

# Treasury Report July 2020 (closing summary, includes future 802 planning ad hoc)

George Zimmerman & Clint Chaplin

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# 2019 Net Worth and Reserve Change Actuals

March Session	\$8,705.39
July Session	(\$297,316.41)
November Session	(\$36,615.40)
Income Other	\$21,830.83
NA Expense Other	(\$34,425.01)
NNA Expense Other	(\$12,815.77)
Net Worth Change	(\$350,636.37)

Reserves	Beginning	Change	End
USD General Reserve	\$1,143,310.73	(\$38,504.19)	\$1,104,806.54
NNA Reserve	\$354,528.03	(\$310,132.18)	\$44,395.85
General + NNA Reserve	\$1,497,838.76	(\$348,636.37)	\$1,149,202.39
Petty Cash	\$2,000.00	(\$2,000.00)	\$0.00
<b>Total Reserves</b>	<b>\$1,499,838.76</b>	<b>(\$350,636.37)</b>	<b>\$1,149,202.39</b>

# 2020 Session Results Actuals

Session Result	March 2020 T1	July 2020 T2	TOTAL YTD
<b>ACTUAL AS OF DATE</b>	2020-04-03	2020-07-01	2020-07-01
Session Income	0	0	0
Session Expense	-\$76,275.98	-\$36,178.17	-\$112,444.15
Session Surplus/Loss	-\$76,275.98	-\$36,178.17	-\$112,444.15
Sponsorships	\$0.00	0	\$0.00
<b>Net Session Surplus/Loss</b>	<b>-\$76,275.98</b>	<b>-\$36,178.17</b>	<b>-\$112,444.15</b>

**NOTE –MARCH 2020 CANCELLATION FEE OF \$175,000 WAS CONVERTED TO A NONREFUNDABLE DEPOSIT**

March 2020 Hotel rebooked for 2023 & 2025 to avoid penalties – converted \$175,000 to deposit

July 2020 Hotel rebooked – contract not yet signed

March 2020 \$20,000 deposit for Aquarium/social transferred to 2023

March 2020 expense includes \$1582.90 in F2F airfares usable in the future

# 2020 T3 Session Results Forecast Bangkok (Venue cancelled)

Forecast as of 2018-07-14

NNA Session Result	
Session Income	\$426,978.26
Session Expense	-\$423,783.42
Session Surplus/Loss	\$3,194.84
Sponsorships	\$0.00
Net Session Surplus/Loss	\$3,194.84

Cancellation costs avoided:

(USD at 3/13/20 exchange):

Hotel Cancellation fee:

\$146,381 (4,553,900 THB)

(exchange rates 7/3/2020)

Additional costs (incurred):

pre-meeting planning contractual expenses  
(~\$25,000), site surveys, etc.

Hotel deposits converted to 2022 (\$33,149 to date)

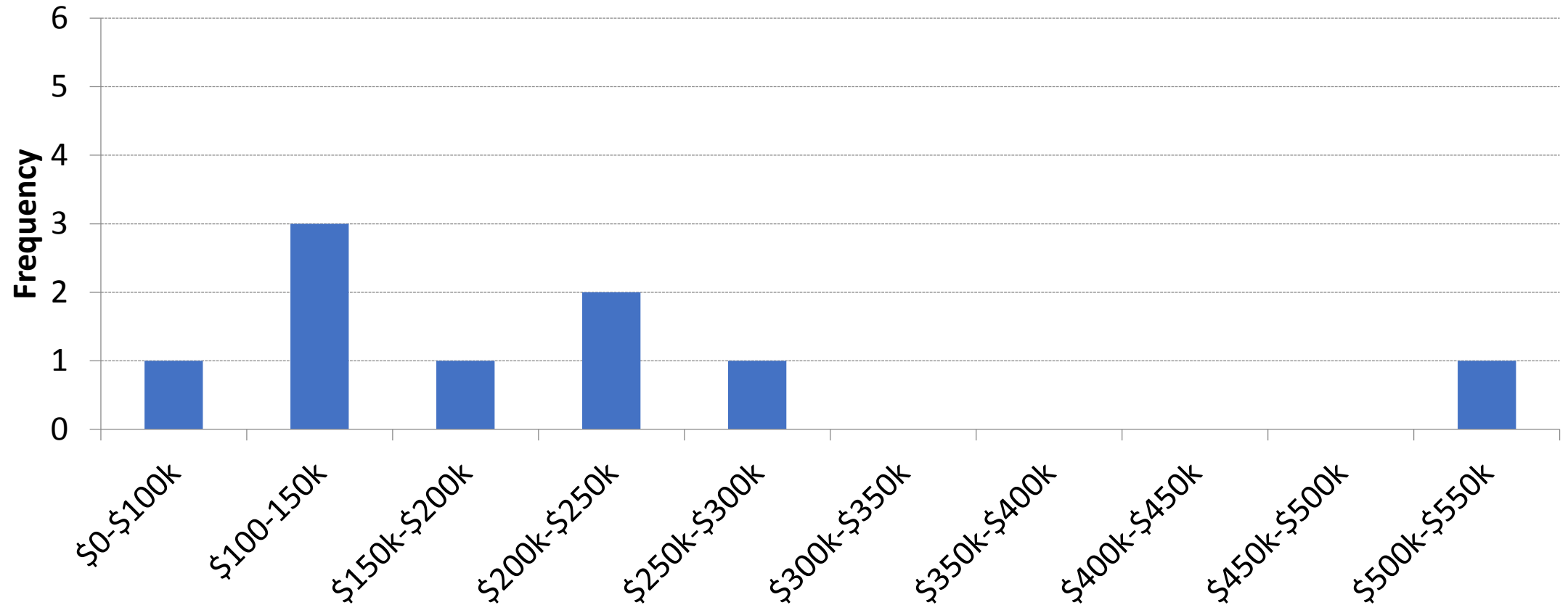
**May 2020 Contract Addendum allows avoiding penalties by rescheduling for anytime in 2022  
Deposits forfeit if we don't (total \$33,149 paid to date, \$146,902 still to be paid in 2 payments)**

