



GEORGE L. SMITH, II
GEORGIA WORLD CONGRESS CENTER

ANNUAL REPORT

FISCAL YEAR 1978-79

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INTRODUCTION

Fiscal year 1978-79 marked completion of the second full fiscal year of operation of the Georgia World Congress Center. More significantly, the facility operated during this, its second full year, with NO APPROPRIATION OF STATE FUNDS for operations. In fact, we believe it pertinent to note, an operating appropriation of \$350,000 had previously been approved but was not expended and was returned to the State treasury. This is particularly noteworthy in view of original projections which predicted five full years of operation before financial stability could be anticipated.

Entering fiscal year 1978-79 as a relatively new and still somewhat unproven facility in the national and international convention and trade show market, a primary objective operationally was to solidify a high position in the marketplace and to extend the credibility of our initial reputation for providing facilities and services unsurpassed in the industry. It continues to be our belief the long range success of the facility will ultimately depend upon repeat commitments by major users. Thus, establishing a high level of credibility within the industry during the early years is of paramount importance. We believe the fiscal year has been most successful in meeting this objective.

Financially, fiscal year 1978-79 must also be considered an exceptional year. State funds appropriated for operation of the facility during its opening period in fiscal year 1976-77 totaled \$1,681,451. Fiscal year 1977-78, the first full fiscal year of operation, required an appropriation of \$500,000 for operations. Fiscal year 1978-79 required NO APPROPRIATION of funds and the facility closed the year with a NET PROFIT FROM OPERATIONS OF \$219,547. These operational profits will be carried forward to fiscal year 1979-80 operations, consequently NO APPROPRIATION for operating funds was requested for fiscal year 1979-80.

Of greater importance than operating profit or loss is the economic impact resulting from activities generated by the Congress Center. As this is the ultimate purpose for the facility, we are extremely pleased with the results of fiscal 1978-79. Legitimate OUT-OF-TOWN visitors numbered 393,585 for the year. These visitors spent over 127 MILLION NEW DOLLARS resulting in an ECONOMIC IMPACT of nearly 287 MILLION DOLLARS. Consequently, the State of Georgia realized well over 11 MILLION DOLLARS IN NEW TAX REVENUES. We are much more pleased with economic impact results than we are with operational profits as they are of far greater significance.

The future of the Georgia World Congress Center continues to look extremely bright. Long range convention and trade show commitments negotiated during fiscal year 1978-79 extend over the next fifteen years. The events calendar through 1987 is nearing capacity for major event bookings. Current bookings include an average of well over 250 days per year of major events for the next ten years. By the very nature of the industry, summer months of July and August plus the month of December have open periods. However, during the remaining months of the year in excess of 100 major events over the next ten years have been unable to secure dates in the Congress Center due to existing commitments.

Our primary short range concern continues to be inflation. Operating and personnel costs continue to escalate at twelve to fifteen percent per year. Yet, our rate structures can not be increased accordingly if we are to maintain our level of marketability. The Georgia World Congress Center Authority has approved an increase in rental rates effective January, 1980. This will be the first increase in rental rates since our opening in September, 1976. Even so, by virtue of major users predominantly making commitments years in advance, our revised rates will take effect over an extended period of at least one full year.

Complete facts and figures regarding the operations and activities of the Georgia World Congress Center are offered in this annual report. We are extremely proud of the facility and look forward to continued success in the future.

FINANCIAL ANALYSIS

OVERVIEW:

As discussed briefly in the introduction, the Georgia World Congress Center realized a net profit from operations of \$219,547. Income projections for the year were exceeded significantly in the categories of food service and exhibit utility services. However, there were short falls, notably income projections for parking and Georgia Hall were not realized as anticipated.

Income increases over projections were due primarily to increased business, of which the Chrysler Corporation new car introduction show in August, 1978 was most significant. This unusual and unanticipated event generated tremendous catering and rental revenues during the normally slow summer period.

Parking facilities were not constructed as quickly as anticipated, nor have they resulted in the use anticipated. The primary goals of providing exhibitor parking and truck marshalling facilities for users of the Congress Center were accomplished successfully. However, general public parking has been a disappointment. We believe inaccessibility from parking areas to entrance areas is the major deterrent.

Georgia Hall income was less than projected. Never-the-less, even though Georgia Hall has been somewhat slow in developing, we believe major strides were made during the year. We have re-organized our marketing staff structure and responsibilities to incorporate Georgia Hall as an integral marketing function rather than a separate function as was originally the case. Results late in the fiscal year have been encouraging and we anticipate new progress in this area.

