

**To: Economic SPC – City of Lethbridge
June 13, 2024, Meeting**

Fr: Kim Gallucci, Acting CEO

Re: Six Month Financial Update – April 30, 2024

Summary:

City Council requested a monthly financial update from the Lethbridge & District Exhibition (LDE). Attached is a cumulative summary of the Exhibition finances for the last fiscal six months ending April 30, 2024; also attached is the previous March 31, 2024, five month fiscal update.

These have been reviewed and approved by the Lethbridge & District Exhibition Audit Committee of the Interim Board of Directors.

Financial Summary:

1. As of April 30, 2024 LDE had a net deficit of (\$1,165,093), which is an increase of \$412,325 from March, which was (\$752,768).

Key areas:

- Areas of change from the last month were the following:
 - Wages (\$227,000) for the month
 - Utilities (\$47K) this is lower than usual as it was a cool spring month, that required less heat and little air conditioning.
 - F&B expense of (\$58K) due to a lower volume of events in the month and the contract expenses.
 - (\$14K) in internet expenses: this is a one-time expense impact due to an infrastructure upgrade to accommodate future gaming, esport, and other internet intensive events (includes conferences) that we can host and attract to Lethbridge without a future significant cost. This will create future revenue opportunities for LDE.
 - Conference and events expenses (\$22K).
 - Old Pavilions increase in utilities of (\$45K) and (\$9K) maintenance
- 2. Sponsorship Revenue for 2024 has reached over \$800,000 for 2024 for both building and events combined. While this total is not realized in the financials until the end of the year it is contracted at this point.
- 3. Cash on hand is at \$1,182,285 as of April 30, 2024.
- 4. We confirmed another 20 events for 2024, and 5 additional events for 2025 in the last month.

5. Forecast for the remaining fiscal year (6 months) we are currently estimating a deficit of (\$4,664,884) or an improvement of \$1,824,468 from budget. We anticipate if the forecast prevails, we will only use \$1.2M of the \$3.0M city operating funding. Summary attached.
6. Construction is almost complete. We are pushing to have the majority of it completed by the end of May 2024, with two-three items remaining due to supplier issues and delays.
 - a. Estimate total construction costs will be the \$77,032,681
 - b. Change orders are being completed at an estimated cost of \$91,116
 - c. We have contingency of \$50,000, however, \$23,000 of it is committed.
 - d. Estimate construction budget will be over by \$1,081,412, which is a small change from the previous report, and within the scope of what was anticipated at the \$1,200,000.

Lethbridge & District Exhibition

Statement of Operations
For the Month Ended April 30, 2024

	Six Months Ended April 30, 2024	Annual Budget	Variance
Events and operational	2,479,581	4,062,566	(1,582,985)
Interest and investment	159,947	1,200	158,747
Grants	-	413,000	(413,000)
Total Revenue	\$ 2,639,528	\$ 4,476,766	\$ (1,837,238)
Operations	2,698,260	7,389,211	4,690,951
Long term debt	446,450	1,167,827	721,377
Utilities	424,320	1,115,080	690,760
Total Operating Expenses	\$ 3,569,030	\$ 9,672,118	\$ 6,103,088
Income (Loss) from Agri-Food Hub Operations	\$ (929,502)	\$ (5,195,352)	\$ 4,265,850
Old pavilions	235,591	500,000	264,409
Lifecycle transfer	-	794,000	794,000
Net income (loss)	\$ (1,165,093)	\$ (6,489,352)	\$ 5,324,259

Lethbridge & District Exhibition

Statement of Operations
For the Month Ended March 31, 2024

	Five Months Ended March 31, 2024	Annual Budget	Variance
Events and operational	2,314,738	4,062,566	(1,747,828)
Interest and investment	156,809	1,200	155,609
Grants	-	413,000	(413,000)
Total Revenue	\$ 2,471,547	\$ 4,476,766	\$ (2,005,219)
Operations	2,297,785	7,389,211	5,091,426
Long term debt	372,234	1,167,827	795,593
Utilities	377,245	1,115,080	737,835
Total Operating Expenses	\$ 3,047,264	\$ 9,672,118	\$ 6,624,854
Income (Loss) from Agri-Food Hub Operations	\$ (575,717)	\$ (5,195,352)	\$ 4,619,635
Old pavilions	177,051	500,000	322,949
Lifecycle transfer	-	794,000	794,000
Net income (loss)	\$ (752,768)	\$ (6,489,352)	\$ 5,736,584

Lethbridge & District Exhibition

Forecast
For the Month Ended April 30, 2024

	Annual Budget	YTD Budget	Six Months Ended April 30, 2024	Forecast	Total	Variance
Events and operational	4,062,566	2,193,676	2,479,581	2,111,001	4,590,582	528,016
Interest and investment	1,200	600	159,947	10,000	169,947	168,747
Grants	413,000	398,000	-	413,000	413,000	-
Total Revenue	\$ 4,476,766	\$ 2,592,276	\$ 2,639,528	\$ 2,534,001	\$ 5,173,529	\$ 696,763
Operations	7,389,211	3,273,606	2,698,360	4,624,414	7,322,774	66,437
Long term debt interest	894,051	583,914	446,450	447,601	894,051	-
Utilities	1,115,080	557,540	424,320	425,000	849,320	265,760
Total Operating Expenses	\$ 9,398,342	\$ 4,415,060	\$ 3,569,130	\$ 5,497,015	\$ 9,066,145	\$ 332,197
Income (Loss) from Agri-Food Hub Operations	\$ (4,921,576)	\$ (1,822,784)	\$ (929,602)	\$ (2,963,014)	\$ (3,892,616)	\$ 1,028,960
Old pavilions	500,000	250,000	235,591	262,900	498,491	1,509
Net income (loss)	\$ (5,421,576)	\$ (2,072,784)	\$ (1,165,193)	\$ (3,225,914)	\$ (4,391,107)	\$ 1,030,469
Lifecycle transfer	794,000	-	-	-	-	794,000
Long term debt principal	273,776	135,161	135,161	138,615	273,776	-
Net income (loss)	\$ (6,489,352)	\$ (2,207,945)	\$ (1,300,354)	\$ (3,364,529)	\$ (4,664,883)	\$ 1,824,469