# Reserve and effect of Cancellations

Total reserve as of end of 2019:	\$1,149,202.39	Reserve remaining
Total loss for Atlanta	-\$76,275.98	\$1,072,926.41
Total loss for Montreal	-\$36,178.17	\$1,036,748.24
Misc. Expense through June 30 (outreach, 40th ann)	-\$57,813.82	\$978,934.42
Misc. Income through June 30 (interest)	+\$5,721.97	\$984,656.39
<b>Committed funds as of June 30</b> (Atlanta 2023/25 + Bangkok deposit)	<b>-\$228,148.86</b>	<b>\$756,507.53</b>
<del>Potential</del> Cancellation for Nov 2020 (additional to deposit, if not resched)	-\$114,407.98	\$642,099.55
Potential Cancellation for March 2021	-\$268,650 (by Dec 31)	\$373,449.55
Potential Cancellation for November 2021 (currently under contract, note July is not contracted yet)	-28,042 (by Nov 10) -70,106 (by Mar 10)	\$345,407.55 \$303,343.55

# Cancellation status as of 7/2020

## Hotel Cancellation fees as of 7/20



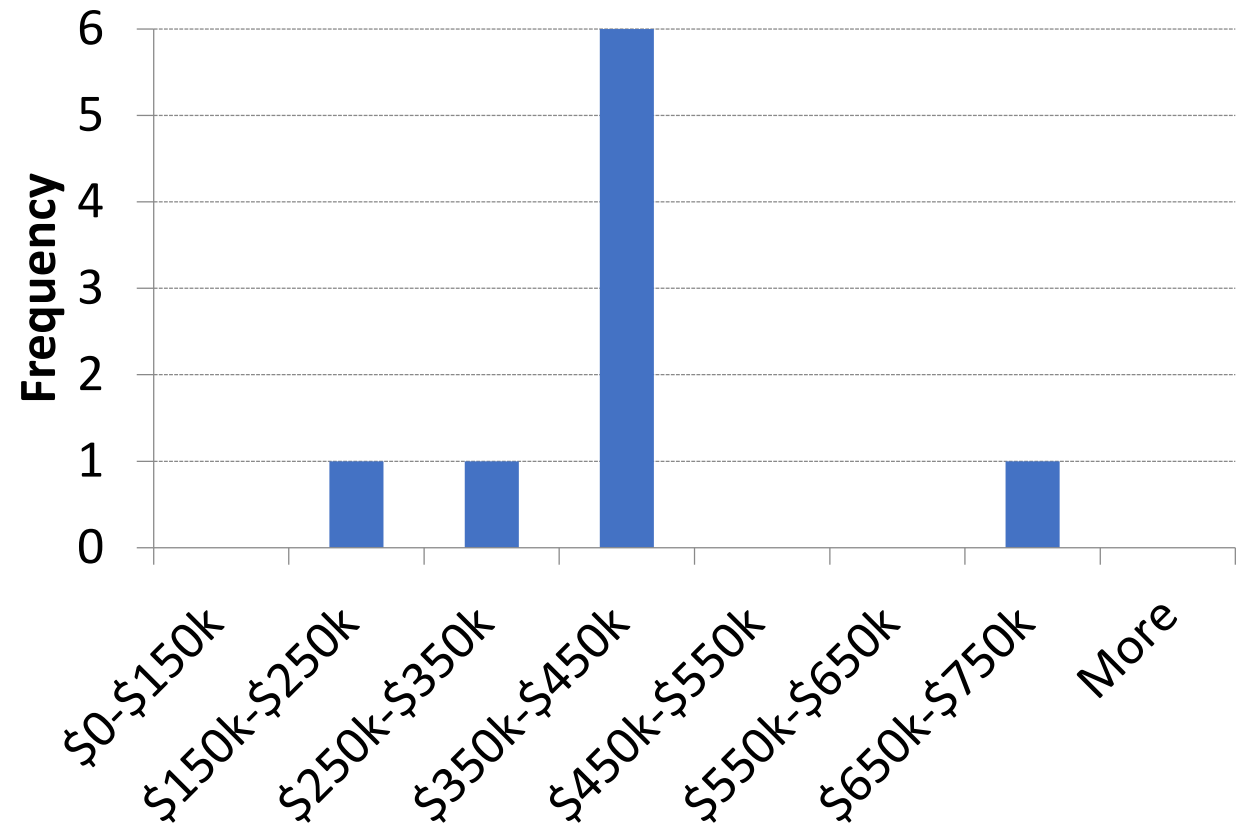
# Scenario 1: Last Minute Cancellation

- Force Majeure generally requires waiting until the last minute to cancel, requires joint agreement
  - Only really clear in case of venue closure or local governmental restriction
- Best case – only pay pre-meeting & cancellation fees to vendors (total ~75,000)
  - March 2021 is a good example of this, without the \$175,000 pre-deposit
    - Includes charges for cancelling registered attendees (\$50/attendee)
      - On top of pre-meeting vendor fees -> total: \$62-\$72,000
    - Other fees (Credit card, other expenses): (~10,000)
- Worst case – risk last-minute cancellation fee on hotel (see next page)
  - Varies, most are \$350,000 to \$450,000

# Scenario 1: Last minute / Force Majeure Risk

- In addition to planner/vendor + expenses of ~\$75k
- Total Hotel Risk:
  - \$3.90 M Cancellation fees
  - \$208K deposits
  - \$3.70 net of deposits
- Risk per meeting:
  - Typically \$425k-\$525k
  - ~\$600 to \$1000/attendee

