

FOR FINANCE COMMITTEE AND BOARD OF DIRECTORS USE ONLY

**MEMORANDUM**

TO: Board of Directors

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

RE: Financial Report for May 2021

DATE: July 12, 2021

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The purpose of this memo is to provide an overview of the current financial status of the organization plus accomplishments since the March Board of Directors meeting.

1. Actual results for the eight months ended May 2021
2. Full year forecast for Fiscal Year 2021 versus the Budget for Fiscal Year 2021
3. Accomplishments and Financial Transition completed since the March meeting
4. Debrief from the Mayor's Office budget review

The following attachments provide further details:

- **Attachment A** - Condensed Statement of Activity
  - a. Year to Date May 2021 versus Budget
  - b. Forecast FY2021 versus Budget
- **Attachment B** - Mayor's Office proposal re: FY2022 budget

**Actual results to date:**

- A. **Total Revenue and Support** was \$2,395,995 versus a budget of \$2,609,061 or \$213,066 lower than budget. The variance is primarily due to Art in Public Places revenue which was budgeted but the revenue was accrued in FY2020 as an audit adjustment.
- B. **Total Program expenses** were \$1,982,513 versus a budget of \$1,515,103 or \$467,410 higher than budget. The variance is primarily due to timing of CSG payments partially offset by Art in Public Places expenses which were budgeted but the expense was accrued in FY2020 as an audit adjustment.
- C. **Operating expenses** were \$442,422 versus a budget of \$453,342 or \$10,920 lower than budget. The variance is primarily due to Travel and Meetings which have not occurred.
- D. **Net Operating Income** was a loss of \$28,940 versus a budgeted income of \$640,617 or \$669,567 lower than budget. The variance is primarily due to timing of CSG payments as well as Art in Public Places revenue, net of expense, which were accrued in FY2020.
- E. **Net Revenue** was \$49,410 versus a budget of \$640,736 or \$591,326 lower than budget. This is due to previously mentioned differences slightly offset by the recognition of the PPP loan proceeds that were forgiven and, therefore, recognized as income.
- F. **Cash** per books was \$394,125 on May 31, 2021.

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**Full year Forecast FY2021 versus FY2021 Budget:**

- A. **Total Revenue and Support** is forecasted to be \$4,137,928 versus a budget of \$3,529,483 or \$608,445 better than budget. This is due to the additional COJ CARES Grant of \$800,000 that was approved for regrant to CSG grantees partially offset by lower revenue from Art in Public Places and other fundraising activities.
- B. **Total Program** expenses are forecasted to be \$3,519,175 versus a budget of \$2,852,390 or \$666,784 higher than budget primarily due to the COJ CARES Grant regrant disbursements and higher than budgeted fundraising expenses partially offset by lower than budgeted Art in Public Places expenses.
- C. **Revenue and Support** less Program expenses is forecasted as \$618,753 versus a budget of \$677,093 or \$58,339 lower than budget.
- D. **Total Operating Expense** is forecasted as \$611,305 versus a budget of \$669,953 or \$59,151 lower than budget. This is primarily due to lower than budgeted payroll, travel and meeting expenses as well as lower contract services including Accounting and IT services.
- E. **Net Operating Income** is forecasted as \$7,448 versus a budget of \$7,139 or \$309 better than budget.
- F. **Net Revenue** is forecasted to be \$85,798 versus a budget of \$7,259 or \$78,539 higher than budget due to the recognition of the \$78,900 PPP loan proceeds that were forgiven.

