loss Bottom Lines:

- 2017 – 2021 Average Gross Profit & Loss: +**\$39,769.34**
- 2017 – 2021 Average Net Profit & Loss (excludes restricted funds): +**\$15,347.22**

Excluding Covid-19 affected years:

- 2017 – 2019 Average Gross Profit & Loss: +**\$2,054.38**

Average Operational Expenses:



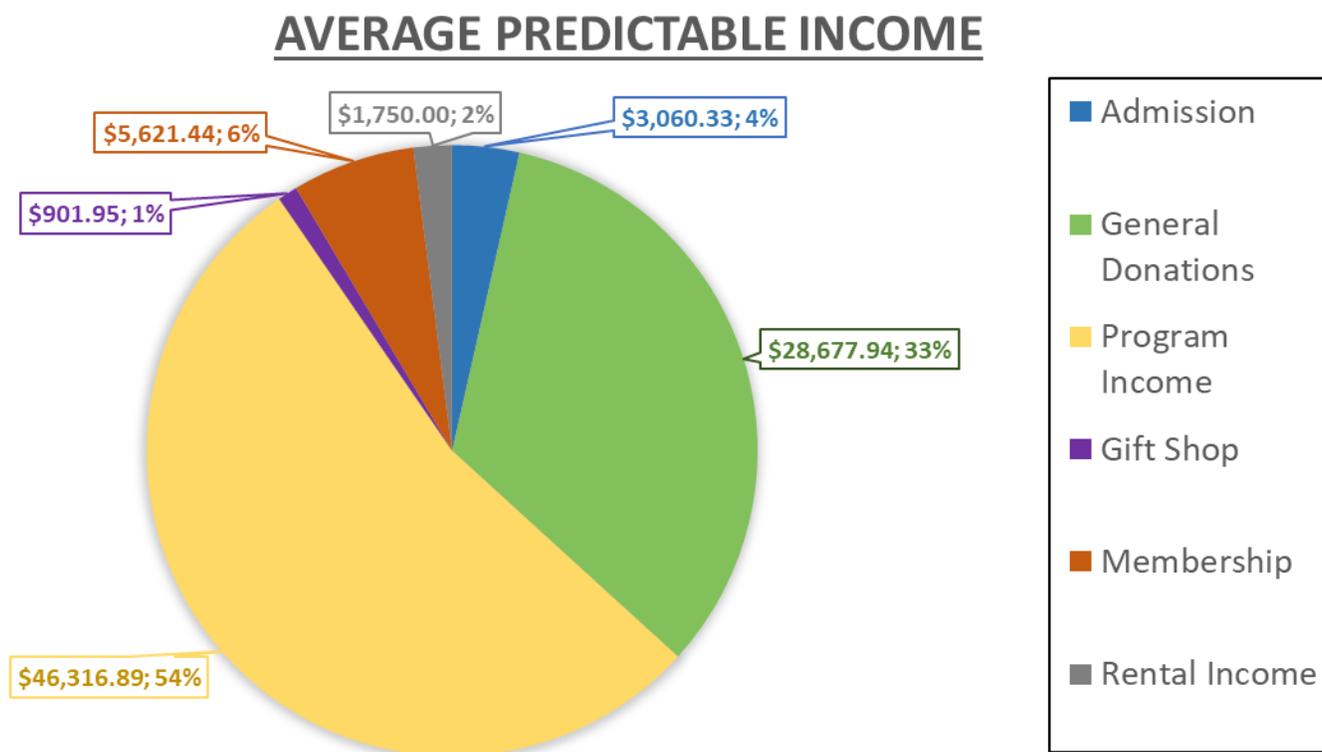
* This does not include restricted items in past expense reports.

** This does not include recent annual archival expenses covered in 2020-2021, which will be included in the final projection.

*** Average Operational Expenses calculated as follows: General Expenses (2017-2019 pre-covid average), Payroll and Taxes (October 2021 payroll x 12 months rounded up), Program/ Fundraising Expenses (2019 figure adjusted to account for current 2021 changes to program mediums/ overheads), Utilities (2019 pre-covid figure).

Predictable Income:

Though grants may vary from year-to-year and form an important part of funding for MARC and the museum sector as a whole, there are several revenue streams that have increased regularity and will help MARC confidently project future fiscal performance:



Total: \$86,328.55 (Inc. current stipend = \$136,328.55)