Expenditures in major categories were reasonably close to projections. The most significant variation was in the area of personal services. A savings of some \$140,000 was realized in personal services. This may be attributed primarily to extending unfilled positions as long as possible. Vacant positions were filled only as needs became critical.

Exhibit "A" summarizes projected income and expenditures compared with actual income and expenditures. You will note an offsetting income and expenditure item of \$362,000 for "railroad option." The 1978-79 supplemental budget included an appropriation of this amount for the purpose of exercising an existing option to purchase and remove the "Spring Track" rail spur which runs immediately across the entrance to the Congress Center loading dock.

1978-79 INCOME AND EXPENDITURES
PROJECTED VS ACTUAL

	<u>PROJECTED</u>	<u>ACTUAL</u>
<u>INCOME:</u>		
Rent	\$ 1,658,667	\$ 1,521,523
Food Service (Rich's)	450,000	550,537
Exhibit Utility Services	577,071	655,219
Georgia Hall	138,000	93,836
Parking	90,000	26,099
Miscellaneous	75,600	129,485
Federal Grant	-0-	9,965
Other Reimbursements	<u>-0-</u>	<u>103,681 (1)</u>
SUB-TOTAL	\$ 2,989,338	\$ 3,090,345
Capital Outlay Appropriation - Railroad Option	<u>-0-</u>	<u>362,000</u>
TOTAL	<u>\$ 2,989,338</u>	<u>\$ 3,452,345</u>
<u>EXPENDITURES:</u>		
Personal Services	\$ 2,013,438	\$ 1,873,005
Regular Operating	712,380	754,446
Equipment	55,000	42,083
Contracts	90,800	73,894
Other	<u>117,720</u>	<u>127,370</u>
SUB-TOTAL	\$ 2,989,338	\$ 2,870,798
Railroad Option	<u>-0-</u>	<u>362,000</u>
TOTAL	<u>\$ 2,989,338</u>	<u>\$ 3,232,798</u>
NET PROFIT (LOSS)		\$ 219,547

NOTE: (1) The Center received these funds as reimbursement for start up costs from original construction contingency funds from the State Department of Finance and Investments/Construction Division.

INCOME:

Income realized from total operations exceeded projections by slightly over one hundred thousand dollars. A brief analysis of each major source of income follows:

A. RENTALS:

Total rental income for all activities was \$137,144 below projections, a decrease of approximately 8%. This decrease was primarily due to not meeting expectations in auditorium and meeting room rentals for minor events. Interestingly enough, opportunities for additional rentals were available, however, use of these facilities by major conventions precluded our accepting many minor activities requesting dates. In addition, several major events were not as successful as anticipated, notably the Southern Farm Show and the Atlanta Auto Show. Both resulted in rentals far below original projections.

Exhibit "B" summarizes major event rentals and the combined total for minor events.

RENTAL INCOME 1978-79

<u>MAJOR EVENTS</u>	<u>AMOUNT</u>
National Association of Counties	\$ 23,360.00
National Association of Retail Grocers	16,290.00
Atlanta Gift Show	27,319.60
Southeastern Men and Boys	9,139.20
American Fishing Tackle	38,160.00
Chrysler Corporation	99,650.00
Atlanta Craft and Hobby	10,680.00
Employee Benefits Association	12,000.00
Bobbin Show	65,440.00
Atlanta Antique Show	7,000.00
Southeastern Hospitality Association	10,600.00
National Automatic Merchandising	19,559.20
International Sanitary Supply	26,430.00
Atlanta Marine Trade Show	71,708.00
Atlanta International Auto Expo	55,000.00
National Funeral Directors	24,556.80
International Amusement Parks Association	33,680.00
National Swimming Pool Institute	25,939.20
Southern Medical Association	7,607.00
National Soft Drink Association	59,212.40
International Harvester	27,000.00
National Fertilizer Solutions	28,750.00
Dixie Farm Show	20,700.00
WXIA - Superball '79	10,500.00
World of Concrete	32,758.00
Atlanta Gift Show	24,310.80
Atlanta Boat Show	40,000.00
Southeastern Poultry & Egg	45,973.60
Southeastern Men and Boys	11,932.80
World of Wheels	12,426.45
Golf Course Superintendents	25,670.00
Atlanta Sport & Travel	67,500.00
World Fair for Technology	11,680.00
U. S. Independent Telephone	22,840.00
S. E. Variety Merchandise Show	9,280.00
Payne & Payne	3,000.00
National Science Teachers	23,620.00
Home Show	22,500.00
IEEE Underground Power Engineering	37,800.00
Southern Automotive Show	28,160.00
International Reading Association	24,000.00
National League for Nursing	13,960.00
National Micrographics Association	20,750.00
International Trucking Show	37,460.00
Fancy Food & Confections	21,632.80
National Association of Music Merchants	88,885.00
Council for Nuclear Medicine	40,750.00
Congress of Beauty	13,675.00
Solar Energy	8,270.00
TOTAL MAJOR EVENTS	\$ 1,419,115.85
TOTAL MINOR EVENTS	102,407.52
TOTAL REVENUE INCOME	<u>\$ 1,521,523.37</u>