**Last Minute Hotel Cancellation Fees**

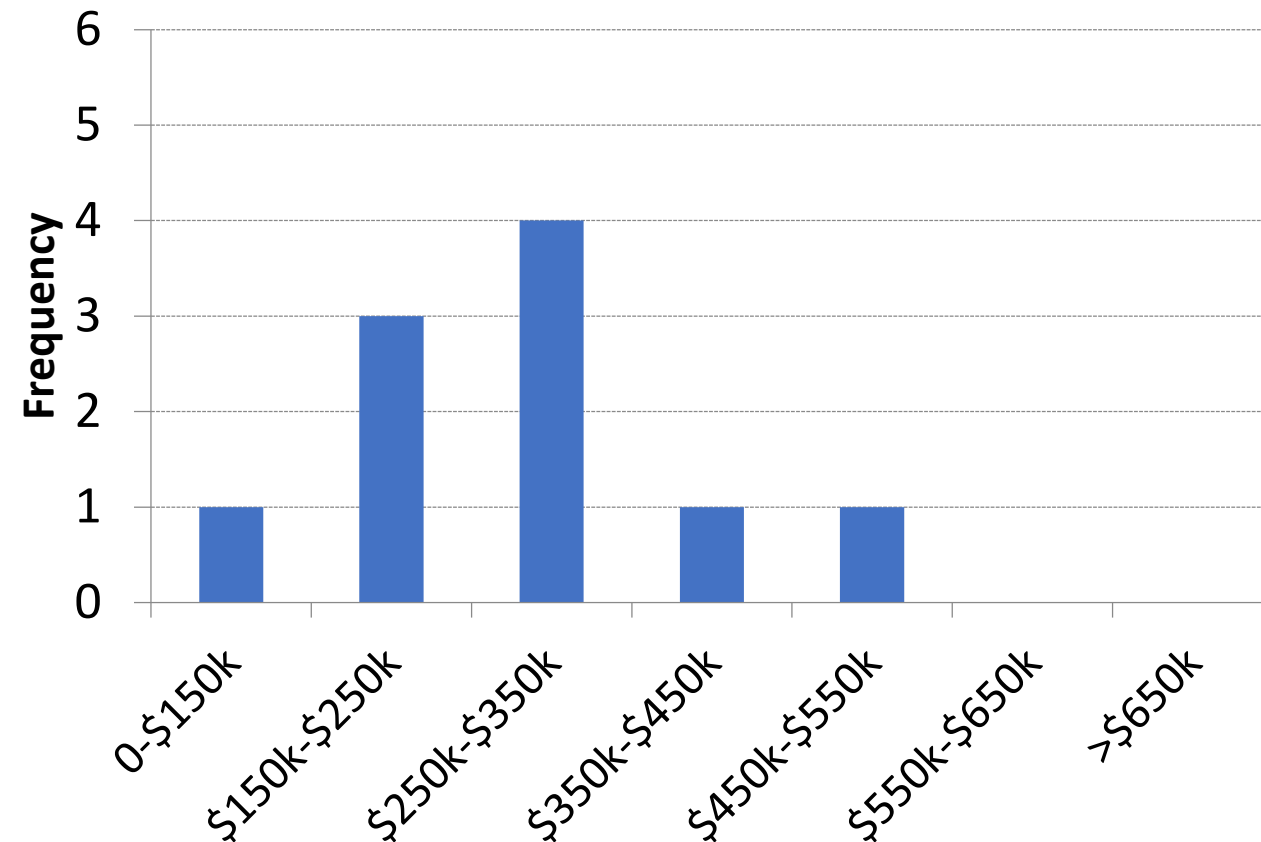




# Scenario 2: 3 to 6 month out cancellation

- Assume – fully cancelled, no rebook arrangement
- Immediate actions - NONE
- Pre-meeting expenses (~\$35,000 per meeting)
  - No registration opened, so no cancellation or CC fees
  - Meeting planner, vendor pre-meeting and site visit expenses
- Hotel cancellation fees typically \$180k-\$280k per meeting
- ~\$300 - \$630 / attendee

**3-6 month out Hotel Cancellation Fees**



# Scenario 3: Move to 2 Plenaries per Year

- Assumption: a planned transition, we can pick the meeting
  - Note – only ONE existing contract has cancellation < \$100,000 today
- Costs:
  - No new hotel cancellation fees (we have one meeting uncontracted per year)
  - Cost related to Nov 2020 cancellation (\$146,381 - \$33,149 deposit paid = \$113,232 net)
  - Negotiate meeting planner pre-meeting fees based on pre-planning work
    - Estimate < \$25,000 total (some venue selection, site visits and other planning work, no registration or venue interaction on room assignments or finalizing F&B, etc.)
  - Total ~ \$140,000 impact to uncommitted reserve
- Immediate actions required:
  - Terminate discussions for July 2021 venue contract
  - Terminate discussion for Nov 2022 Bangkok rebook
  - Decide which meeting in 2024 to be virtual, and, if necessary, terminate discussion

# Scenario 4: Re-plan to 1 face-to-face / year

- Take actions in Scenario 3 – don't contract new meetings through 2024
- Additionally choose meeting to cancel based on financial considerations
  - 2021: \$28,050 [NOTE – THIS IS NOT MARCH 2021, WHICH IS HIGH RISK]
  - 2022: \$214,697
  - 2023: \$112,050
- Impact:  $\$140,000 + \$354,797 = \sim\$495\text{k}$  to uncommitted reserve
  - If March 2021 were planned out, increase impact by \$141k



# BACKUP – Information on Current Penalties and Commitments

# Contract Flexibility is ~1 mtg/yr until 2024

- Meetings without contract:
  - 7/21 – Madrid – in process, not contracted as of today
  - 11/22 – possible Bangkok reschedule to avoid penalties
  - 7/23 – Berlin
  - 3/24 – Chicago
  - 7/24 – possible Montreal reschedule
  - 11/24 - no venue selected
  - 7/25 and later, except for 11/27
- Penalty < \$100k: 11/22 – until 3/21
- Penalty \$100k-\$200k: 3/23, 3/25, 11/27
- Penalty \$200-300k: 3/21, 7/22, 11/23
- Penalty > \$300k: 3/22 (\$521k)