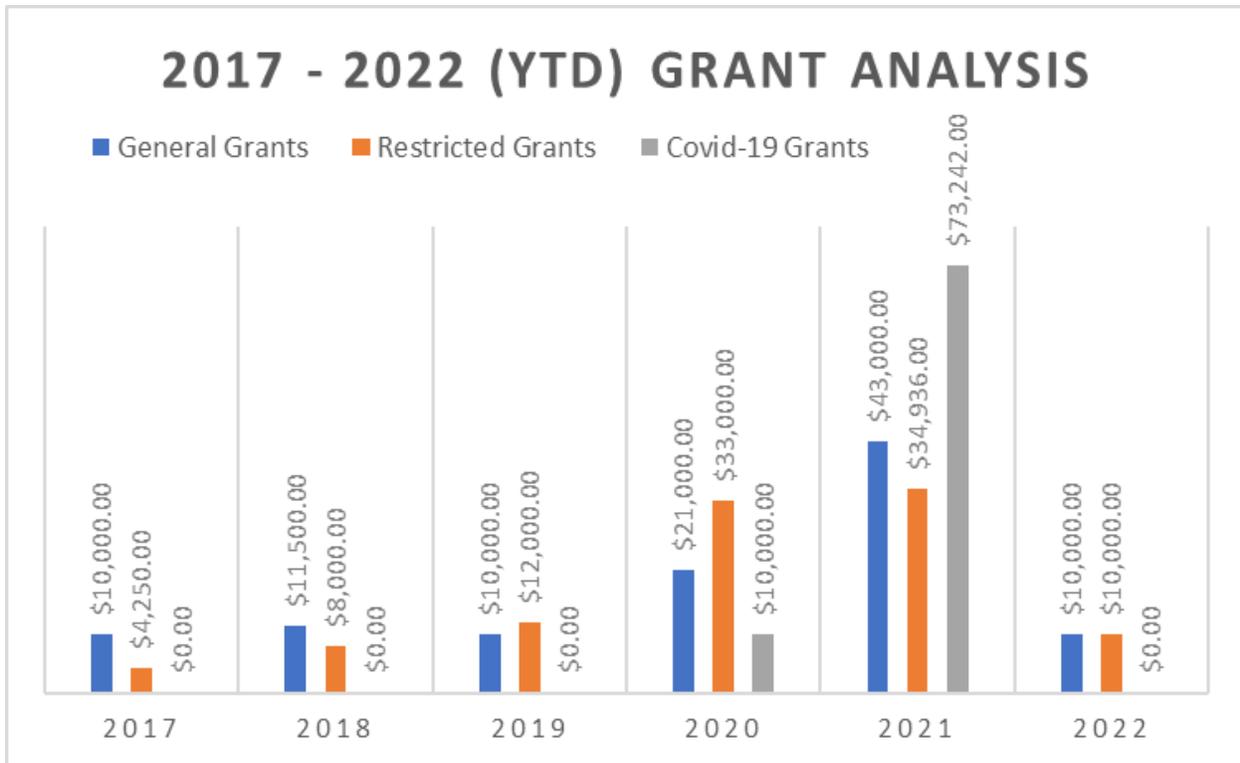
* Average predictable income totals calculated as follows: Admission (2017-2019 pre-covid average), General Donations (2017–2020 average), Program Income (2017-2019 pre-covid average), Gift Shop (2017 and 2019 pre-covid average, excluding special 2018 merchandise event), Membership (2017-2020 average), Rental Income (2020 figure), chart excludes current County stipend of \$50,000 per annum.

** For final 5-year projection, categories such as Program Income, Admission, Membership and Gift Shop may be adjusted using 2020/2021 averages to account for ongoing closure of MARC's main 1907 Courthouse Museum building.

Grant Income:

Operational grants on an average year are needed to make around 15 - 20% of our budget (MARC needs to raise itself approximately \$100,000 - \$110,000 per annum for baseline operation).

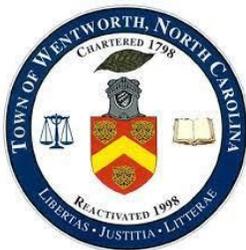
The Town of Wentworth regularly grants MARC \$10,000 each year since 2012 (*note: it is not represented in previous 2017-2019 financials due to different system of recording*) reducing the grant need to around 5 - 12% or \$5,000 - \$15,000. MARC has a strong track record securing local, state and even federal grants:



* Some restricted grants were for special programming/ projects and some for projects that overlapped operational needs.

- Within the last 5 years MARC has shown an increase in awarded grant amounts each consecutive year (+37% in 2018, +13% in 2019, +145% in 2020 excluding Covid-19 grants and +44% in 2021 excluding Covid-19 grants).
- General and Covid-19 grants secured in 2021 cover staffing salaries for 2022.
- From 2020 – 2022 YTD MARC has been successful securing 66% of operational grant applications and 73% overall grant success with a combined total of over \$408,692.50.
- **Since 2020, changing MARC’s grant strategy and strengthening organizational links in the process has seen MARC partner with the following institutions - and confident in conservatively projecting securing \$20,000 in operational grant funds each year:**

2020 – 2022 YTD MARC Grantors:



Town of Wentworth



Reidsville Area Foundation



Duke Energy Foundation



Cannon Foundation



National Geographic



North Carolina Humanities Council



Marion Steadman Covington Foundation



SBA



North Carolina Department of Commerce



National Society Daughters
of the American Revolution

Restricted Account:

MARC holds a restricted account, managing grant funds and restricted line items, such as archival acquisitions and future exhibits/ events. Within this account is a restricted operational line item, to serve as a 'cushion' for salaries and unexpected operational expenses.