B. FOOD SERVICE:

Rich's food service continues to maintain an excellent reputation for quality and service in the convention facility industry. As with the Center itself, the initial year and one half of operation emphasized developing a solid reputation for service and quality rather than sacrifice these areas for immediate profit. Fiscal year 1978-79 was the first full year in which the food service operation was firmly established and could expect to realize an acceptable profit level.

Gross food and beverage sales for 1978-79 were \$2,166,787. Total food service operating expenses were \$1,478,570, resulting in a NET PROFIT FROM OPERATIONS OF \$688,217 or 31.8%. The Georgia World Congress Center received 80% of the net profit for a net income to the Center of \$550,537 or 25.4% of gross sales.

It is significant to point out that the August, 1978 Chrysler presentation alone generated well over one half million dollars or virtually 25% of the total gross sales for the fiscal year. We do not anticipate a similar event for the coming fiscal year 1979-80. Consequently, net income from food service is anticipated to be less for the coming year even though our level of operation will be similar with the exception of Chrysler.

Exhibit "C" summarizes food service income and expenditures.

RICH'S FOOD SERVICE DIVISION
FINANCIAL SUMMARY

	<u>AMOUNT</u>	<u>PERCENT</u>
<u>INCOME:</u>		
Food Sales	\$ 1,707,860	78.8%
Beverage Sales	<u>458,927</u>	<u>21.2%</u>
TOTAL INCOME	<u>\$ 2,166,787</u>	<u>100.0%</u>
<u>EXPENSES:</u>		
Cost of Sales (product)	\$ 572,779	26.4%
Wages, Salaries, Taxes & Fringe	553,647	25.5%
Other Operating Expenses	304,658	14.1%
Administration and Management Fees	<u>47,486</u>	<u>2.2%</u>
TOTAL EXPENSES	<u>\$ 1,478,570</u>	<u>68.2%</u>
<u>NET INCOME:</u>	\$ 688,217	31.8%

DIVISION OF NET INCOME:

Rich's (20% of Net)	\$ 137,680	6.4%
Georgia World Congress Center (80% of Net)	<u>550,537</u>	<u>25.4%</u>
	\$ 688,217	31.8%

C. EXHIBIT UTILITY SERVICES:

The providing of electrical service, gas connections, compressed air, water and drains, etc. to exhibitors continues to be one of our most successful operations. Exhibit Utility Services represents by far our most effective method of acquiring income beyond space rental. Approximately 22% of our total income was generated through the provision of utility services to exhibitors. It is significant to note NET INCOME OF 80.3% of gross income was realized through this operation.

In addition to income production, the utility services operation has been extremely beneficial in building a reputation nationally as a facility free from labor problems and exorbitant costs to exhibitors.

Exhibit "D" summarizes gross income and labor expenditures for the utility services operation. It should be noted that amortization of equipment is not reflected, nor is electrical consumption attributed to exhibitor usage calculated.

E. PARKING:

Parking income was projected at \$90,000. Actual parking income realized was \$26,099. This shortfall may be attributed to two factors. Initial projections were based upon construction of parking areas being completed in August, 1978. However, final construction was not completed until late November, 1978. Second, even though the public portion of the parking facilities are immediately adjacent to the west side of the Center, the equivalent of a four block walk is required to circle the building to the main entrance on the east side of the Center. Consequently, public use of the parking area has not been as frequent as anticipated.

It is pertinent to note the primary objectives of the parking and truck marshalling facilities have been accomplished. Massive freight movements for exhibit move-in and move-out activities are accommodated adequately with the truck marshalling yard. However, this is essentially a service operation and does not generate income to the Center.

Perhaps of equal importance, the automobile parking facility has worked well in providing reserved parking for exhibitor personnel for major events. As these personnel are generally allowed to enter the building directly onto the exhibit floor from the parking facility, they are not faced with the four block walk to the east main entrance as is the public. Exhibitor parking accounts for virtually all revenues generated from parking facilities.

