

Board 02/24/2022

FY 2022 FINANCIAL INFORMATION

Attachment IV.B. 2 is the updated monthly financial report as of January 31, 2022.

SWAP MEET: The Aloha Stadium Swap Meet & Marketplace continues to record a consistent and sustained revenue stream. It now appears stable enough to support an adjustment for the remaining five (5) months of this fiscal year. Over the past seven (7) months, the projection remained unadjusted and in a monitoring mode in order to assess the overall impact that the Delta and Omicron variant would have on the State's economy.

Now with growing optimism over the state's ability to rebound, economic forecasts have been positive. We look forward to even greater growth in the months ahead. With that being said, an adjustment will be made to the projected swap meet revenue upward in next month's report that will result in total swap meet revenue being a fraction or tick just below the \$4M mark. (\$385K/month).

Other revenue highlights:

1. Rent for February includes a projected \$63k from the Christmas drive-through light show. (42 days)
2. Rent for May includes projected revenue primarily attributed to the 50th State Fair.
3. The rest of the revenue sources remain relatively static.

Expenses:

In the row sharing the bolded “Expenses” heading (for reference purposes) is the total GROSS personal services expense amount for the month. This amount reflects our total personal services expense for the month before being offset by ARPA funds and reimbursements.

1. So, in January, the actual GROSS Personal Services expense totaled **\$313K**.
2. After offsetting the **\$313K** gross amount with **\$275K** in ARPA funds AND **\$660** in reimbursements from Licensees, we recorded a net personal services expense of **\$37,241** for January.
3. In April, we project a total of approximately **\$175K** in vacation leave and retirement payouts for those employees that are either transferring to another department, in which case their vacation leave amount accompanies them to their new program or a direct payout for those employees who are retiring on February 28, 2022.
4. Starting in March 2022, as a result of the workforce restructuring, we project to reduce our monthly personal services expense by **\$103K** per month or **\$413K** through the end of this fiscal year.

Other Current Expenses:

1. January’s NET Other Current Expense totaled **\$72,752**. This is net of **\$33,432** in ARPA fund reimbursement/offset from the total **\$106K** amount.

ARPA FUNDING EXPLANATION:

Expanding on ARPA, we have charged a total of **\$1.75M** to our **\$2.3M** ARPA allotment, leaving an unexpended ARPA fund balance of **\$547K** to liquidate by FYE ‘22.

1. When applying the full **\$2.3M** ARPA subsidy, we project to end the year with a carryover special fund balance of **\$2.689M**.
2. It should be noted with great caution that this balance is neither a windfall nor a slush fund by any means.
 - a. With the reduction-in-force, we PLAN to properly set aside funds to address cost for emergent services and repairs that we would otherwise be paying through personal services expense. We are

carving this out as it would be unrealistic and oversimplified to think that no other repairs, materials, supplies, and services would be needed in the out years.

- b. There are also swap meet transition costs that need to be addressed and were not requested through the executive budget process. These costs include: Resealing and recoating a portion of the parking lot to safely welcome the Aloha Stadium Swap Meet & Marketplace, trailers for staff offices, trailers for restrooms, utility hookup of the trailers; all of which will be costly. We are doing our best to try to manage our operations within our own revenue generation and addressing the aforementioned cost items without seeking support from the Administration and the Legislature.
- c. There are also stadium transition costs that we know will be required as we transition from a planning phase to an implementation phase, and finally ramping up to a full-scale operation.

PROFIT/LOSS:

In summary, with updates through the end of January 2022, we project a revenue to expenditure net balance of **\$1.23M** for the year (This is net of the **\$1.7M** ARPA subsidy applied through 01/31/22). When we overlay our starting cash balance, coupled with revenue earned over the course of FY '22, then add-in our remaining ARPA net allocation, we project to end the year with a carryover cash balance of **\$2.68M** to start FY '23. In order to realize this outcome, we will continue to be mindful of maintaining a lean and practical pattern of expenditure and continue to plan for the cost of various transitions as best as can be planned and accommodated.

We continue to operate in an extremely dynamic environment and economy.