The closure of the 1907 Courthouse building due to the pandemic did mean MARC had to dip into this reserve fund several times, reaching as low as 6 weeks of staff salaries in June 2020. A combination of staff furloughs, cost savings, changing providers/services, virtual fundraisers and success in securing operational grants have, however, built this line item up and MARC staff back to 66% capacity.

Currently (June 2022), this operational reserve stands at: **\$71,077.82** and MARC will endeavor to continue building this up as salaries are 100% covered by grants in 2022 and first quarter of 2023.

MARC 5-Year Financial Sustainability Plan:

Main 5 Financial Aims:

- Continue to build on MARC's granting success to better realize both our mission and vision.
 - *Methodology: Continue using a yearly grant calendar, to maintain strong grantor relationships and proactively applying to local, state and national funding sources aligned with MARC's strategic, exhibition and financial plans.*
- Expand MARC's sustainer base through annual corporate giving partners, to help further reduce operational grant reliance and reach operational sustainability.
 - *Methodology: Expanding corporate solicitation beyond our current fundraisers, focusing on large, value-aligned businesses in Rockingham County, through direct participation of MARC's Board of Directors, special committees and corporate events at MARC.*
- Reopen the 1907 Courthouse Museum building through raising capital to complete the HVAC, plumbing and roof repair project.
 - *Methodology: Raise approximately \$750,000 needed to complete the project through County support, National Endowment for the Humanities Grant, additional grantor support and/or Capital Campaign, utilizing MARC's digital and traditional media reach.*
- Increase MARC's membership revenue by expansion of its base and increase retention.
 - *Methodology: Promote across Rockingham County MARC membership through digital and traditional marketing, physical outreach at events and increase exclusive MARC member only events. Additionally, expand virtual member benefits and continue to streamline member correspondence using our Past Perfect CMS*
- Raise approximately \$20,000 for essential 1816 Wright Tavern restoration work.
 - *Methodology: Use online/ physical fundraising and local grant foundations, such as the Daughters of the American Revolution (DAR) annual year-end grant for historic buildings – for whom the William Bethel Chapter use the 1816 Wright Tavern.*

Financial Projection Methodology:

Financial projections for the 5-year plan are based off the average expenses and income charts on pages 3 & 4, with some additional tweaks to account for MARC's current state of semi-closure due to the HVAC project, new income/expenses expected and eventual reopening.

To aide projection accuracy, the National Endowment for the Humanities (NEH) Building Capacity Challenge Grant submitted Work Plan by Rockingham County Commissioners will be used as a template (see below). Should MARC be unsuccessful attaining the grant or other financing avenues are opened, such as Rockingham County American Rescue Plan (ARP), this would likely change the time frame MARC is semi-closed and alter the projections.

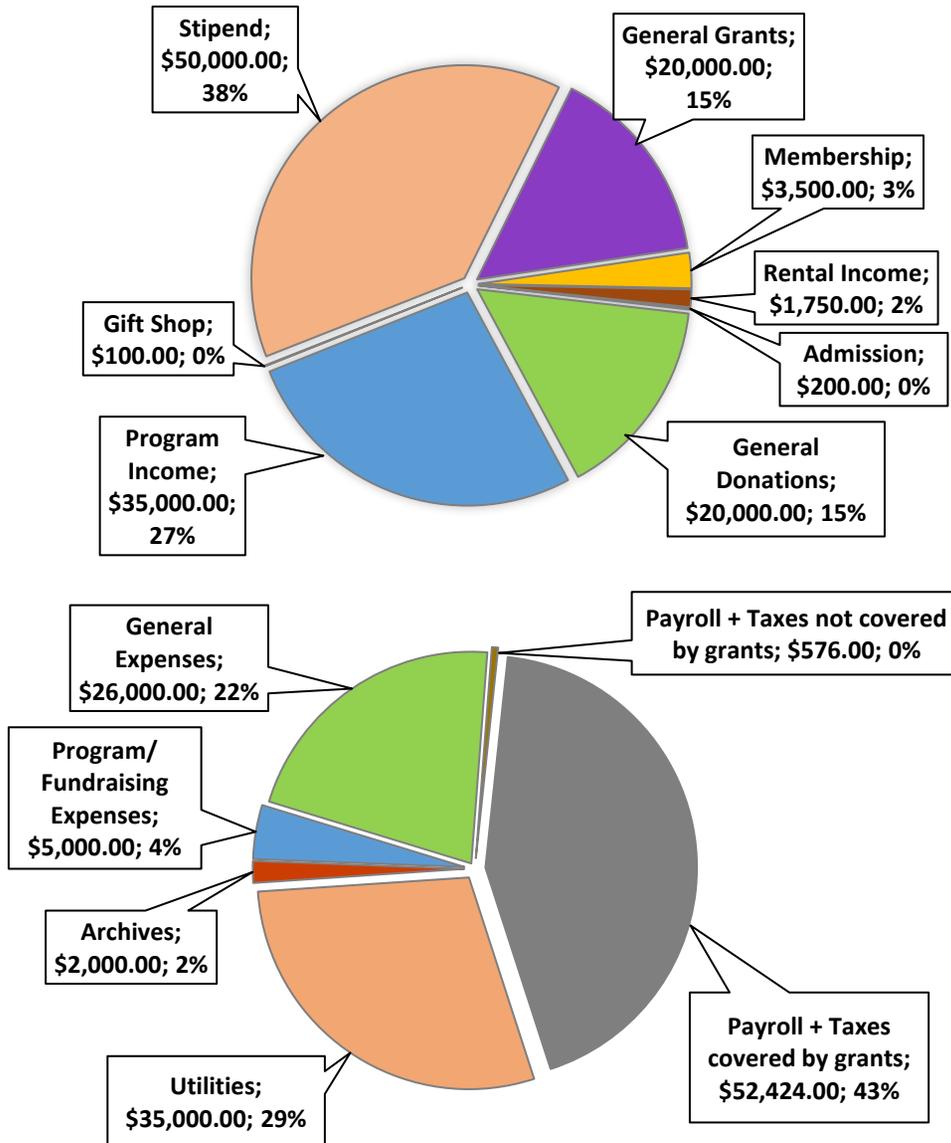
The projections are also based off the following assumptions:

- General (operational) grant revenue remains unchanged at the conservative \$20,000 estimate.
- Utility expenses, whilst closed, stay at the 2020 figure of \$35,000 per annum (though this is likely to be reduced due to 2021 HVAC system failure in most of the building and efforts to reduce power drains in the building).
- Stipend income remains unchanged as does the status of Courthouse ownership.

Project Work Completed Prior to the Enclosed Grant Request		
Date	Work Item	Description/Cost
Spring 2018	MARC Commissioned Centech to inspect courthouse and provide a general quote for HVAC work	Paid for by MARC operational funds
August 2018	Centech quote completed	Recommended staged work with project estimate of \$224,600
October 2018	MARC application for funds	Marion Steadman Covington Foundation Historic Building Preservation Grant
October 2018	Awarded grant	\$25,000 matching grant
March 2020	Secured grant match	Rockingham County Commissioners officially agreed to match \$25,000 grant and further commit to funding of project
June – October 2020	In-depth surveyor report commissioned	Rockingham County Commissioners used \$22,000 of their grant match to commission a detailed surveyors report of entire building and project work plan. Proposed project total of \$625,000 + 10% cushion
March – May 2020	Rockingham County/ MARC evaluation meetings	Meetings red-lining surveyors report and MARC's needs to look at possible cost-savings during elements of the project work plan
Proposed Project Work Plan		
May 2021	Submit Challenge Grant Application	Request \$162,500 Rockingham County provide match of \$467,500
December 2021	Award Announcements to be made on Challenge Grant Application	Total project cost \$650,000 Admin: \$10,000; Construction Oversight: \$15,000; Construction: \$625,000
March 2022	Begin Performance Period	Performance period may begin between March 1, 2022 and June 1, 2022
October 2022	Finalize Design Review/Obtain Permit Approvals	Complete environmental and permit applications and gain approval
January 2023 – October 2023	Construction of proposed improvements	Installation of new HVAC System in the MARC
March 2024	End Performance Period	Performance period may last up to 5 years. Proposed project may take up to 2 years.

* Taken from page 30 of the National Endowment from the Humanities Building Capacity Challenge Grant Application

