

**RENAISSANCE SCHAUMBURG HOTEL
AND CONVENTION CENTER**

**VILLAGE OF
SCHAUMBURG, ILLINOIS**



2015 BUDGET

**FOR THE FISCAL YEAR BEGINNING
JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015**

RENAISSANCE SCHAUMBURG HOTEL AND CONVENTION CENTER
2015 ANNUAL BUDGET
FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2015
AND ENDING DECEMBER 31, 2015

December 9, 2014

The Honorable President Larson and Members of the Board of Trustees
Residents of the Village of Schaumburg

We respectfully submit the proposed budget for the Village-owned Renaissance Schaumburg Hotel and Convention Center for the fiscal year beginning January 1, 2015 and ending December 31, 2015 (the "2015 Budget").

EXECUTIVE SUMMARY

After surpassing original expectations from its opening in 2006 through 2008, the Renaissance Schaumburg Hotel and Convention Center was adversely affected by the most recent recession, with lower revenues and profits being seen. We began seeing some lift in occupancy rates, revenues and net house profit in 2012 and 2013, and 2014 and expect further improvement in 2015.

Following are some of the more important facts regarding the 2015 hotel and convention center budget.

- For 2014, combined revenues and expenses (excluding depreciation) are expected to result in a surplus of \$3.9 million. This compares favorably to the \$1.7 million increase that was budgeted.
- For 2015, the change in net assets before depreciation is expected to be \$1.55 million and this includes \$4.45 million in capital expenditures for the first phase of a Furniture, Fixtures, and Equipment (FF&E) replacement project.
- Total revenue for 2015 is estimated at \$56.3 million, an increase of 0.5% over the 2014 budget.
- Total expenses (excluding depreciation) for 2015 are budgeted at \$54.7 million, including \$4.45 million for FF&E improvements, which is an increase of 0.9% over the 2014 budget.
- Total cash and investments at December 31, 2015 are estimated at \$22,665,678.
- The balance of cash and investments in the Hotel and Convention Center Fund (the fund used to account for tax revenues and payment of debt service) is expected to increase \$1,010,672 in 2015, going from \$15.5 million to \$16.5 million.
- Hotel and convention center operations are expected to contribute \$5,083,255 towards the \$9,525,892 of interest expense and \$1,630,000 of bond principal coming due in 2015.
- Revenues relating to the operations of the hotel and convention center are expected to total \$43.6 million, a 5.1% increase over the 2014 budget. Expenses relating to the operations of the property are budgeted at \$45.2 million, an increase of 2.4% over the 2014 budget.
- After depreciation and amortization expenses of \$6.5 million, total net assets are expected to decrease \$5 million in 2015, for an ending balance of \$(17,838,307).

Depreciation expense is the annual recognition of the reduction in building and equipment value over a period of 10-45 years depending on the estimated life of the actual asset. Amortization expense is the annual

recognition of past expenses, such as bond issuance costs associated with the construction of the property. Both depreciation and amortization expenses are noncash transactions meaning they do not require a payment of cash and, therefore, are not considered operating expenses but are factored into the total net asset value.

The 2015 budget for the operations of the hotel and convention center has been compiled using estimates developed by Village staff, property management staff, and consultants. At the time the proposed hotel budget needed to be completed and submitted to the Village Board, Renaissance Hotel Management (“RHM”) had not yet submitted the 2015 proposed business plan and operating budget. The Qualified Management Agreement between the Village and RHM gives them until November 17, 2014 to submit their 2015 business plan proposal for review by the Village. Since the Village has a lengthy budget process, a budget amendment will be presented to the Board in February to reflect the actual 2015 business plan budget agreed to between the Village and RHM.

BUDGET CONTENTS AND FORMAT

The annual budget for the hotel and convention center enterprise is presented separate and apart from the Village’s primary budget document due to it being assigned a different fiscal year pursuant to the terms of the Qualified Management Agreement entered into with Renaissance Hotel Management Company, the property’s operating manager. Prior to 2013, the fiscal year of the hotel and convention center ended on the Friday closest to December 31st, the same as Marriott International and its Renaissance Hotel Management Company. Beginning with 2013, Marriott decided to change its fiscal year-end and reporting to reflect twelve calendar months and a December 31st fiscal year-end. For 2015, the fiscal year runs from January 1, 2015 through December 31, 2015. The following table reflects the actual fiscal periods involved:

Budget Fiscal Year Reference	Actual Fiscal Year
2012	December 31, 2011 through December 28, 2012
2013	December 29, 2012 through December 31, 2013
2014	January 1, 2014 through December 31, 2014
2015	January 1, 2015 through December 31, 2015

The Village maintains two funds relating to the hotel and convention center; the Hotel/Convention Center Fund and the Renaissance Hotel & Convention Center Operating Fund. The Hotel and Convention Center Fund accounts for fixed assets, related debt and debt service payments, and the tax revenues dedicated to the project. The Renaissance Hotel and Convention Center Fund accounts for the operating revenue and expenses of the hotel and convention center, as managed by Renaissance. For annual financial reporting purposes, the two funds are consolidated and reported as one enterprise fund. The construction fund was closed in 2011, and the assets, liabilities, and fund equity transferred to the Hotel and Convention Center Fund

2014 RESULTS

It was originally expected that the combined financial results for 2014 would show a surplus of \$1,764,393 before depreciation expense. We currently expect revenues to miss amended budget expectations; however, we also expect expenses to come in under budget, resulting in a surplus of \$3.9 million. This is slightly

higher than the results of 2013. After depreciation and amortization expenses of \$8.8 million, the hotel and convention center is expected to report a net loss of \$7 million for 2014.

