

**GALVESTON ISLAND CONVENTION CENTER
2019 BUDGET**

	Standard Operations	Special Expenses	TRUE NET INCOME/(LOSS)	Liquidity Loan Repayments	FINAL NET INCOME/(LOSS)
Operating Revenues	1,023,873		1,023,873		1,023,873
Preliminary HOT	(1)		778,823		778,823
Excess HOT - Repay Liquidity Loan	(2)		0	(4)	200,000
Operating Expenses	(1,796,393)		(1,796,393)		(1,796,393)
Special Operating Expenses		(3) (200,533)	(200,533)		(200,533)
Totals	6,303	(200,533)	(194,230)	200,000	5,770

(1) - \$ 40,000 per month + 1/8th + interest income

(2) - All payroll and other expenses except special expenses

(3) - Business Incentives and Marketing Expenses per special agreements

(4) - Liquidity Loans to repay \$ 200,000 advanced in 2019

**GALVESTON ISLAND CONVENTION CENTER
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Flow of HOT Funds
Monthly

	<u>Series B Fund</u>	<u>Series A Fund</u>	<u>1/8th</u>
Pennies	2	2	0.125
City sends money to Trustee			
Trustee distributes as follows:			
Step 1	Current Yr Debt Service (1/12th)	Current Yr Debt Service (1/12th)	
Step 2	Seasonal Debt Service Reserve (25% for Step 1 not funded)	Seasonal Debt Service Reserve (25% for Step 1 not funded)	
Step 3	Long Term Debt Service (final Yr)	Long Term Debt Service (final Yr)	
Step 4	Operations - \$20,000 fixed	Operations - \$20,000 fixed	Operations - all 0.125
Step 5	Repay Liquidity Loan	Repay Liquidity Loan	
Step 6	Operating Reserve (Step 4 not funded)	Operating Reserve (Step 4 not funded)	
Step 7	Capital Reserve Fund	Capital Reserve Fund	
Step 8	Surplus	Surplus	

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Summary Income Statement
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	Budget Jan. 2019	Budget Feb. 2019	Budget Mar. 2019	Budget Apr. 2019	Budget May 2019	Budget Jun. 2019	Budget Jul. 2019	Budget Aug. 2019	Budget Sep. 2019	Budget Oct. 2019	Budget Nov. 2019	Budget Dec. 2019	Budget 2019	% 2018	Act/F-Forecast 2018	%
Revenue																
Hotel/Motel Tax	46,684	64,331	62,065	68,625	68,281	52,572	93,426	92,320	47,144	72,205	248,004	63,168	978,823	48.9%	970,814	52.6%
Rentals/Other	143,566	123,107	93,143	94,043	109,951	101,047	72,884	28,813	48,722	109,150	94,444	5,002	1,023,873	51.1%	873,137	47.4%
Total Revenue	190,250	187,437	155,208	162,668	178,232	153,618	166,310	121,133	95,866	181,356	342,448	68,170	2,002,696	100.0%	1,843,951	100.0%
Payroll Expenses																
Direct	37,747	32,368	24,490	24,726	28,909	26,568	19,163	11,576	12,810	28,698	24,832	7,315	279,202	13.9%	229,570	12.4%
Allocated	6,091	6,091	6,091	6,091	6,091	6,091	6,091	6,091	6,091	6,091	6,091	6,091	73,092	3.6%	73,092	4.0%
Benefits	6,576	5,769	4,587	4,623	5,250	4,899	3,788	2,650	2,835	5,218	4,638	2,011	52,844	2.6%	39,022	2.1%
Total Payroll Expenses	50,414	44,228	35,168	35,440	40,250	37,558	29,042	20,317	21,737	40,008	35,561	15,417	405,138	20.2%	341,684	18.5%
Other Expenses																
Concessions	4,496	3,855	2,917	2,945	3,443	3,164	2,282	802	1,526	3,418	2,957	157	32,062	1.6%	27,342	1.5%
Equipment Rent/Lease	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	1.2%	23,791	1.3%
Cleaning Supplies	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	0.9%	17,966	0.9%
Operating Supplies	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,200	1.0%	18,622	1.0%
Technology Expense	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	126,000	6.3%	116,974	6.3%
Transportation Costs - Attendees	14,000	20,500	15,000	17,500	8,500	15,000	2,500	1,500	17,500	35,000	3,000	2,500	152,500	7.6%	142,715	7.7%
Misc Operating Expense	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	0.6%	10,925	0.6%
Office Supplies	25	25	25	25	25	25	25	25	25	25	25	25	300	0.0%	103	0.0%
Admin Commissions/Fees	475	475	475	475	475	475	475	475	475	475	475	475	5,700	0.3%	5,421	0.3%
Landscaping	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	1.5%	28,362	1.4%
Service Contracts	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	1.2%	23,394	1.3%
Elevators	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000	2.4%	46,869	2.5%
Electrical	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000	1.8%	33,379	1.8%
Mechanical	150	150	150	150	150	150	150	150	150	150	150	150	1,800	0.1%	300	0.0%
Paint	100	100	100	100	100	100	100	100	100	100	100	100	1,200	0.1%	200	0.0%
HVAC	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	33,000	1.6%	29,379	1.6%
Kitchen Equipment	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	1.2%	22,383	1.2%
Plumbing/Heating	750	750	750	750	750	750	750	750	750	750	750	750	9,000	0.4%	7,478	0.4%
Building	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	1.2%	20,502	1.1%
Lighting & Sound	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000	2.7%	53,149	2.9%