Financial Projection:
2022



Income
Total Estimate = \$130,550

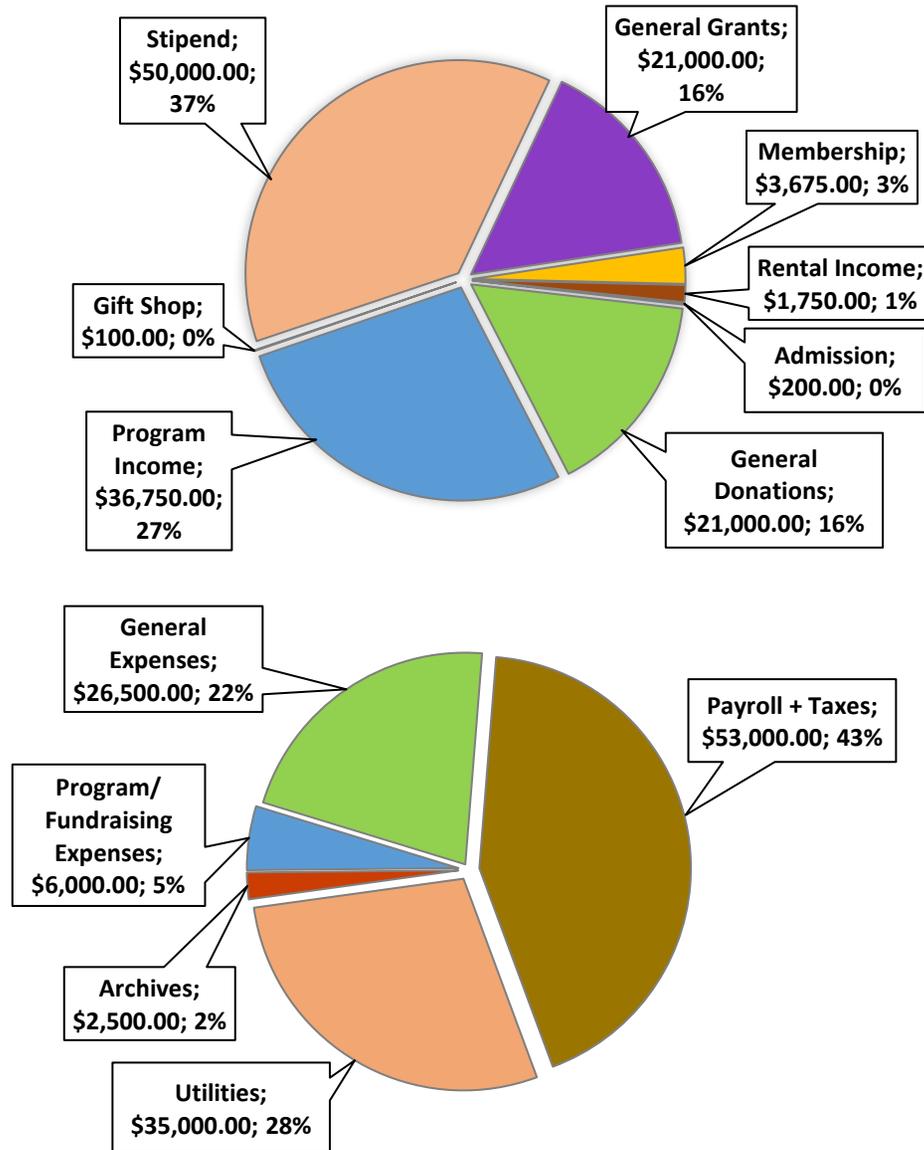
- General Grants: based off conservative estimate from operational grant track record.
- Membership: reflects 2020-2021 drop in membership due to the pandemic.
- Admission & Gift Shop: very low estimates to reflect semi-closed museum status.
- General Donations: conservative estimate based on 2021 figures.
- Program Income: based off 2021 program fundraising capability + 6%.

Expenses
Total Estimate = \$121,000
Total Estimate Exc. Grant-Covered Costs = \$68,576

- Payroll + Taxes: reduced due to part-time staff member retiring 2021-end to \$53,000: 99% covered by 2021 grants.
- Utilities based on 2020 figures.
- Archives: for essential preservation, though additional funds may be needed dependent on the environmental condition of the building.
- Program/ Fundraising Expenses: 2021 figure.

Net Estimate = + \$61,974 (Year-End Restricted Operational Account Estimate = \$135,250.37)

Financial Projection 2023



Income

Total Estimate = \$134,475 (+\$3,925 PY)

- General Grants: increase conservative figure by 5% to reflect continuing development and achievement of MARC’s granting aim (page 7).
- Membership: increase of 5% revenue from 2022 as MARC implements new Membership strategies.
- Admission & Gift Shop: remain unchanged to reflect continued Courthouse closure.
- General Donations: increase of 5% from 2022.
- Program Income: increase of 5% from 2022 as MARC, by necessity, builds on virtual fundraising.

