



BUDGET MEMORANDUM

DATE: June 24, 2020

TO: TBID Board of Directors

FROM: Lily Pearson, VP of Finance

SUBJECT: Budget

Due to the extraordinary situation that occurred with the pandemic and the uncertainty in predicting revenue under the current COVID-19 crisis, Visit Newport Beach took quick and drastic steps to be fiscally prudent. FY21 revenue was budgeted using a conservative approach. Expenses were cut to the bare minimum feasible to continue to offer the necessary services to the TBID community.

Due to the successful and quick cost-cutting that was done beginning in March 2020, a small cash carryover was created. Because the financial statements are prepared using the accrual basis, there is a Net Loss projected for FY2021. This deficit will be covered mainly with the FY2020 cash carryover while utilizing a small portion of the long-term reserves.



Visit Newport Beach, Inc. Group Sales (TBID)
FY2020 Proposed Budget

	FY2021 PROPOSED BUDGET
Operating Revenue	
Revenue	
41000 - TOT/TBID Income	1,254,488
Total Revenue	1,254,488
46001 - Other Income - Interest Income	
Total Operating Revenue	1,254,488
Expenses	
Salary and Wages	
61010 - Salaries and Wages	720,630
61015 - Bonuses and Commissions	-
61020 - Auto Allowance	15,840
61030 - Payroll Tax Expenses	56,767
Total Salary and Wages	793,237
Benefits	
61110 - Medical Insurance	82,034
61115 - Benefit Administrative Fees	500
61120 - Dental Insurance	5,393
61125 - Vision Insurance	987
61130 - Life and Disability	15,110
61140 - Retirement Plan (401k)	-
61150 - Flexible Spending Plan	960
61160 - Employee Engagement Benefit	660
Total Benefits	105,644
General and Administrative Expenses	
Operating Expenses	
64100 - Office Supplies	2,400
64101 - Kitchen Supplies	2,400
64110 - Office Equipment Leases	2,610
64115 - Office Equipment (non-deprec)	-
64120 - Equipment Repairs & Maintenance	23,340
64125 - Computer Software (non-deprec)	10,200
64130 - Voice and Data - Office	4,800
64135 - Telephone - Mobile	7,200
64136 - Cable - Office	1,080
64140 - Postage	1,200
64145 - Shipping Charges	1,761
64150 - Bank Fees	-
64160 - Membership Dues	16,928
64165 - Subscriptions	1,080
64170 - Team Meetings	1,500
64175 - Governance Meeting Expenses	2,500
64180 - Education	-
64190 - Business Licensing Fees	550
64300 - Depreciation Expense	5,189
64600 - Business Meals/Entertainment	900
Total Operating Expenses	85,637
Office Lease and Expenses	
62100 - Office Lease	137,253
62110 - Office Repairs and Maintenance	420
Total Office Lease and Expenses	137,673
Insurance	
63100 - General Liability Insurance	1,440
63200 - Workers Compensation Insurance	3,600
63300 - Board of Directors Insurance	3,650
Total Insurance	8,690
Professional Fees	
Recruiting Fees	-
64205 - Payroll Processing Service	4,160
64206 - Independent Contractors	5,000



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67004 - Marketing NBCo Fees	108,000
64201 - Audit Fees	16,000
64202 - Tax Preparation Fees	1,600
Legal Fees	-
Total Professional Fees	134,760
Travel Expenses	
65100 - Airfare	3,000
65200 - Accommodations	2,500
65300 - Meals	300
65400 - Transportation Costs	800
65405 - Mileage	200
65500 - Other Travel Costs	-
Total Travel Expenses	6,800
Total General and Administrative	373,560
Advertising Expenses	
66101 - Advertising - Purchased	-
66121 - Promotional Gift Cards	43,000
66123 - Promotional Client Gifts	4,000
Ad Production	
66203 - Creative Design/Development	2,750
66212 - Community Sponsorships	-
Total Advertising Expenses	49,750
Marketing Expenses	
Community Relations	
67104 - Annual Marketing Outlook Event	10,000
67101 - Research	-
67103 - Community Partner Events	-
Company-Sponsored Events	-
Total Community Relations	10,000
Digital Marketing	
67508 - Website Redesign Expenses	26,544
66211 - CRM Maintenance	15,500
Total Digital Marketing	42,044
Communications/Public Relations	
67605 - Media Special Programs	-
Total Communications/Public Relations	-
Total Marketing Expenses	52,044
International Marketing Initiatives	
67413 - International Sales Missions	-
Total International Marketing Initiatives	-
Direct Sales Initiatives	
Trade Show Expense	
66221 - Trade Show Travel Expenses	14,000
66222 - Trade Show Registration	57,190
66223 - Trade Show Booth Expenses	60,736
Total Trade Show Expense	131,926
Sponsorships	
66231 - Sales Group Enhancement Credit	220,000
66232 - Hosted Industry Events	5,000
66233 - Industry Partnerships	82,075
66234 - Industry Sponsorships	-
Total Sponsorships	307,075
Sales Initiatives	
66207 - Site Inspections	15,000
66208 - Client Events	10,000
66210 - Conference Services	-
66209 - Database/Prospecting	20,000
Total Sales Initiatives	45,000
Total Direct Sales Initiatives	484,001



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Customized Destination Support	
66243 - Hotel Partner Booking Incentives	75,000
66247 - Partner Engagement Expenses	2,000
66248 - Group Marketing Initiatives	
Total Customized Destination Support	77,000
Total Expenses	1,935,237
Net Income	(680,749)
Non-Cash Items:	
Depreciation	5,189
Amortization	26,544
FY2020 Prepaids where budget for FY21 was cut	105,722
	137,455