F. MISCELLANEOUS:

Miscellaneous income represents primarily equipment rental and labor charges. It should be pointed out that labor is a reimbursable expense reflected on operating expenditure accounts, thus is more accurately a recovery of out-of-pocket expense as opposed to true income.

EXPENDITURES

Expenditures were reasonably close to projections. In total, actual expenditures were in fact \$118,540 LESS than projected for all operating accounts combined. This figure does not include the capital outlay for the Spring Track purchase option. In other words, expenditures were approximately 4% LESS THAN PROJECTED. A brief analysis of major expenditure categories follows:

A. PERSONAL SERVICES:

Expenditures for personal services were \$140,433 OR 7% LESS THAN PROJECTED. This may be attributed to allowing vacant positions to remain vacant as long as possible, to improved overtime management and to improved efficiency in utilization of part-time personnel.

B. OPERATING EXPENSES:

Operating expenses beyond personal services exceeded budgeted projections by \$21,893 or approximately 2%. Careful analysis reveals an over projection expenditure of \$55,488 for utilities and an over projection expenditure of \$29,643 for insurance. Virtually all other operating accounts were maintained below budgeted projections.

Exhibit "F" summarizes projected versus actual expenditures in all major operating categories.

1978-79 OPERATING EXPENDITURES
PROJECTED VS ACTUAL

<u>ITEM</u>	<u>PROJECTED</u>	<u>ACTUAL</u>
Utilities	\$ 377,000	\$ 432,488
Equipment	55,000	42,083
Contractual	90,800	73,894
Advertising and Promotion	48,000	45,808
Insurance	41,200	70,843
Communications	35,000	35,555
Supplies and Materials	172,000	148,170
Repairs and Maintenance	15,000	8,168
Rent	42,180	36,890
Travel	15,000	18,258
Publications and Printing	12,000	11,266
Per Diem and Fees	30,000	40,007
Other	17,720	14,518
Capital Outlay - Operating	25,000	19,845
Capital Outlay - Railroad Option	<u>362,000</u>	<u>362,000</u>
TOTAL	<u>\$ 1,337,900</u>	<u>\$ 1,359,793</u>

FINANCIAL SYNOPSIS - FIRST THREE YEARS

By way of presenting a brief overview of the first three fiscal years of operation of the Georgia World Congress Center, Exhibit "G" indicates grand totals for self-generated income, state appropriations, expenditures and economic impact results. We believe the figures to be dramatic in terms of progress and results.

Following Exhibit "G", Exhibit "H" presents a total "State of Georgia Economic Balance Sheet" as might be prepared for the State to evaluate the real net profit or loss from an "ownership viewpoint" without considering the indirect value and stimulus to the economy.

FINANCIAL SYNOPSIS - FIRST THREE YEARSOPERATING INCOME AND EXPENDITURES

	<u>1976-1977</u>	<u>1977-1978</u>	<u>1978-1979</u>
<u>INCOME:</u>			
Generated from Operations	\$ 753,829	\$ 2,197,992	\$ 2,986,664
State Appropriation-Operations	1,681,451	500,000	-0-
Other	-0-	-0-	465,681
<u>TOTAL INCOME:</u>	\$ 2,435,280	\$ 2,697,992	\$ 3,452,345
<u>EXPENSES:</u>			
Operating Expense	\$ 1,938,791	\$ 2,706,111	\$ 2,870,798
Start Up Costs	495,732	-0-	-0-
Capital Outlay	-0-	-0-	362,000
<u>TOTAL EXPENDITURES:</u>	\$ 2,434,523	\$ 2,706,111	\$ 3,232,798

ECONOMIC IMPACT RESULTSATTENDANCE (All Events):

Local	296,691	398,854	440,553
Out-of-Town	249,380	302,114	393,585
<u>TOTAL ATTENDANCE:</u>	546,071	700,968	834,138

ECONOMIC IMPACT:

"New Dollars" Generated	\$ 68,579,500	\$ 87,613,060	\$127,521,540
Department of Revenue Multiplier	x2.25	x2.25	x2.25
<u>IMPACT OF NEW DOLLARS:</u>	\$154,303,875	\$197,129,385	\$286,923,465

TAX REVENUES:

Georgia State Tax (3%)	\$ 4,629,117	\$ 5,913,881	\$ 8,607,704
MARTA Tax (1%)	1,543,039	1,971,294	2,869,235
Atlanta Hotel/Motel Tax	1,152,136	1,455,300	2,244,851
<u>TOTAL TAX REVENUES:</u>	\$ 7,324,292	\$ 9,340,475	\$ 13,721,790