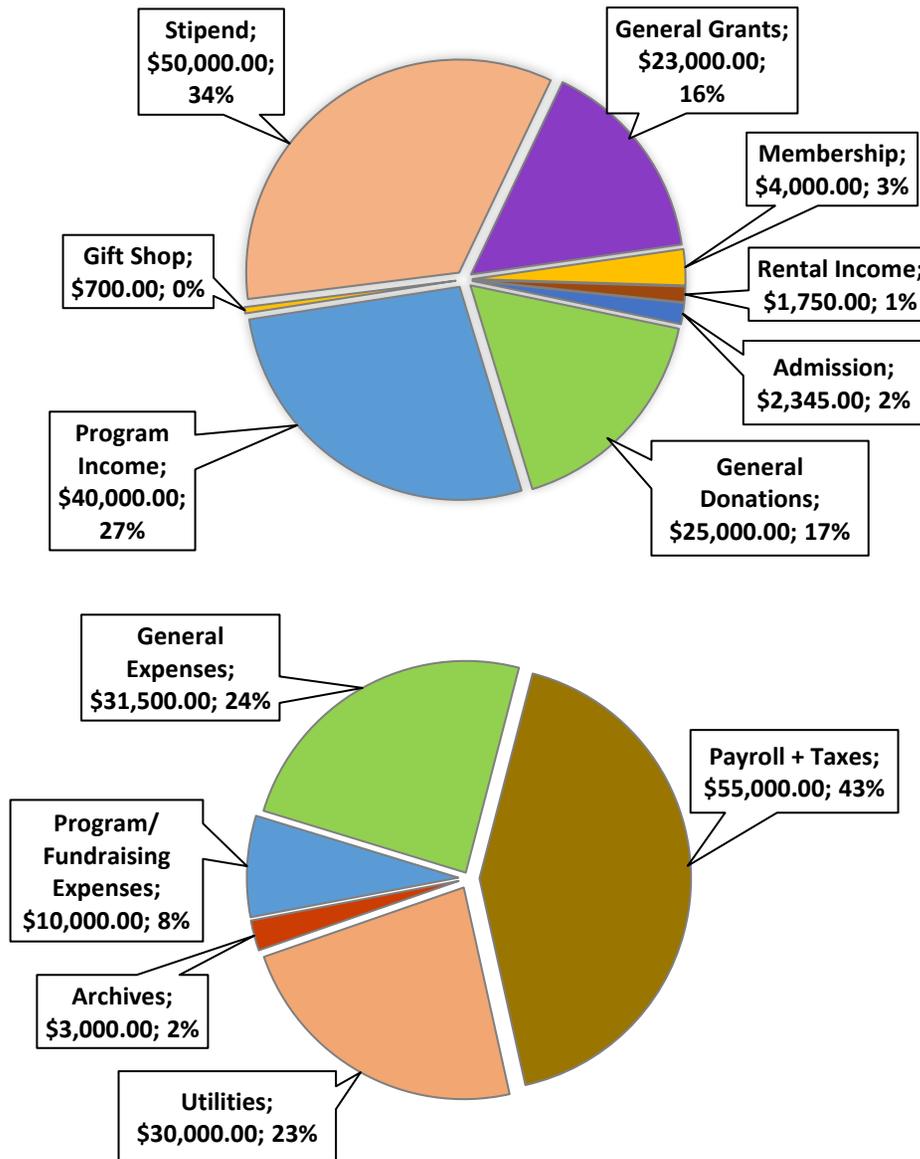
Expenses

Total Estimate = \$123,000 (+\$2,000 PY)

- Payroll + Taxes: assuming not covered by any additional general grants in 2023.
- Program/ Fundraising Expenses: increase \$1000 for increase costs and/or additional programs.
- General Expenses & Archives: increase of \$500 to account for general increase costs.

Net Estimate = + \$11,475 (Year-End Restricted Operational Account Estimate = \$146,725.37)

Financial Projection 2024



Income

Total Estimate = \$146,795 (+\$12,320 PY)

- Membership: increase of 8.8% as members can enjoy in-person benefits for 75% of the year.
- Admission & Gift Shop: 75% of 2019 pre-covid 19 revenue and 25% of 2023 revenue projection.
- General Donations: increase by \$4,000 (\$3,000 under pre-covid 2017-2019 average).
- Program Income: increase of \$3,250 as programs can be held physically for 75% of the year (though still below pre-covid 2017 – 2019 average).

