

Board 03/25/2021

FY 2021 FINANCIAL INFORMATION

There is encouraging news regarding our financial position.

With swap meet revenues continuing to increase, we project to end FY 2021 in the black by **\$143K**.

The program remains cautiously optimistic as there are a couple of unfunded liabilities that may likely record sometime this year and that will have an impact on our budget.

These liabilities include:

- Retroactive pay increases for HGEA employees estimated to be in the ballpark of \$123K effective from July 1, 2019.
- A negotiated settlement agreement that, at this time, we expect to be addressed by a separate legislative appropriation.

Swap Meet revenues will be reviewed for the fourth quarter of this fiscal year using an average over the prior year's months.

REVENUE:

- **Swap Meet** revenue continues to gradually increase with each passing month.
 - From July through January, revenue is averaging approx. \$81K/mo.
 - Revenue reported for December includes approximately \$27K attributed to the month of November.
 - Revenue reported for January includes approximately \$15K attributed to the month of December.
 - No changes will be made to the projection at this time.
- **Food & Beverage:** In February or March, we will be reporting \$18,500 in revenue earned from the Show Aloha Land Christmas light show.
- **Rent:** We will also be reporting \$44K in revenue earned from the Show Aloha Land event.
- **Misc.:** The \$27.5K is gross revenue earned from the Aloha Stadium's drive through "Trunk or Treat" event.

EXPENSES:

- **Personal Services:**
- One correction that I need to make is for the month of December.
 - December's payroll should reflect one pay period in the amount of **\$165K** and not the **\$393K** on the projection sheet that you have. (Correction already reflected on screen).
 - January's payroll includes December's second pay period (**\$228K**).
 - For purposes of comparison, if you were to align the pay periods to the month in which it should have been paid out:
 - December's total Personal Services would be **\$393K** instead of **\$165K**.
 - January's total Personal Services would be **\$341K** instead of **\$569K**.

- The overall increase in Personal Services is attributed to HGEA bargaining unit increases that start to reflect in employee's 10/2020 and 11/2020 paychecks.
 - Step movements, across the board, and lump sum payouts effective July 1, 2019 and forward to bring employees up to their correct step and includes lump sum payout for those that meet the criteria, but this does not include the retroactive portion of the adjustment. This amount is pending further funding discussion at the administration level.

- Other Current Expenses – No significant variance.

That summarizes our basic no-assumption projection.

OTHER NOTES:

So, with the correction to December's Personal Services, our total projected deficit for FY 2021 is at **\$3.820M**. Down approx. \$38K from last month.

- We project our total cash shortfall at FYE 2021 to be \$71K, assuming depletion of all cash on-hand and whatever revenue is generated over the course of the year.

FINALLY, we will continue to dialogue and keep the Board and the Administration apprised of our financial situation.