

FOR FINANCE COMMITTEE AND BOARD OF DIRECTORS USE ONLY

MEMORANDUM

TO: Ari Jolly, Board Chair
Matt Swanson, Treasurer and Finance Committee Chair
Board of Directors
Finance Committee

FROM: Diana Donovan, Executive Director
Nan Kreamer, Avenue CFO Services

RE: Financial Report for the six months ended March 31, 2022

DATE: April 21, 2022

The purpose of this memo is to provide an overview of the financial results for the first six months of FY2022 including the forecast for FY2022.

1. **Financial results** for the six months ended March 31, 2022.
2. **Updated FY2022 forecast** versus the FY2022 Budget.
3. **Mayor's Office FY2023 Budget Approval Schedule**

The attachment provides further details of the financial results:

- **Attachment A** - Condensed Statements of Activity FY2022 and Budget FY2022
- **Attachment B** – Schedule of Mayor's Office FY2023 Budget Approval Process

Six months ended March 31, 2022:

- A. **Total Revenue** was \$2,836,365 versus a budget of \$2,825,575 or \$10,790 higher than budget. This is primarily due to the following:
1. Art in Public Places revenue was \$66,000 higher than budget related to the "Lift Every Voice" project for \$60,500 as well as Jaguars Private project for \$10,000, a deposit of \$10,000 from FIS and the Courthouse project for \$10,500 offset by lower than budgeted revenue related to the JTA project that was budgeted for \$50,000 which has not yet been invoiced awaiting purchase order information.
 2. The CARES Act funds are lower than budget by \$36,722 and those funds were reallocated back to the City.
 3. The NEA grant revenue is lower by \$20,000 as the funds have not yet been requested. The funds have been approved.
- B. **Total Program Expenses** were \$2,369,936 versus a budget of \$2,532,619 or \$162,683 lower than budget. This is primarily due to the following:
1. Lower than budgeted grantee disbursements of \$125,667 comprised of \$125,000 for the Capital Grant plus \$687 related to one grantee who has not completed its report.
 2. Expense for the CARES Act reimbursement of \$6,022 lower than budget due to reimbursement of payroll expenses that are reflected in payroll expense.
 3. Art in Public Places expense is higher than budget related to the unbudgeted projects noted in revenue.
 4. Fundraising/Programs/Events is lower than budget by \$43,997 as fundraising programs were not yet implemented.

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- C. **Total Operating Expenses** were \$299,987 versus a budget of \$430,162 or \$130,176 lower than budget. This is primarily due to lower than budgeted payroll due to delay in filling open positions as well as lower contract services and operations expenses.
- D. **Net Operating Income** was \$166,442 versus a budgeted loss of \$137,207 or \$303,648 higher than budget.
- E. **Net Income** was \$180,581 versus a budgeted loss of \$137,056 or \$317,638 higher than budget. Other income includes a payment of \$14,140 received from the previous landlord for COVID rent relief for the period April-September 2020.
- F. **Unrestricted cash** at March 31, 2022 was \$368,348.

Forecast FY2022 versus Budget FY2022:

- G. **Total Revenue** is forecasted as \$6,509,518 versus a budget of \$5,212,512 or \$1,297,005 higher than budget. This is primarily due to the following:
 - 1. Art in Public Places revenue is higher than budget by \$1,459,386 due to several newly contracted projects expected to complete in FY2022: FIS, Jaguars project and Lift Every Voice sculptures.
 - 2. Fundraising/Programs revenue is forecasted to be lower than budget by \$153,771 due to the delay in fundraising activities and the decision not to hold the Arts Awards program this year.
- H. **Total Program expenses** are forecasted as \$5,654,510 versus a budget of \$4,301,005 or \$1,353,505 higher than budget. This is primarily due to the expenses related to the Art in Public Places projects.
- I. **Total Operating Expenses** are forecasted as \$773,803 versus a budget of \$856,044 or \$82,241 lower than budget. This is primarily due to the following:
 - 1. Payroll expense which is forecasted as \$116,694 lower than budget due to delay in filling open positions.
 - 2. Contractor expenses included in Contract Services expense are forecasted to be higher than budget by \$20,653.
- J. **Net Operating Income** is forecasted as \$81,205 versus a budget of \$55,463 or \$25,742 higher than budget.
- K. **Net income** is forecasted to be \$95,345 versus a budget of \$55,613 or \$39,732 higher than budget.

