



Georgia World
Congress Center
Authority

BOARD OF GOVERNORS MEETING

JUNE 23, 2020

Approval of Minutes May 19, 2020

Financial Update

Jennifer LeMaster

Chief Administrative Officer, GWCCA

Janet Arsenault

Sr. Director of Finance, GWCCA

Agenda

FINANCIAL

- FY20 Forecast Update
- FY21 Proposed Budget
- Expense Adjustment Options
- Potential Relief Opportunities

FY20 Revenue

FINANCIAL

**Original Space Rental
Budget:
\$14.8 M**

ITYFTY
\$922K

**Georgia Building
Authority Agreement
\$258K (April – June)**

**Forecast:
\$10.6 M**

Cancellations
82 events, \$4.8 M

**Alternate Care Facility
\$908K**

FY20 Forecast Update – Revenue

FINANCIAL

<u>REVENUE</u>	<u>FY20 Budget</u>	<u>Projection @ 3/31/2020</u>	<u>Projection @ 6/11/2020</u>	<u>Variance</u>
Rental	\$ 14,800,000	\$ 10,466,420	\$ 10,620,445	\$ 154,025
Food & Beverage	7,500,000	3,002,262	2,801,367	\$ (200,895)
Exhibit Utility Service	10,012,100	7,399,180	7,578,457	\$ 179,277
Parking	8,551,223	5,988,596	6,346,221	\$ 357,625
Hotel/Motel Tax	7,350,000	6,235,174	5,265,442	\$ (969,732)
Contract Labor/Services	3,906,730	3,425,022	4,797,083	\$ 1,372,061
Telecom/Audio	2,414,329	1,543,629	1,774,366	\$ 230,737
Advertising/Sponsorship	2,112,261	1,728,932	1,973,832	\$ 244,900
Land Lease	2,601,000	2,601,000	2,627,010	\$ 26,010
Other	1,369,171	1,928,977	1,785,940	\$ (143,037)
Total Revenue	\$ 60,616,814	\$ 44,319,192	\$ 45,570,163	\$ 1,250,971

FY20 Expense Mitigations

FINANCIAL

**SALARY
REDUCTIONS
APRIL/MAY**

**FURLOUGH SAVINGS
MAY/JUNE**

**OVERTIME
SAVINGS**

**TEMP HELP
SAVINGS**

**SHOW/CONTRACT
LABOR SAVINGS**

**CONTRACT
SERVICES**

FY20 Forecast Update – Expenses

FINANCIAL

<u>EXPENSES</u>	FY20 Budget	Projection @ 3/31/2020	Projection @ 6/11/2020	Variance
Personnel Services	33,891,450	29,388,935	29,758,826	\$ 369,891
Regular Operating	12,088,746	9,891,269	10,168,283	\$ 277,014
Equipment Purchases	306,230	300,201	287,032	\$ (13,169)
Per Diem/Fees/Contracts	7,928,901	6,673,894	6,493,367	\$ (180,527)
Projects	931,500	178,795	277,807	\$ 99,012
Computer Charges/Other	3,059,019	2,799,368	2,917,147	\$ 117,779
Total Expenses	\$ 58,205,846	\$ 49,232,462	\$ 49,902,462	\$ 670,000

FY20 Forecast Update – Total

FINANCIAL

	FY20 Budget	Projection @ 3/31/2020	Projection @ 6/11/2020	Variance
Total Revenue	\$ 60,616,814	\$ 44,319,192	\$ 45,570,163	\$ 1,250,971
Total Expenses	\$ 58,205,846	\$ 49,232,462	\$ 49,902,462	\$ 670,000
OPERATING PROFIT(LOSS)	\$ 2,410,968	\$ (4,913,270)	\$ (4,332,299)	\$ 580,971

FINANCIAL

Fiscal Year 2021 Budget

FY21 Budget Highlights – Revenue

- 39% or \$23.4M decrease compared to FY20 budget
- 18% or \$8.3M decrease compared to FY20 forecast
 - No ITYFTY budgeted

FY21 Revenue – Detail

FINANCIAL

<u>REVENUE</u>		Budget FY 2020		Projection FY 2020		Budget FY 2021	Variance
Rental	\$	14,800,000	\$	10,620,445	\$	11,944,420	\$ 1,323,975
Food & Beverage		7,500,000		2,801,367		1,133,833	(1,667,534)
Exhibit Utility Service		10,012,100		7,578,457		7,046,164	(532,293)
Parking		8,551,223		6,346,221		5,412,123	(934,098)
Hotel/Motel Tax		7,350,000		5,265,442		3,950,873	(1,314,569)
Contract Labor/Services		3,906,730		4,797,083		2,963,535	(1,833,548)
Telecom/Audio		2,414,329		1,774,366		1,707,327	(67,039)
Advertising/Sponsorship		2,112,261		1,973,832		1,923,025	(50,807)
Land Lease		2,601,000		2,627,010		-	(2,627,010)
Other		1,369,171		1,785,940		1,174,208	(611,732)
Total Revenue	\$	60,616,814	\$	45,570,163	\$	37,255,508	\$ (8,314,655)

FY21 Budget Highlights – Expenses

FINANCIAL

- Personnel/Fringe
 - FTEs – reduced by 23%
 - 12 furlough days included
 - Performance incentive pool