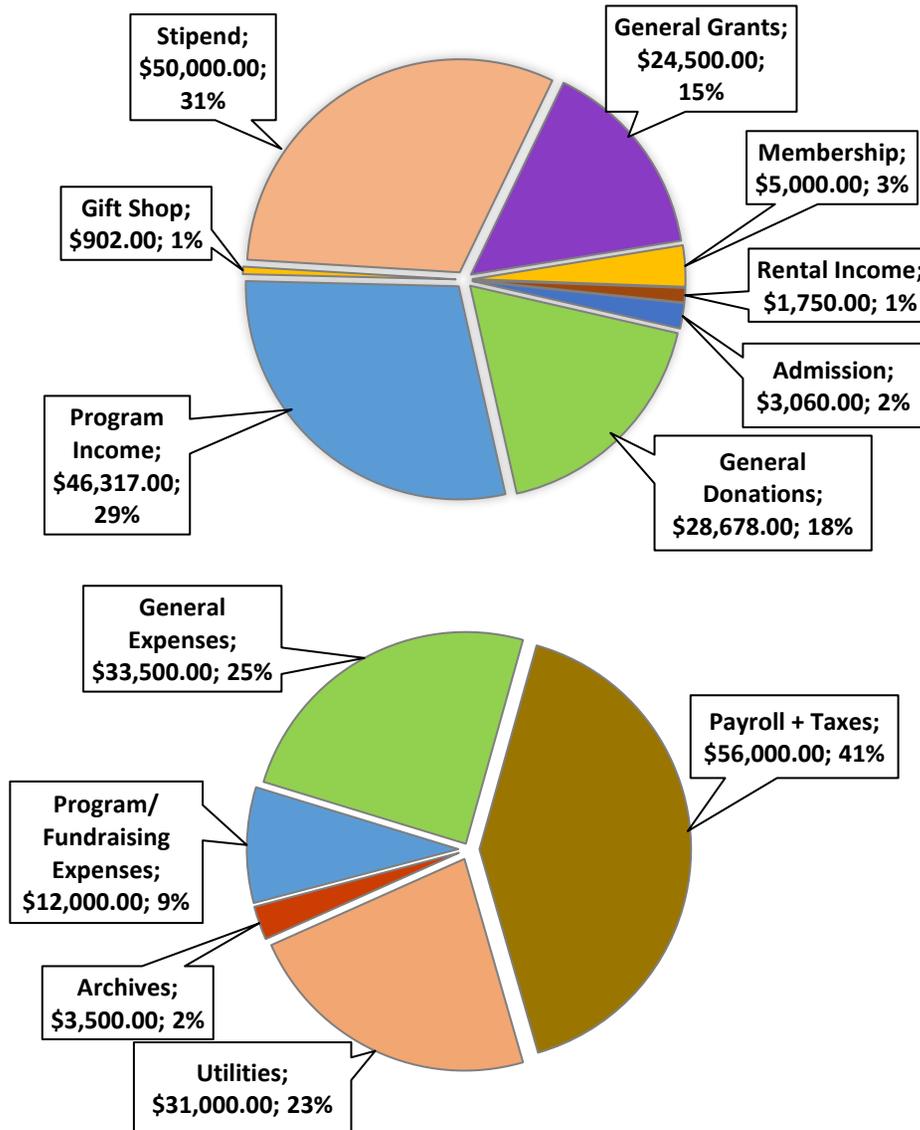
Expenses

Total Estimate = \$129,500 (+\$6,500 PY)

- Payroll + Taxes: increase \$2,000 for increase in part-time hourly staffing as open to the public.
- Utilities: conservatively reduced by around 10% from 2017-2019 pre-covid average to account for new, more efficient HVAC system (though could reduce further).
- Archives: increase \$500 reflecting additional supply costs.
- Program/ Fundraising: increased \$4,000 for additional in-person programming such as Pickin' at the MARC/ outdoor theatre/ food events (may break even or make slight loss on first year).
- General Expenses: increase to near pre-covid 19 average due to opening.

Net Estimate = + 17,295 (Year-End Restricted Operational Account Estimate = \$164,020.37)

Financial Projection 2025



Income

Total Estimate = \$160,207 (+\$13,412 PY)

- General Grants: increased \$1,500
- Membership: increase of \$1,000 as first full year open.
- Admission, Gift shop, General Donations & Program Income: back to 2017-2019 pre-covid average, rounded up or down to the nearest dollar as first full year open.