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**Summary Income Statement
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	Budget Jan 2019	Budget Feb 2019	Budget Mar 2019	Budget Apr 2019	Budget May 2019	Budget Jun 2019	Budget Jul 2019	Budget Aug 2019	Budget Sep 2019	Budget Oct 2019	Budget Nov 2019	Budget Dec 2019	Budget 2019	% Act/Forecast 2018	%
Misc Maintenance	750	750	750	750	750	750	750	750	750	750	750	750	9,000	0.4%	0.4%
Security Allocation	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	14,100	0.7%	0.7%
Resort Advertising Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%
Waste Removal	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	102,000	5.1%	5.4%
Electricity	25,848	22,582	31,786	20,266	23,958	35,673	35,634	27,274	20,708	35,391	41,224	41,709	361,453	18.0%	19.1%
Gas	807	632	744	1,323	874	773	428	287	475	733	1,093	827	8,994	0.4%	0.5%
Water	6,957	1,539	13,877	12,105	8,371	13,857	19,975	12,093	9,249	14,805	10,724	9,804	133,355	6.7%	6.9%
Insurance	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	75,600	3.8%	4.0%
Professional Fees	-	1,500	10,000	-	-	-	-	-	-	-	-	-	11,500	0.6%	0.5%
Interest Expense	-	-	-	-	-	-	-	-	-	-	490	-	490	0.0%	0.1%
Total Other Expenses	109,681	108,163	131,899	111,714	102,121	126,042	118,394	99,631	107,033	146,922	117,063	112,571	1,391,255	69.5%	71.5%
Preliminary Net Income/(Loss)	30,155	35,027	(11,859)	15,515	35,861	(9,991)	18,873	1,186	(32,903)	(5,574)	189,823	(59,818)	206,303	10.3%	10.0%
Business Incentives (note 1)	28,880	27,829	4,030	26,539	11,395	9,240	9,950	-	4,075	41,620	23,475	-	187,033	9.3%	12.6%
Marketing & Special Events Expenses	1,000	1,000	2,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	13,500	0.7%	0.5%
Misc Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%
Final Net Income/(Loss)	275	6,198	(18,389)	(12,024)	23,466	(20,221)	7,923	185	(37,978)	(48,194)	165,348	(60,818)	5,770	0.3%	-3.0%

note 1 Monthly budget subject to change based on the list of definite commitments and forecasted business.

Reconciliation of Net Income/(Loss)

True Net Income/(Loss)	275	6,198	(18,389)	(12,024)	23,466	(20,221)	7,923	185	(37,978)	(48,194)	(34,652)	(60,818)	(194,230)	(255,913)
Add Back: Excess HOTI repay advances (note 2)	-	-	-	-	-	-	-	-	-	-	200,000	-	200,000	200,000
Final Net Income/(Loss)	275	6,198	(18,389)	(12,024)	23,466	(20,221)	7,923	185	(37,978)	(48,194)	165,348	(60,818)	5,770	(55,913)