**Significant Accomplishments since the March meeting:**

**Revenue and Grants Approved:**

- 1. The COJ CARES Grant approved an additional **\$800,000** for regrants to CSG regrant recipients.
- 2. The Mayor's Office will recommend an increase in the CSG Grant for FY2022 of **\$613,680**. The administrative portion of that amount will be **\$82,847** and the remainder for CSG regrantees.
- 3. The COJ has identified **\$150,000** of revenue that is due the Cultural Council for past Art in Public Places work. This is assumed to be received over the next 18 months.
- 4. The State Division of Cultural Arts (DCA) approved a grant for **\$76,886** for the period July 2021-June 2022. This is up from \$46,053 for this past fiscal year.
- 5. Art in Public Places revenue in FY2021 is forecasted to be **\$69,000** and represents a management fee for both private and public projects.
  - a. Private projects include Florida Blue, JTA and Kimley-Home.
  - b. Public projects include Duval Courthouse Plaza, Legends Center, San Marco Crosswalks and Winton Drive.
- 6. ArtSee & Shop is now closed but yielded approximately **\$43,809** which is net of artist commissions, for FY2021. The revenue at the shop **exceeded** monthly goals for every month in 2021.
- 7. The National Endowment for the Arts has tentatively approved a grant for **\$20,000**. The details are not known as of yet.
- 8. The State Specialty License Plate "State of the Arts" program is estimated to yield **\$12,860** in this fiscal year.

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9. The ARTS+ Campaign auction of painted footballs sponsored by the Jaguars yielded proceeds of **\$9,650** and was a successful campaign.
10. The CCGJ received a Certificate of Recognition for meeting 100/100 on the 2021-2022 Grants Management Quiz.

**Finance Actions since the March meeting:**

1. Critical point in the transition as we moved from “Crisis Management” to “Operational Management.”
2. Completed the Financial Report to the COJ for Fiscal Year 2020.
3. Completed quarterly filings with the city for both the CSG and AIPP programs.
4. Reviewed the City budgeted line items used to report actual results each quarter. Determined that just about all line items needed to be revised in light of the current forecast. Compared the figures and created the documents for the City. Requested line item changes from the initial FY2021 budget with the City. The revised budgeted line items will be used when reporting the third quarter results to the City by July 15. There will be another opportunity for adjustment if needed in August.
5. Maintaining an updated forecast for the Board of Directors and the City.
6. All cash accounts are known and we are receiving bank statements from each EXCEPT for Community First. We are in contact with the bank to correct that situation.
7. Revised Chart of Accounts to align categories and accounts corresponding to activity and specific lines of responsibility.
8. Reconciled all fringe benefits and insurance programs and took corrective action on both.
9. Contacted 8x8 phone service and discovered the service was auto-extended until September 2022. A notice must be given September 1, 2021 to avoid further extension.
10. Completed grant report to the State Specialty License Plate, the DCA, the City CSG and AIPP programs in April
11. Created schedule of monthly charges as a check list for each monthly close
12. Created organization of documents in the shared drive including all financial data and invoices.
13. Payments are made following best financial practices utilizing ACH and credit card payments whenever possible.
14. Created processes whereby accounts are reviewed and reconciled monthly.