STATE OF GEORGIA
ECONOMIC BALANCE SHEET

	<u>1976-1977</u>	<u>1977-1978</u>	<u>1978-1979</u>
<u>INCOME TO STATE OF GEORGIA:</u>			
GWCC Operational Revenue	\$ 753,829	\$ 2,197,992	\$ 3,090,345
New State Tax Revenues	<u>6,172,156</u>	<u>7,885,175</u>	<u>11,476,939</u>
<u>TOTAL REVENUE TO STATE:</u>	<u>\$ 6,925,985</u>	<u>\$10,083,167</u>	<u>\$14,567,284</u>
<u>EXPENSES TO STATE OF GEORGIA:</u>			
GWCC Operational Expense	\$ 2,434,523	\$ 2,706,111	\$ 2,870,798
Annual Bond Debt Service	<u>2,700,000</u>	<u>2,703,000</u>	<u>2,705,000</u>
<u>TOTAL EXPENSE TO STATE:</u>	<u>\$ 5,134,523</u>	<u>\$ 5,409,111</u>	<u>\$ 5,575,798</u>
<u>NET PROFIT TO STATE:</u>	<u>\$ 1,791,462</u>	<u>\$ 4,674,056</u>	<u>\$ 8,991,486</u>

NOTE: Total profit to date to the State Treasury is \$15,234,783.

EVENT ATTENDANCE ANALYSIS

Total attendance figures for fiscal year 1978-79 equaled 834,138 persons. Of the total, 393,585 were "out-of-town" visitors. This represents approximately a 19% INCREASE IN TOTAL ATTENDANCE over the previous year and a 30% INCREASE IN OUT-OF-TOWN ATTENDANCE over the previous year.

Exhibit "I" offers a complete list of major events and attendance figures for the year.

Exhibit "J" translates these figures into dollars and cents. Of particular significance are the total ECONOMIC IMPACT figures of nearly 287 MILLION DOLLARS and subsequent state tax revenues of over 11 MILLION DOLLARS generated from 393,585 out-of-town visitors.

EXHIBIT "I"EVENT ATTENDANCE SUMMARY

<u>EVENT</u>	<u>TOTAL ATTENDANCE</u>	<u>OUT OF TOWN ATTENDANCE</u>
National Association of Counties	3,825	3,443
S. E. Men's and Boy's Apparel Show	1,600	1,440
National Association of Retail Grocers	5,300	4,770
Atlanta National Gift Show	15,000	13,500
American Fishing Tackle Manufacturers Association	6,000	5,400
Atlanta Craft and Hobby Show	5,012	4,511
Chrysler Corporation	10,000	9,000
International Foundation of Employee Benefits	5,957	5,362
Bobbin Show/AAMA Convention	21,648	19,484
Atlanta Antique Show	1,500	300
U. S. Postmasters Convention	2,300	2,070
S. E. Hospitality and Food Service Expo.	6,500	5,850
National Automatic Merchandising Association	7,600	6,840
Auto Expo	27,044	5,408
International Sanitary Supply Association	7,903	7,113
Atlanta International Marine Trades Expo	6,000	5,400
National Funeral Directors Association	5,677	5,110
Sawmill Clinic and Expo	3,200	2,880
Sales and Bargains	5,200	1,040
Southern Medical Association	4,240	3,816
National Swimming Pool Institute	9,619	8,658
Int'l. Assn. of Amusement Parks & Attractions	3,988	3,590
National Soft Drink Association	14,650	13,185
International Harvester	750	675
National Fertilizer Solutions	3,186	2,868
Dixie Farm Show	1,500	300
WXIA Superball	10,000	2,000
World of Wheels	30,273	3,027
World of Concrete	9,322	8,390
S. E. Men's and Boy's Apparel Club	1,500	1,350
Atlanta Gift Show	15,000	13,500
Atlanta Boat Show	92,000	18,400
International Poultry Show	13,000	11,700
Golf Course Superintendents Assn. of America	6,501	5,851
International Sport and Travel Show	70,000	14,000
Tech Ex '79	3,200	2,880
U. S. Independent Telephone Showcase	4,679	4,212
Variety Merchandise	5,703	5,133
National Science Teachers	5,000	4,500
IEEE/PES Show	8,009	7,209
Southern Automotive	12,500	11,250
Home Show	87,000	17,400
Six Flags Band Festival	14,095	12,686
International Reading Association	12,267	11,041
National League for Nursing	3,790	3,411
National Micrographics Association	7,922	7,130
International Trucking Show	8,500	7,650
Delta Airlines	1,200	1,080
Georgia Poultry Federation	2,700	2,430
International Solar Energy Society	3,000	2,700
National Fancy Food and Confection Show	8,400	7,560
National Association of Music Merchants	17,131	15,418

