

Board 06/30/2022

FY 2022 FINANCIAL INFORMATION

**PROFIT/LOSS:**

**Revenue Projection**

With 11 months of actual data and one month of projections, this May report represents a fairly accurate yet conservative ending financial position for FY '22.

1. One adjustment was made for June's projected swap meet revenue. An increase of \$50,000 in swap meet revenue is representative of the incremental increase as a result of the May 1 implementation of the swap meet admission fee for non-residents.
2. The \$50,000 increase is based on the sum of attendance from May's 13-episodes and multiplying that sum by 1.50 to arrive at a net change in revenue of \$50,000/mo.
3. This increase was then added to June's existing projection

**On the Expenditure side of the worksheet:**

1. We offset special fund expenditures using the \$36k unexpended balance of ARPA funds.
2. For payroll, we continued to incorporate offsetting items including: ARPA funding, Licensee reimbursement/chargeback, and a payroll savings adjustment from the workforce restructuring. Cumulatively, this resulted in a **net** annual payroll expenditure of \$1.9M inclusive of ARPA offset. Without ARPA offset, payroll would have been approx. \$3.46M or \$200K less than prior year (vs. \$1.7M).
3. For Other Current Expenses, we offset special fund expenditures by \$690K in ARPA funds.
4. In summary, with updated actual data through the end of May 2022 and factoring in swap meet attendance fee increase, we project to end the year with a carryover cash balance of \$3.2M to start FY '23. On this track, we should be in a more stable position to start the next fiscal year.
5. Once again, if we take the \$3.2M in carryover and factor out the FY '22 ARPA subsidy funding of \$2.3M, we end the year at \$600K to start the next fiscal year or \$300K less in carryover funds as compared to the prior year carryover.

The second worksheet that was distributed in your packet represents a projection for FY '23.

- It was extremely difficult to project for FY's 2020 through 2022.
- Projecting for FY 2023 continues the projection nightmare with multi-variate overlapping factors such as the war in Ukraine, supply chain issues, inflation, recession, and of course, continuing efforts to control spread of COVID-19 and its variants.

At this early stage, to keep projections simple, prior year actuals were used as a base for FY '23 with one added revenue increase of \$50,000 per month or \$600K annually that is attributed to the projected increase in swap meet revenue due to the implementation of the non-resident swap meet admission fee.

1. For Personal Services, we project salary expense based on the remaining 17 positions post-RIF.
2. For Other Current Expenses, we project \$100K per month for additional R&M equipment and expenses as we begin to plan and transition to a revised operating model.

In summary, we project to end the year with cash balance of \$2.0M and an early projected carryover cash balance of \$5.3M to start FY '24.