



Board of Directors Meeting

March 13, 2008

Extension of Young Women's Christian Association of Tampa Bay (YWCA) Contract

Item IV.C.

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- Recommended Action:** Extension of the YWCA of Tampa Bay's contract through June 30, 2008, the current contract ends March 31, 2008.
- Issue:** The agency is facing fiscal instability, leadership transition and is currently on two corrective action plans.
- Program:** Adolescent Pregnant Parenting Services, Child Care, Family Village, Hispanic Services Alliance and Y Girls
- Budget Impact:** The total funding for 3-month contract is \$361,411.
- Strategic Plan Goal:** Wisely invest the public's resources.
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Background: At the February 14, 2008, JWB Board meeting, the Board asked that the YWCA agency return in March to present a plan to address their fiscal deficit and stability of the organization.

Pending Board approval of the agency's plan, JWB staff is recommending extending the five contracts through June 30, 2008. At that time, staff will return to the Board with recommendations for continued funding for the viable contracts. Options for funding the APPS contract will include changes in the program methodology, which would eliminate duplication of services, and address the needs of the population for the 08-09 academic year.

Current Status:

The agency's operating expenses per year (audit ending September 30, 2007) are approximately \$6 million. JWB funds 5 programs for FY 07-08, which total \$1,445,644, plus an additional \$1,293,297 subcontracted through the Health Department for the Healthy Families Program. Total JWB funding in FY 07-08 is \$2,738,941. The agency has a six-month contract with JWB for five of its programs, which ends March 31, 2008. The ASSET certification has been revoked because of the continuing instability of the agency.

Ongoing cash flow issues are documented back to the October 2005 ASSET report. In July 2006, JWB staff expressed concern over the agency's quick ratio of .93 (which was less than 1:1). The quick ratio measures an agency's ability to meet its short-term obligations with its most liquid assets. A quick ratio below 1 is an indicator that the agency may be experiencing cash flow challenges. The YWCA's quick ratio per the December 2007 financials is 2.9, which is an improvement. However, this is only one indicator of an agency's overall fiscal health and does not tell the complete story. The agency submits monthly financials to JWB that are monitored closely and have been questioned by JWB staff on numerous occasions. In April 2007, the YWCA Finance Director indicated in an email to the JWB Fiscal Analyst's inquiry about the financials, "The

agency would once again look good on paper but be cash poor". The former CEO stated in her response (February 8, 2008) that the agency faces a \$350,000 deficit each year; however, the current YWCA management refutes that observation.

In reviewing the most recent financial audit of September 30, 2007, staff requested permission from the YWCA to contact the auditors, PDR, Certified Public Accountants. Staff conferred with PDR and the auditors concurred with JWB staff findings. These include an administrative cost deficit, fundraising loss, and Child Care site operations cost. In 2007, the agency faced a deficit of \$218,215 in their administrative cost. The agency received \$200,000 in bequests to cover this; however, this does not address the ongoing deficit the agency faces in administrative costs over the long term. The agency's fundraising department will need a cost-benefit analysis due to a reported loss of \$59,580. Some of the agency's Child Care sites are losing money, and the auditor recommends the agency replicate the Morton Plant model at all sites because this has proven success.

The YWCA Board assigned Joyce Pritchett as Acting Executive Director as of February 12, 2008, and the agency board developed a transition plan and process to hire an Executive Director. The Finance Director has resigned. The St. Petersburg Police Department continues its investigation of the employee terminated for misuse of agency funds, and JWB staff continues to work with the APPS Program Director and School Board staff to address underutilization and duplication of services in the program.