Cultural Council of Greater Jacksonville
Condensed Statement of Activity - Financial Report March 31, 2022

	Six months ended March 31, 2022		FY2022		FY2021 Audit Report	FY2022 Better (Worse) than FY2021
	Actual	Budget	Actual vs Budget	Forecast FY2022		
Revenue						
City of Jacksonville						
CSGP Regrant	\$ 1,676,886	\$ 1,676,886	\$ (0)	\$ 3,353,773	\$ 2,586,947	\$ 766,826
CCGJ Administrative	261,711	261,711	-	523,421	404,133	119,288
Art in Public Places (APP) Salary	18,750	18,462	288	55,385	-	-
City CARES Grant	741,351	778,073	(36,722)	741,351	21,928	719,423
State Funds						
Department of Art and Culture	38,444	38,444	-	76,887	65,275	29,890
NEA Grant		20,000	(20,000)	20,000	20,000	20,000
License Plates	6,960	7,000	(40)	19,693	19,733	(40)
Total Government Funds	2,744,101	2,800,575	(56,473)	4,808,788	3,153,401	1,655,387
Programs:						
Art in Public Places-Public and Corporate	91,000	25,000	66,000	155,114	141,253	1,473,247
Board Dues		-	-	15,000	12,000	3,000
Fundraising/Programs	1,263	1,263	-	71,229	187,382	(116,153)
Total Programs	92,263	25,000	67,263	1,700,729	340,635	1,360,094
Total Revenue	2,836,365	2,825,575	10,790	6,509,518	3,494,036	3,015,482
Program Expenses:						
Cultural Service Grant Program	1,551,199	1,676,886	125,687	3,353,773	2,586,947	766,826
City CARES Grant	733,978	740,000	6,022	733,978	18,850	715,128
NEA Regrant	17,500	17,500	-	17,500	-	17,500
Art in Public Places-Public and Corporate	76,023	45,500	(30,523)	1,419,523	136,248	1,283,275
Fundraising/Programs/Events	8,735	52,733	43,997	129,735	116,645	13,090
Total Program Expenses	2,369,936	2,532,619	162,683	5,654,510	2,858,690	2,795,820
Revenue less Program Expenses	466,428	292,956	173,472	855,008	635,346	219,662
Operating Expenses:						
Contract Services	64,108	76,867	12,759	154,601	68,479	(86,123)
Facilities and Equipment	17,095	14,544	(2,551)	33,408	35,590	2,181
Operations	10,002	28,806	18,804	61,417	21,310	(40,107)
Insurance and Interest Expense	4,515	4,480	(35)	8,867	7,678	(1,189)
Payroll	201,853	304,463	102,610	492,695	477,234	(15,461)
Travel and Meetings	2,126	500	(1,626)	18,126	35	(18,091)
Board Expenses	288	503	215	4,688	503	(4,185)
Total Operating Expenses	299,987	430,162	130,176	773,803	610,828	(162,974)
Net Operating Income	166,442	(137,207)	303,648	81,205	24,518	56,687
Net all other income including rent rebate from FY2021	14,140	150	13,989	14,140	78,783	(64,643)
Net Income	\$ 180,581	\$ (137,056)	\$ 317,638	\$ 95,345	\$ 103,301	\$ (7,956)
Unrestricted Cash Balance per Books at March 2022	\$ 368,348					

Cultural Council of Greater Jacksonville

Normal Budget Process for FY2022 – 2023

- | | |
|---|------------------|
| • Approval of CSG and APP Budget by the Finance Committee | Completed |
| • Submission of Budget for CSG and APP to the Mayor’s Office- | Completed |
| • Approval, FY22/23 Budget, MBRC | June 2022 |
| • Mayor Presents Budget to City Council | July 2022 |
| • City Council Finance Committee Hearing | TBD early August |
| • City Council Approves Budget | TBD late August |
| • Notification of Budget Approved | October 1 |

Budget Submission to COJ in March

	FY2023 Budget Request	FY2022 Current Budget	Increase
Cultural Service Grant Program			
Administration	\$ 620,567	\$ 523,421	19%
Operating Re grants	3,476,226	3,103,773	12%
Capital Re grants	500,000	250,000	100%
Total CSGP	4,596,793	3,877,194	
Art in Public Places			
Administration	278,474	55,385	403%
Total Request	\$ 4,875,267	\$ 3,932,579	24%