

Cool Springs Conference Center – Summary Financial 2017/2018

Description	2016/2017	2017/2018	Variance
REVENUE BY DEPARTMENT			
TOTAL FOOD REVENUE	6,519,990	6,822,483	302,493
TOTAL BEVERAGE REVENUE	177,648	188,152	10,504
TOTAL F&B REVENUE	6,697,639	7,010,635	312,996
TOTAL OTHER INCOME	166,163	30,000	-136,163
TOTAL OPERATIONS REVENUE	6,863,802	7,040,635	176,833
EXPENSES BY DEPARTMENT			
TOTAL FOOD EXPENSES	3,748,781	3,809,208	60,427
TOTAL BEVERAGE EXPENSES	35,841	39,699	3,858
TOTAL F&B EXPENSES	3,784,622	3,848,909	64,287
TOTAL OPERATIONS EXPENSES	3,784,622	3,848,909	64,287
TOTAL GROSS OPERATING PROFIT	3,079,180	3,191,726	112,546
DEDUCTIONS FROM INCOME			
TOTAL ADMIN & GENERAL EXPENSES	423,811	406,918	-16,893
TOTAL INFORMATION & TELECOM EXPENSES	118,192	118,445	253
TOTAL SALES & MARKETING EXPENSES	1,159,471	1,241,952	82,481
TOTAL UTILITIES EXPENSES	314,622	325,369	10,747
TOTAL MAINTENANCE & REPAIR EXPENSES	256,946	256,642	-304
TOTAL MANAGEMENT FEES	198,325	204,312	5,987
TOTAL DEDUCTIONS FROM INCOME	2,471,366	2,553,638	82,272
TOTAL HOUSE PROFIT	607,814	638,088	30,274
HOUSE PROFIT %	8.86%	9.06%	
FIXED CHARGES			
TOTAL PROPERTY TAXES	6,464	9,600	3,136
Other Taxes and Assessments	1,845	9,600	7,755
TOTAL INSURANCE EXPENSE	13,750	1,200	-12,550
TOTAL OTHER FIXED CHARGES	201,232	207,276	6,044
TOTAL FIXED CHARGES	223,285	227,676	4,391
NET OPERATING PROFIT BEFORE DEPRECIATION	384,526	410,412	25,886
NET PROFIT OR LOSS	384,526	410,412	25,886
FF&E			
FF&E Reserve	343,190	352,032	8,842
Net Income Less FF&E Reserve (Due To/From)	41,336	58,380	17,044

Cool Springs Conference Center 2016/2017 Budget Notes

Financial Overview:

1. In the fiscal year 2016/2017, a \$350K annual holiday party cancelled their event due to financial hardship on the company. A cancellation fee of \$130K was collected. This revenue flowed through to the bottom line as no expenses were associated.
2. The annual holiday party will not repeat in 2017/2018, nor will the cancellation income. The \$176.8K growth accounts for the loss of the cancellation penalty with growth in event function revenue of \$313K.
3. 2017 continues to show signs of a soft market with occupancy down YOY in both transient and group segments. Increased supply in Nashville has resulted in competitive rates. The leisure segment is down with the changes at A-Game and loss of area events (Battle in the Boro, DECCA, World Strides). Association is flat YOY. Local corporate business continues to book short-term, but is also downsizing or moving out of Franklin (HCA).
4. 2018 is showing positive signs, pace up 13.3%, with growth in the Association segment. Schneider Electric and CKE Restaurants will move into the Cool Springs area in mid to late 2017.
5. Hotel development in Franklin/Cool Springs continues to expand with Hilton (250 rooms, 6000 sq. ft. of function space), Hyatt House, Staybridge Suites and Hampton Inn under construction. Three additional hotels are planned.
6. Expenses Notes: Increase in Sales and Marketing is attributed to open positions in 2016/2017 (Director of Events open Oct to current, three admins open Dec-March). Staffing shortages and Contract labor continue to impact Banquets, Housekeeping and Kitchen labor with overtime resulting from labor companies also being short-staffed. A major focus on improving contract labor productivity will minimize expense growth YOY.
7. Profit margin is improving year-over-year with the labor savings and an anticipated reduction in paid bonus.

Action Items for improvement:

1. Release space for local catering free-sell.
2. Target Collegiate and Professional sports that traditionally have a higher spend per square foot.
3. Flexing on pricing, meeting patterns and offering concessions to incentivize booking
4. Further focus sales expense on E-Commerce and Social Media to increase on-line presence.
5. Target various cultures for weddings. Charge rental on space and allow catering companies, that specialize in ethnic foods, to provide the food service
6. "Promote local" (Farmers Market, Bee Hives on the roof) to gain exposure, and provide creative options for clients to keep events on property instead of taking attendees out to local venues for dining.
7. Budgeted an equipment refresh in Sept 2017
8. Further advance technology (Social Tables diagram tool) to enhance the client experience
9. Partner with Columbia State's new hospitality program to help fill open positions and reduce the dependency on contract labor.