(Continued)

Exhibit "I" Continued

<u>EVENT</u>	<u>TOTAL ATTENDANCE</u>	<u>OUT OF TOWN ATTENDANCE</u>
Congress of Beaury	11,480	10,332
Society of Nuclear Medicine	<u>3,400</u>	<u>3,060</u>
TOTAL	652,771	357,313
MINOR AND MISCELLANEOUS EVENTS	<u>181,367</u>	<u>36,272</u>
TOTAL	<u>834,138</u>	<u>393,585</u>

Exhibit "J"

ECONOMIC IMPACT - 1978-79 ATTENDANCE

EVENT	OUT OF TOWN ATTENDANCE	"NEW 1 DOLLARS" GENERATED	ECONOMIC 2 IMPACT OF NEW DOLLARS	GEORGIA TAX REVENUE	ATLANTA 3 H/M TAX REVENUE
National Assn. of Counties	3,443	1,115,532	2,509,947	98,139	19,637
S. E. Men's and Boy's Apparel Show	1,440	466,560	1,049,760	41,046	8,213
National Assn. of Retail Grocers	4,770	1,545,480	3,477,330	135,963	27,206
Atlanta National Gift Show	13,500	4,374,000	9,841,500	384,802	76,999
American Fishing Tackle Manufacturers Assn.	5,400	1,749,600	3,936,600	153,921	30,799
Atlanta Craft and Hobby Show	4,511	1,461,564	3,288,519	128,581	25,730
Chrysler Corporation	9,000	2,916,000	6,561,000	256,535	51,332
Int'l. Foundation of Employee Benefits	5,362	1,737,288	3,908,898	152,838	30,583
Bobbin Show/AAMA Convention	19,484	6,312,816	14,203,836	555,370	111,129
Atlanta Antique Show	300	97,200	218,700	8,551	1,711
U. S. Postmasters Convention	2,070	670,680	1,509,030	59,003	11,806
S. E. Hospitality and Food Service Expo	5,850	1,895,400	4,264,650	166,748	33,366
National Automatic Merchandising Assn.	6,840	2,216,160	4,986,360	194,967	39,013
Auto Expo	5,408	1,752,192	3,942,432	154,149	30,845
International Sanitary Supply Assn.	7,113	2,304,612	5,185,377	202,748	40,570
Atlanta Int'l. Marine Trades Expo	5,400	1,749,600	3,936,600	153,921	30,799
Nat'l. Funderal Directors Assn.	5,110	1,655,640	3,725,190	145,655	29,145
Sawmill Clinic and Expo	2,880	933,120	2,099,520	82,091	16,426
Sales and Bargains	1,040	336,960	758,160	29,644	5,932
Southern Medical Assn.	3,816	1,236,384	2,781,864	108,771	21,765
Nat'l. Swimming Pool Institute	8,658	2,805,192	6,311,682	246,787	49,382
Int'l. Assn. of Amusement Parks & Attractions	3,590	1,163,160	2,617,110	102,329	20,476
National Soft Drink Association	13,185	4,271,940	9,611,865	375,824	75,202
International Harvester	675	218,700	492,075	19,240	3,850
National Fertilizer Solutions	2,868	929,232	2,090,772	81,749	16,358
Dixie Farm Show	300	97,200	218,700	8,551	1,711
WXIA Superball	2,000	648,000	1,458,000	57,008	11,407
World of Wheels	3,027	980,748	2,206,683	86,231	17,265
World of Concrete	8,390	2,718,360	6,116,310	239,148	47,853
S. E. Men's and Boys	1,350	437,400	984,150	38,480	7,700
Atlanta National Gift Show	13,500	4,374,000	9,841,500	384,803	76,998
Atlanta Boat Show	18,400	5,961,600	13,413,600	524,472	104,946
International Poultry Show	11,700	3,790,800	8,529,300	333,496	66,732
Golf Course Superintendents Assn. of America	5,851	1,895,724	4,265,379	166,776	33,372
International Sport and Travel Show	14,000	4,536,000	10,206,000	399,055	79,850

(Continued)