**Cultural Council of Greater Jacksonville  
Condensed Statement of Activity - Financial Report May 2021**

	8 months ended May 2021		FY2021	
	Actual	Budget	Actual vs Budget	Forecast vs Budget
<b>Revenue</b>				
<b>City of Jacksonville</b>				
CSGP Regrant	\$ 1,941,335	\$ 1,960,835	\$ (19,500)	\$ 800,000
CCGJ Administrative	303,100	284,350	18,750	-
Art in Public Places (APP) Salary	31,168	37,958	(6,790)	-
<b>State Funds</b>				
DCA	43,291	34,539	8,752	19,224
License Plates	9,180	-	9,180	(3,582)
<b>Total Government Funds</b>	<b>2,328,074</b>	<b>2,317,682</b>	<b>10,392</b>	<b>815,642</b>
<b>Programs:</b>				
Art in Public Places	-	176,816	(176,816)	(112,368)
Arts Awards	-	-	-	-
Board Dues	-	15,000	(15,000)	(1,000)
Fundraising/Programs/Corporate/ndiv Donors	25,213	99,563	(73,350)	(137,637)
ArtSee and Shop - Contributions	28,497	-	28,497	28,497
ArtSee and Shop - Sales, net of Artist Commissions	13,212	-	13,212	15,312
<b>Subtotal Fundraising/Programs/Donors and ArtSee and Shop</b>	<b>67,921</b>	<b>99,563</b>	<b>(31,642)</b>	<b>(93,829)</b>
<b>Total Programs</b>	<b>67,921</b>	<b>291,379</b>	<b>(223,458)</b>	<b>(207,197)</b>
<b>Total Revenue and Support</b>	<b>2,395,995</b>	<b>2,609,061</b>	<b>(213,066)</b>	<b>608,445</b>
<b>Program Expenses:</b>				
Cultural Service Grant Program	1,944,585	1,307,411	(637,174)	(775,000)
Art in Public Places	17,581	163,816	(146,235)	148,235
Arts Awards	-	-	-	(24,600)
PNC Regrants from prior year grant	13,400	-	13,400	(13,400)
Fundraising/Programs/Events	6,947	43,876	(36,929)	(2,019)
<b>Total Program Expenses</b>	<b>1,982,513</b>	<b>1,515,103</b>	<b>(467,410)</b>	<b>(666,784)</b>
<b>Revenue and Support less Program Expenses</b>	<b>413,482</b>	<b>1,093,959</b>	<b>(680,477)</b>	<b>(58,339)</b>
<b>Operating Expenses:</b>				
Contract Services	53,591	58,196	4,605	80,195
Facilities and Equipment	20,932	20,931	(1)	29,758
Operations	16,328	15,298	(1,030)	24,004
Insurance and Interest Expense	8,597	2,116	(6,482)	5,495
Payroll	342,436	346,753	4,317	478,864
Travel and Meetings	35	10,049	(10,014)	14,793
Board Expenses	503	(503)	-	503
<b>Total Operating Expenses</b>	<b>442,422</b>	<b>453,342</b>	<b>10,920</b>	<b>669,953</b>
<b>Net Operating Income</b>	<b>(28,940)</b>	<b>640,617</b>	<b>(669,557)</b>	<b>309</b>
PPP Loan Forgiven	78,200	-	78,200	78,200
Net all other income	150	120	30	120
<b>Net Revenue</b>	<b>\$ 49,410</b>	<b>\$ 640,736</b>	<b>\$ (591,326)</b>	<b>\$ 78,539</b>
<b>Cash Balance per Books at May 31, 2021</b>	<b>\$ 394,125</b>			

**Cultural Council of Greater Jacksonville**

**Normal Budget Process for FY2021 – 2022**

- |  |                  |
|--|------------------|
| • Approval of CSG and APP Budget at the March 2021 Board meeting | Completed        |
| • Submission of Budget for CSG and APP to the Mayor’s Office-    | Completed        |
| • Approval, FY21/22 Budget, MBRC                                 | Completed        |
| • Mayor Presents Budget to City Council                          | July 20, 2021    |
| • City Council Finance committee Hearing                         | TBD early August |
| • City Council Approves Budget                                   | TBD late August  |
| • Notification of Budget Approved                                | October 1        |

**Results of the MBRC Budget Approval to be submitted as part of the Mayor’s Budget:**

<b>Cultural Council of Greater Jacksonville FY2022 City Funding Budget compared to FY2021</b>			
	<b>FY2021</b>	<b>FY2022</b>	<b>Increase</b>
<b><u>Cultural Service Grant Program</u></b>			
Administration	\$404,133	486,980	\$82,847
Operating Re grants	2,589,447	2,870,280	280,833
Capital Re grants		250,000	250,000
<b>Total</b>	<b>2,993,580</b>	<b>3,607,260</b>	<b>613,680</b>
<b>Art in Public Places</b>	<b>55,385</b>	<b>55,385</b>	<b>-</b>
<b>Total</b>	<b>\$3,048,965</b>	<b>\$3,662,645</b>	<b>\$613,680</b>
*Note: The approval was specific to include a position as Director of Development			