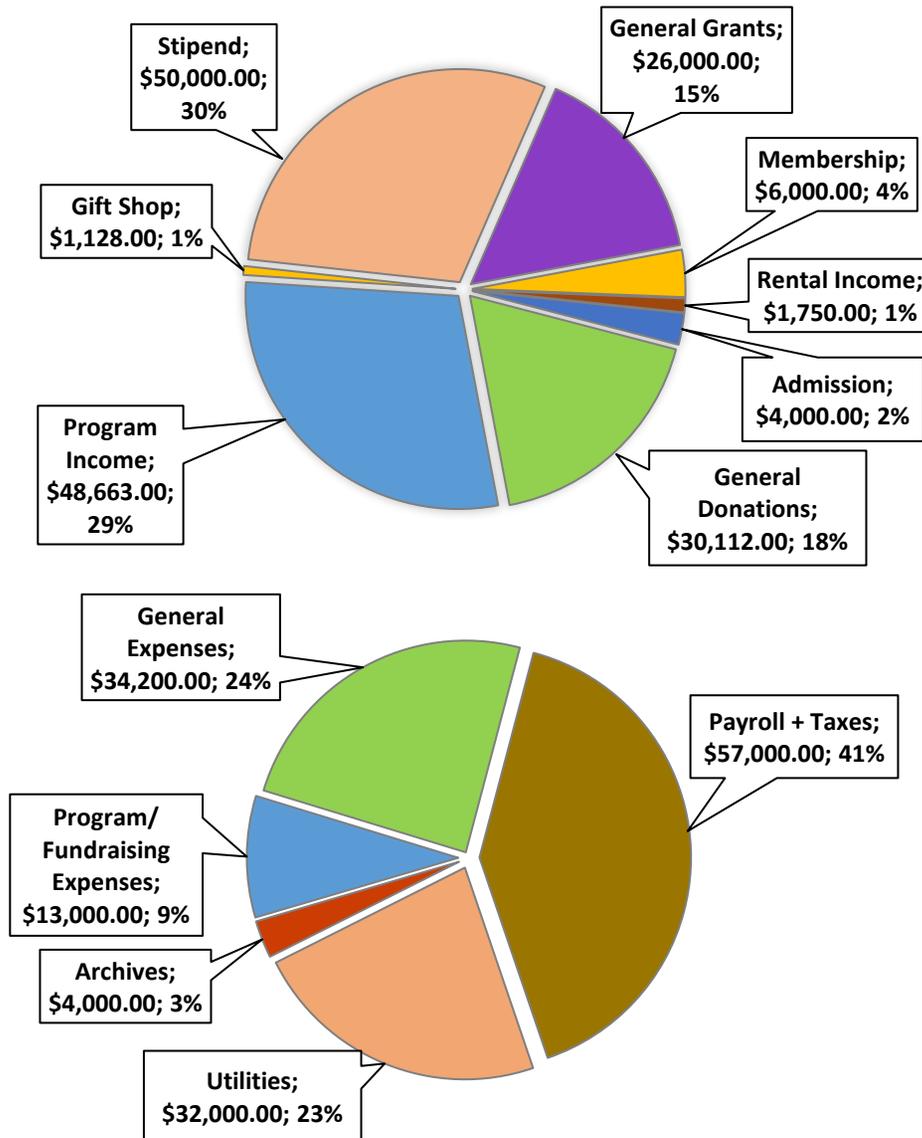
Expenses

Total Estimate = \$136,000 (+\$6,500 PY)

- Payroll + Taxes: increase \$1,000 to account for increase in part-time hourly staffing as first full year open to the public.
- Utilities: increase \$1,000 to account for energy company price increases.
- Archives: increase \$500 reflecting additional supply costs.
- Program/ Fundraising: increased \$2,000 to additional programming at pre-covid 19 average expenses.
- General Expenses: increased to approx. \$1,000 over pre-covid 19 average to reflect increased costs.

Net Estimate = + \$24,207 (Year-End Restricted Operational Account Estimate = \$188,227.37)

Financial Projection 2026



Income

Total Estimate = \$167,653 (+\$7,446 PY)

- General Grants: increase \$1,500
- Membership: increase of \$1,000 to just above pre-covid average
- Admission & Gift shop: increase of 25% to account for increased footfall, tours and in-person programs.
- General Donations: increase by 5%
- Program Income: increase by 5%

Expenses

Total Estimate = \$140,200 (+\$4,200 PY)

- Payroll + Taxes: increase \$1,000 to account for increase in part-time hourly staffing.
- Utilities: increase \$1,000 to account for energy company price increases.
- Archives: increase of \$500 reflecting additional supply costs.
- Program/ Fundraising: increased \$1,000.
- General Expenses: increase of just over 2% to account for general increase in costs.

Net Estimate = + \$27,453 (Year-End Restricted Operational Account Estimate = \$215,680.37)

Financial Projection Summary Table:

Year	Projected Income	Projected Expense (- attained grants)	Projected Net	Projected Operational Reserve *
2022	\$130,550	\$68,576	+ \$61,974	\$135,250.37
2023	\$134,475	\$123,000	+ \$11,475	\$146,725.37
2024	\$146,795	\$129,500	+ \$17,295	\$164,020.37
2025	\$160,207	\$136,000	+ \$24,207	\$188,227.37
2026	\$167,653	\$140,200	+ \$27,453	\$215,680.37

**Note: Whereby restricted grants attained 2022-2026 do not cover expenses such as new exhibitions, special projects, programming or additional essential staffing, operational reserves may be used in part.*

Conclusion:

Grounding our 5-year financial sustainability projections for 2022-2026 in the past five years' data, gives the MARC assurance in the accuracy and achievability of these forecasts and confidence in committing to accomplishing our financial goals herein.

Projections for the next five years predict Net profit and loss to remain in the black, increasing year-on year with an average of +\$28,480.80. The projections also demonstrate adaptability and robustness in that the 2023 projection is the template for a semi-closed year and 2025 projection as a fully open year, that can be tweaked in line with the progress of the HVAC and energy sustainability project. It also highlights the importance of a repaired and re-opened 1907 courthouse building in enabling MARC to achieve these projections, facilitating increased fundraising power, programs, exhibits and membership expansion, as well as many non-fiscal benefits not included in this report.

Overall, MARC's Financial Sustainability Report presents a positive projection for the organization that reflects the continued efforts of the team and re-energizing initiatives in continuing to deliver our mission over the next five years.

Additional Documentation:

This 5-year Financial Sustainability Report is to form one of MARC's core strategic documents, alongside the overarching Strategic Plan 2022 – 2026, Exhibitions and Programming Plan 2022 – 2026, Legacy Archival Project document and MARC Branding Framework.