STAFFING

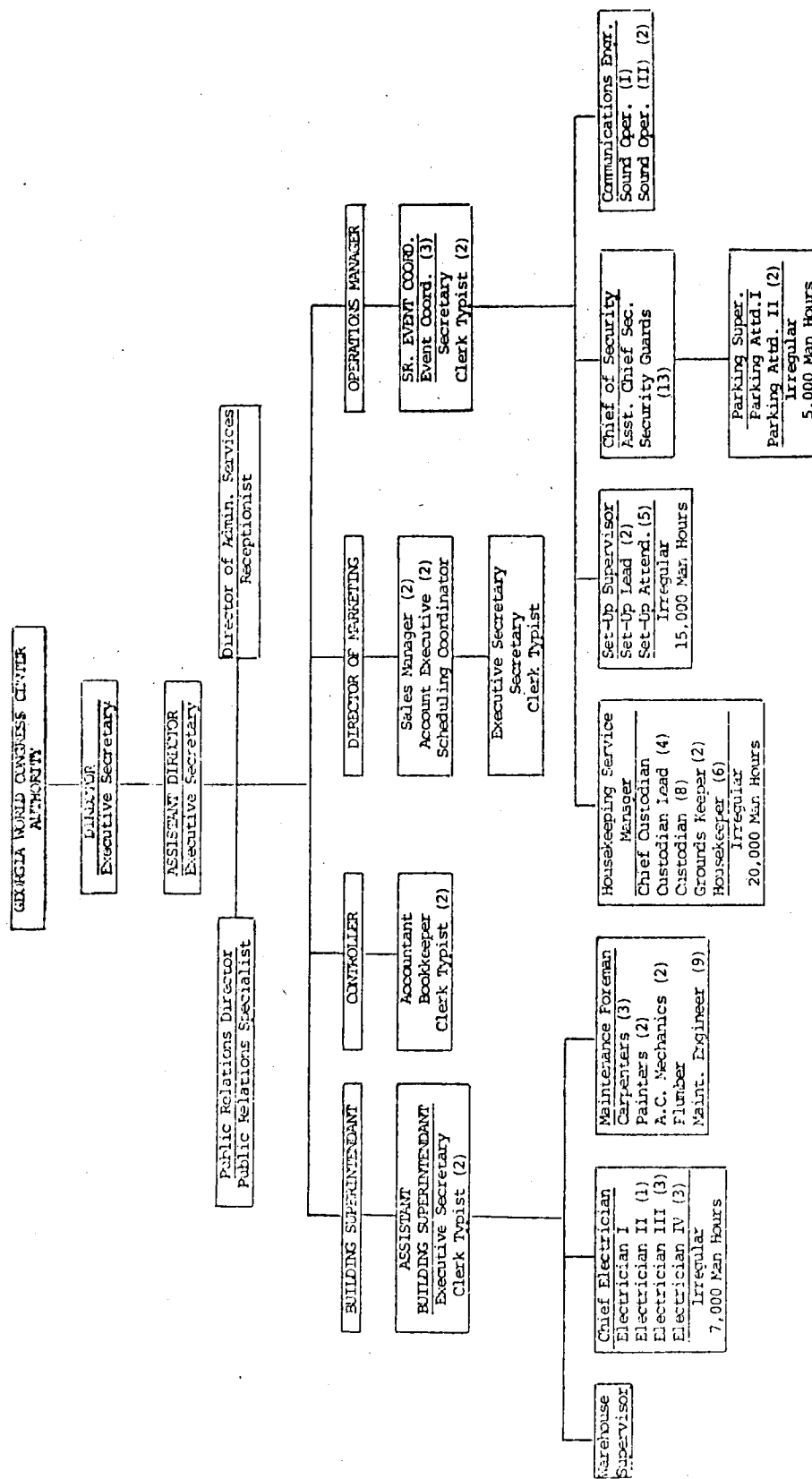
During the initial one and one half years of operation staffing emphasis was upon recruiting the best available candidates in all levels of the organization. Fiscal year 1978-79 saw a shift in emphasis from recruiting to professional development and continued organizational growth for what has proven to be an extremely effective staff.

Our continued success in re-booking well over 80% of all major users can be attributed primarily to the dedication and professionalism of the staff at all levels of the organization.

As of June 30, 1979, the Georgia World Congress Center has 116 budgeted full time positions. In addition, the Congress Center employed approximately 53,000 man hours of part-time labor during the year. This is equivalent in man hours to approximately twenty-five (25) full time personnel at forty (40) hours per week.

Exhibit "K" is an updated organizational chart depicting the functional flow of the organization.

TABLE OF ORGANIZATION



AFFIRMATIVE ACTION

Throughout the process of initial recruiting and professional development of what we believe has proven to be an effective and efficient staff, equal employment opportunity and affirmative action objectives have been of high priority.