- Overtime/Temporary Help – increased by 18%

- Per Diem/Fees/Contracts – increased by 9%
 - Flexible labor option that can be scaled back based on event changes

FY21 Expenses – Detail

FINANCIAL

	Budget FY 2020	Projection FY 2020	Budget FY 2021	Variance
Personnel Services				
• Salaries	\$ 17,974,441	\$ 16,640,533	\$ 14,192,844	\$ (2,447,689)
• Overtime	687,125	522,590	681,539	158,949
• Temporary Help	5,363,170	3,333,905	3,879,187	545,282
• Fringe Benefits	9,866,714	9,261,798	8,377,629	(884,169)
Regular Operating	12,088,746	10,168,283	9,410,389	(757,894)
Equipment Purchases	306,230	287,032	114,400	(172,632)
Per Diem/Fees/Contracts	7,928,901	6,493,366	7,063,901	570,535
Projects	931,500	277,807	349,574	71,767
Computer Charges/Other	3,059,019	2,917,147	2,962,358	45,211
Total Expenses	\$ 58,205,846	\$ 49,902,462	\$ 47,031,821	\$ (2,870,641)

FY21 Budget Recommendation

FINANCIAL

	Budget	Projection	Budget	
	FY 2020	FY 2020	FY 2021	
Total Revenue	\$ 60,616,814	\$ 45,570,163	\$ 37,255,508	
Total Expenses	\$ 58,205,846	\$ 49,902,462	\$ 47,031,821	
OPERATING PROFIT(LOSS)	\$ 2,410,968	\$ (4,332,299)	\$ (9,776,313)	\$(14,108,612)

Expense Adjustment Options

FINANCIAL

**Additional
Furloughs**

**Reduce OT,
Temp Help and
Show Labor**

**Reduce Other
Variable
Expenses**

Potential Relief Opportunities

FINANCIAL

- Business Interruption Insurance
- Emergency/Stimulus funding
- State appropriations
- Reallocate prior project reserve funds
- Line of credit

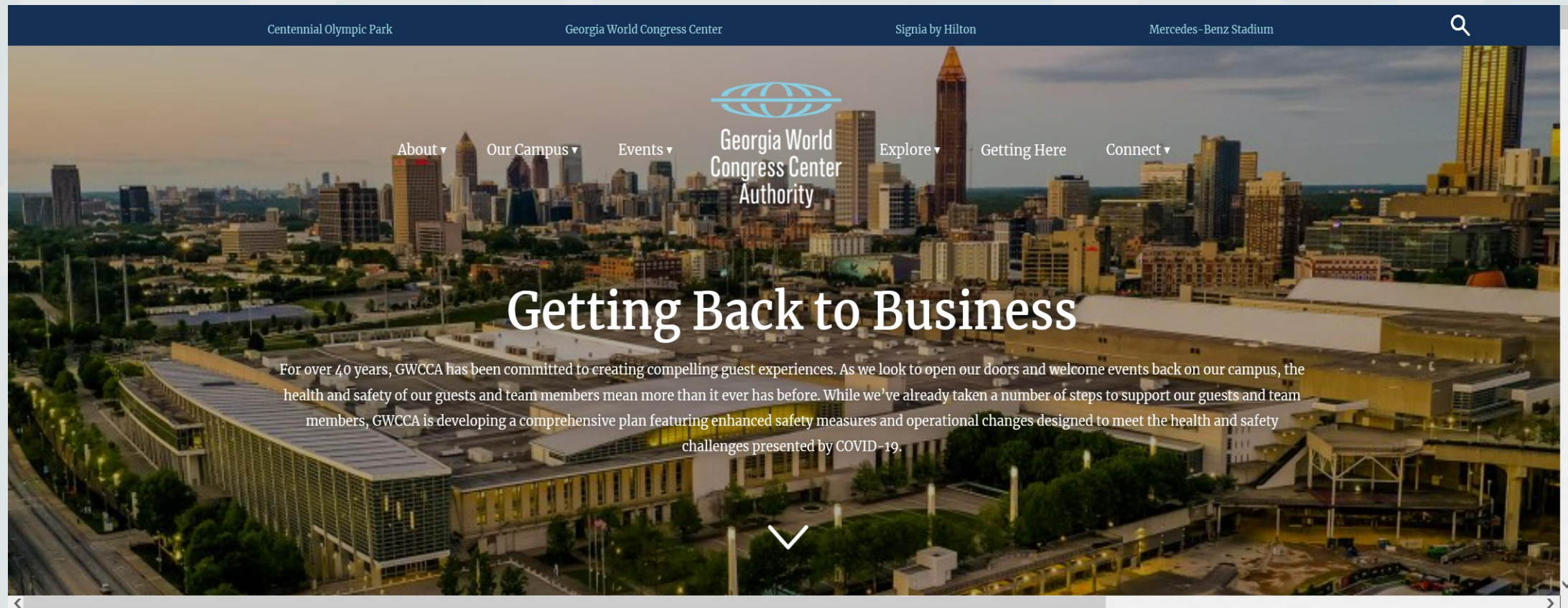
Questions?

Next Steps

- Increase frequency of meetings with Personnel Committee and Finance Committee
- FY21 Q2 – Q4 Updates

Business Return Plan

FINANCIAL



Approval of FY21 Budget by Board of Governors

AUTHORITY

Next Scheduled Board Meeting

July 28, 2020