

Board 04/29/2021

FY 2021 FINANCIAL INFORMATION

It is important to preface the explanation by noting that the information being shared with the Board is representative of a significantly trimmed down and lean level of an operating and facility maintenance budget. It is in no way, shape, or form, representative of the stadium in full scale operation. We have had to make significant, sustained adjustments in order to achieve some semblance of solvency.

With that being said, on a more positive note, once again, I am happy to share encouraging news regarding our financial position.

- With swap meet revenues continuing to increase, we project to end FY 2021 in the black by approximately **\$428K**. This is in stark contrast to our initial projections where we projected to be short by \$1.1M at FYE; however, this has not come without cost to the stadium's operation and cash position, therefore,
- We continue to remain cautiously optimistic but have also adjusted the 4th quarter monthly swap meet revenue from \$79K to \$100k per month to reflect the continuing increase in revenue.

Other noteworthy revenue recordation's in March include:

- Food and beverage revenue of \$18,500 from the x-mas light show.
- Rental fee revenue of \$44,000 from the x-mas light show.

On the expense side, we continue to reflect:

- An estimated \$123K in cumulative payout to HGEA employees retroactive to July 1, 2019. (This is captured in April's projected personal services expense of \$426,700)

On separate positive note, last month I reported that SB 1039, SD1, HD2 regarding "Making Appropriations for Claims Against the State..." This measure had proposed to direct the Stadium Authority to payout \$75K for a negotiated settlement of a claim against the Stadium. In the final conference draft, the \$75K was changed to allow it to be paid out of the general revenues of the State of

Hawaii. This was a welcomed and much needed surprise as we had already been forewarned that more recent practice had programs financially responsible for the outcome of judgements and settlements against its own program.

FINALLY, while our ending cash position is looking better with each passing month, it should be made clear and without misconception regarding our overall budget, our ending cash balance, our expenditure level, and collectively what all of that represents. It is important to understand that we have trimmed back our operating budget significantly from pre-COVID-19 levels and at our current expenditure reporting level, we are no-where near what it takes to operate and maintain this facility on a full-scale recurring basis. We are basically in survival mode and continue to remain in this mode out of necessity. This point is critical for me to communicate to the Board. There has been an impact to operating in survival mode and to the operation of the facility.

Other than that, we will look at updating our projections for the next fiscal year based on prior year trends as well as revisit and incorporate UHERO and the Council on Revenue's projected trends.

Reconciliation of HB 200 to HB 200, CD1						04/24/21		
	HB200	HB200, HD1	Diff. to HB200	HB200, ...SD1	Diff. to HB200	HB200,...CD1	Diff. to HB200	Comments Between HB200 and CD1
Perm Count	36.50	31.50	-5.00	31.50	-5.00	32.50	-4.00	Deleted 4.00 count. Restored 1.00 count-only for HRA IV (?) position.
Temp Count	1.00	1.00	0.00	1.00	0.00	1.00	0.00	No change
2022 Spcl Funds	9,474,400	9,137,019	(337,381)	9,168,019	(306,381)	9,199,019	(275,381)	Reduced salary for 5.00 positions.
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2022 Gen Funds	2,887,200	2	(2,887,198)	-	(2,887,200)		(2,887,200)	No general funds
2022 V Funds (ARPA)	-	-	-	-	-	4,400,000	4,400,000	ARPA Funds (\$4.1M & \$300K)
2023 V Funds (ARPA)	-	-	-	-	-	1,000,000	1,000,000	ARPA Funds

Conference Draft 1 resulted in the following adjustments:

1. Reduced four (4.00) perm position counts, (Engineer, Cashier, Stadium -Layout Helper, & Janitor) but restored 1.00 position count for our HRA IV.
2. No change in temp counts
3. Reduced \$275,381 in special fund ceiling corresponding to **five (5.00)** positions. (Yes, it appears that they left one count but took the salary amount for the “restored” one position).
4. Disapproved general fund request for subsidy funding; however,
5. Approved \$4.4M /\$1.0M American Rescue Plan Act (ARPA) (“V” funds). I speculate that this \$4.4M breakout is:
 - a. \$4.1M for operating shortfall (combining our E/A \$1.5M and biennium budget \$2.587M), and
 - b. \$300K for structural assessment.

Again, this level of funding is only enough to address a bare minimum level of operation and maintenance. It is well below what would be required to operate and maintain a sustained level of service and maintenance of the facility and property.