note 2 Includes repayment of \$200 K loan occurring in fiscal year 2019

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Revenue	Budget Jan 2019	Budget Feb 2019	Budget Mar 2019	Budget Apr 2019	Budget May 2019	Budget Jun 2019	Budget Jul 2019	Budget Aug 2019	Budget Sep 2019	Budget Oct 2019	Budget Nov 2019	Budget Dec 2019	Budget 2019	%	Act/Forecast 2018	%
Space Rental	71,750	61,525	46,550	47,000	54,950	50,500	36,425	14,400	24,350	54,550	47,200	2,500	511,700	25.6%	436,367	23.7%
Equipment	1,985	1,702	1,288	1,300	1,520	1,397	1,008	398	674	1,509	1,306	69	14,154	0.7%	12,070	0.7%
Technology	1,737	1,490	1,127	1,138	1,330	1,223	882	349	590	1,321	1,143	61	12,389	0.6%	10,565	0.6%
Concessions	14,986	12,850	9,722	9,816	11,477	10,547	7,608	3,008	5,086	11,393	9,858	522	106,873	5.3%	91,139	4.9%
Electrical	14,468	12,406	9,387	9,477	11,081	10,183	7,345	2,904	4,910	11,000	9,518	504	103,183	5.2%	87,993	4.8%
Billable Labor	22,608	19,386	14,668	14,809	17,314	15,912	11,477	4,537	7,673	17,188	14,872	788	161,233	8.1%	137,496	7.5%
Business Center	20	17	13	13	16	14	10	4	7	15	13	1	145	0.0%	124	0.0%
Misc	1,116	957	724	731	854	785	566	224	379	848	734	39	7,956	0.4%	6,784	0.4%
Commissions	14,897	12,774	9,665	9,758	11,409	10,485	7,563	2,990	5,056	11,326	9,800	519	106,239	5.3%	90,599	4.9%
Total Operating Revenue	143,566	123,107	93,143	94,043	109,951	101,047	72,884	28,813	48,722	109,150	94,444	5,002	1,023,873	51.1%	873,137	47.4%
HOT Received																
Venue	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000	12.0%	240,000	13.0%
City	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000	12.0%	240,000	13.0%
1/8th	6,253	22,761	20,641	26,779	26,457	11,761	49,980	48,945	6,683	30,128	7,488	21,673	279,548	14.0%	272,730	14.8%
Venue Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	0.0%
City Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	0.0%
Loan Repayment	431	1,569	1,423	1,846	1,824	811	3,446	3,375	461	2,077	516	1,494	200,000	10.0%	200,000	10.8%
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	19,275	1.0%	18,084	1.0%
Total HOT Revenue	46,684	64,331	62,065	68,625	68,281	52,572	93,426	92,320	47,144	72,205	248,004	63,168	978,823	48.9%	970,814	52.6%
Total Revenue	190,250	187,437	155,208	162,668	178,232	153,618	166,310	121,133	95,866	181,356	342,448	68,170	2,002,696	100.0%	1,843,951	100.0%

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	Budget Jan 2019	Budget Feb 2019	Budget Mar 2019	Budget Apr 2019	Budget May 2019	Budget Jun 2019	Budget Jul 2019	Budget Aug 2019	Budget Sep 2019	Budget Oct 2019	Budget Nov 2019	Budget Dec 2019	Budget 2019	% 2019	Actl/Forecast 2018	%
<u>Direct Payroll</u>																
Concessions	1,586	1,360	1,029	1,039	1,215	1,116	805	318	538	1,206	1,044	55	11,313	4.1%	9,647	4.2%
Housekeeping	9,115	7,816	5,913	5,971	6,981	6,415	4,627	5,829	3,093	6,930	5,996	4,318	73,004	26.1%	55,434	24.1%
Set Up	9,538	8,178	6,188	6,248	7,304	6,713	4,842	1,914	3,237	7,251	6,274	332	68,019	24.4%	58,005	25.3%
Security	11,653	9,993	7,560	7,634	8,925	8,202	5,916	2,339	3,955	8,860	7,666	406	83,108	29.8%	70,873	30.9%
Maintenance	5,855	5,021	3,799	3,835	4,484	4,121	2,973	1,175	1,987	4,452	3,852	2,204	43,758	15.7%	35,610	15.5%
Business Center	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	0.0%
Total Wages	37,747	32,368	24,490	24,726	28,909	26,568	19,163	11,576	12,810	28,698	24,832	7,315	279,202	100.0%	229,570	100.0%
<u>Allocated Payroll</u>																
Total Management Allocation	6,091	6,091	6,091	6,091	6,091	6,091	6,091	6,091	6,091	6,091	6,091	6,091	73,092	3.6%	73,092	4.0%

**GALVESTON ISLAND CONVENTION CENTER
PROPOSED CAPITAL BUDGET
2019 BUDGET**

Banquet Chairs	\$ 215,000
Included in 5 yr capital plan=\$225K in 2019; \$225K in 2020	
Garage Sprinkler	\$ 250,000
Included in 5 yr capital plan)	
Replacement of 1st floor Lighting with LED	\$ 50,000
Bulbs are phased out; Included in 5 yr capital plan (\$50K 2019; \$50K 2020; \$50K 2021)	
Carpet Replacement	\$ 300,000
Public area carpet needs to be replaced - Included in 5-yr capital plan	
Paint Exterior of Building	\$ 75,000
Paint & seal exterior EIFS - Included in 5 yr capital plan	
Equipment Replacement	\$ 50,000
Replacement of operating equipment - Included in 5 yr capital plan	
Kitchen Equipment	\$ 25,000
Kitchen equipment upgrades - Included in 5 yr capital plan	
Digital Signage	\$ 35,000
Digital information board - Included in 5 yr capital plan	
Total Proposed Capital Budget	<u><u>\$1,000,000</u></u>