During fiscal year 1978-79 a complete re-evaluation of our affirmative action program was undertaken. We have developed what we believe to be a much more comprehensive program for establishing affirmative action goals, for evaluating progress in meeting these goals, as well as an improved system of record keeping and identifying needs as they develop. (A complete affirmative action program is available through the Georgia World Congress Center's administrative office).

Exhibit "L" compares the total Georgia World Congress Center work force to the metropolitan Atlanta area work force.

In addition to the analysis of the current work force as depicted in exhibit "L", it is pertinent to note significant internal programs.

- A.) Training classes available through various State agencies and the State University System are encouraged for Georgia World Congress Center employees. Participation for fiscal year 1978-79 was as follows:

- 3 caucasion males
- 3 minority males
- 4 caucasion females
- 3 minority females

- B.) A breakdown of new employees employed during the fiscal year is as follows:

- 9 caucasion males
- 22 minority males
- 6 caucasion females
- 4 minority females

- C.) Promotions awarded during the fiscal year were as follows:

- 4 caucasion males
- 4 minority males
- 4 caucasion females
- 1 minority female

ANALYSIS OF WORK FORCE

I. Metropolitan Atlanta Area Work Force:*

	<u>Male</u>		<u>Female</u>		<u>Total</u>
	<u>Caucasion</u>	<u>Minority</u>	<u>Caucasion</u>	<u>Minority</u>	
Number	331,960	70,687	202,454	63,314	668,415
Percentage	49.6%	10.6%	30.3%	9.5%	100%

* SOURCE: Labor Resource Information - 1979, State Department of Labor.

II. Georgia World Congress Center Work Force (June 30, 1979):

	<u>Male</u>		<u>Female</u>		<u>Total</u>
	<u>Caucasion</u>	<u>Minority</u>	<u>Caucasion</u>	<u>Minority</u>	
Number	41	39	17	7	104
Percentage	39.5%	37.5%	16.3%	6.7%	100%

SUMMARY

GENERAL:

Fiscal year 1978-79 was most successful from a financial viewpoint. The Georgia World Congress Center operated at close to a seven percent (7%) profit level for the year generating a positive cash flow of over two hundred thousand dollars (\$200,000). More significantly, new tax revenues of over eleven million dollars (\$11,000,000) were realized by the State from nearly two hundred eighty seven million dollars (\$287,000,000) in economic impact generated by Congress Center activities.

The year was also successful in terms of continuing to solidify a strong position in the national and international marketplace. Major activities served at the Georgia World Congress Center continue to re-schedule at virtually an eighty five percent (85%) rate. We believe our success in repeat business to be unique in the industry.

FUTURE:

The future of the Georgia World Congress Center continues to appear excellent. Scheduling commitments through calendar year 1987 are approaching the practical capacity limits of the facility. Major activities are on the books for in excess of three hundred (300) calendar days each year. This represents some fifty (50) to fifty five (55) major shows each year. There remain available dates in the summer months of July and August as well as in December. However, these are traditionally soft periods in the industry and lighter schedules are anticipated.

Major concerns for the future continue to be inflation and the general condition of the economy. Even though the volume of business appears consistent for the coming years, the predictability of cost factors and inflation compared to projected income will continue to be a primary concern. It is significant to point out, we believe that a recessionary economy to a certain extent can actually have a positive effect on the convention and trade show industry. Exhibitions as a form of marketplace become extremely vital as they allow the buyers and sellers to come together collectively much more economically than they are able to do so on an individual basis.

The necessity for a major increase in rental rates in order to keep pace with ever increasing operating costs has become a reality. A rate increase for all commitments beyond January, 1980 has been approved by the Georgia World Congress Center Authority. This represents the first increase in rates since the facility opened in September, 1976. It is our goal to hold rates at the increased level until 1983 or 1984 if at all possible.

Perhaps the most significant development of 1978-79 which may impact the future of the Georgia World Congress Center is the potential for expansion of the facility. The Georgia General Assembly appropriated funds for the coming year (FY-80) during the 1979 session to conduct a design feasibility and cost analysis study for potential expansion. In addition, the State Office of Planning and Budget received approval to conduct an independent study to analyze the economic impact and benefits to the State from both the existing facility and a potential expansion facility.

Preliminary analysis by Congress Center staff indicate expansion is a sound project. Over the span of the next ten years, some one hundred twenty (120) major activities have been unable to secure dates in the existing facility due to current scheduling commitments. In addition, a significant number of the very largest exhibitions which can not be housed in the existing facility have expressed interest should the facility be enlarged.

The coming year will provide many answers to the future and to expansion potential as these studies are completed and are reviewed by the General Assembly. The opportunities appear exciting as we enter our third full fiscal year of operation.