2014 Projected Financial Results – All Funds
(Amounts in \$1,000's)

	Amended Budget	Projected Actual	Dollar Variance	% Variance
Revenues (Excluding Transfers)	\$ 48,761	\$ 48,516	\$ (245)	(0.5) %
Expenses (Excluding Depreciation And Transfers)	46,997	44,650	(2,347)	(5.0)%
Net Income (Loss) Before Depreciation	1,764	3,866	2,102	119.2%
Depreciation Expense	8,781	6,519	(2,262)	(25.8)%
Net (Loss)	\$ (7,017)	\$ (2,653)	\$ 4,364	(62.2)%

2015 BUDGET SUMMARY – ALL FUNDS

The 2015 combined budget for the hotel and convention center funds is based on the assumption that the economy will continue to improve in 2015. We are projecting net income before depreciation expense of \$3.9 million for 2014, which is an improvement over the \$1.76 million surplus that was budgeted for 2014. The amount expected to be transferred from hotel operations to the Village for debt service in 2014 is \$5,083,255.

Summary of 2015 Budget Compared to 2014
(Amounts in \$1,000's)

	2014 Amended Budget	2014 Projection	2015 Budget	% Change from 2014 Budget
Revenues				
Taxes and Intergovernmental	\$ 6,732	\$ 6,741	\$ 7,062	4.9 %
Operating Revenues	41,445	41,186	43,559	5.1 %
Investment Income	37	42	30	(18.9) %
Miscellaneous	547	547	547	0%
Operating Transfers In	6,662	5,412	5,083	(23.7) %
Capital Transfers In	600	0	0	(100) %
Total Revenues	56,023	53,928	56,281	0.5%
Expenses				
Operating Expenses	33,818	34,471	35,665	5.5 %
Interest Expense	9,578	9,578	9,526	(0.5)%
Capital Outlay	3,600	600	4,452	23.7 %
Operating Transfers Out	6,662	5,412	5,083	(23.7) %
Capital Transfers Out	600	0	0	(100)%
Total Expenses	54,258	50,061	54,726	0.9 %
Net (Loss) Before Depreciation	1,765	3,867	1,555	(11.9) %
Depreciation Expense	8,781	6,519	6,517	(25.8) %
Net (Loss)	\$ (7,016)	\$ (2,652)	\$ (4,962)	(29.3)%

2015 operating revenues of the hotel are expected to increase 5.7% over current 2014 projections. Operating expenses are expected to increase 11.6% over current 2014 projections. More information on tax revenues and operating results can be found in the fund summaries later in this budget message.

HOTEL & CONVENTION CENTER FUND

The Hotel and Convention Center Fund accounts for the receipt of various revenues earmarked for payment of debt service on the bonds issued to fund construction of the property. The fund also holds the assets and liabilities related to the property itself.

Actual results for 2014 are expected to come in better than budget. The budget projected a surplus of \$1.76 million, excluding depreciation. We now anticipate that 2014 will end up with net income of \$2.9 million before depreciation.

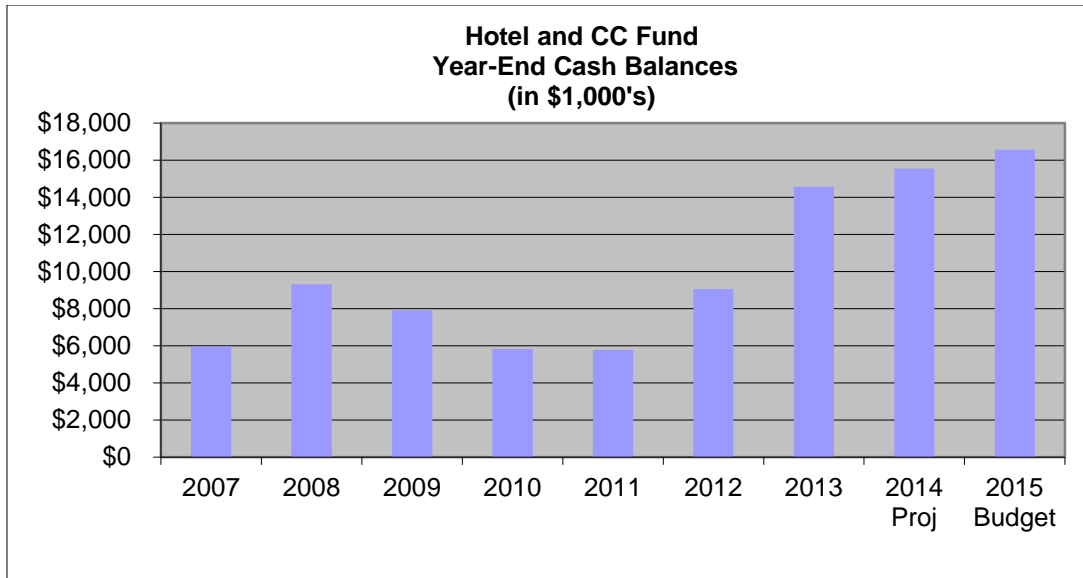
For 2014, revenues are expected to exceed expenses (excluding depreciation) by \$3.8 million. After depreciation and amortization expenses of \$8.8 million, the fund is showing a \$5 million decrease in net assets.

The following table summarizes the Hotel and Convention Center Fund for 2013 and 2014.

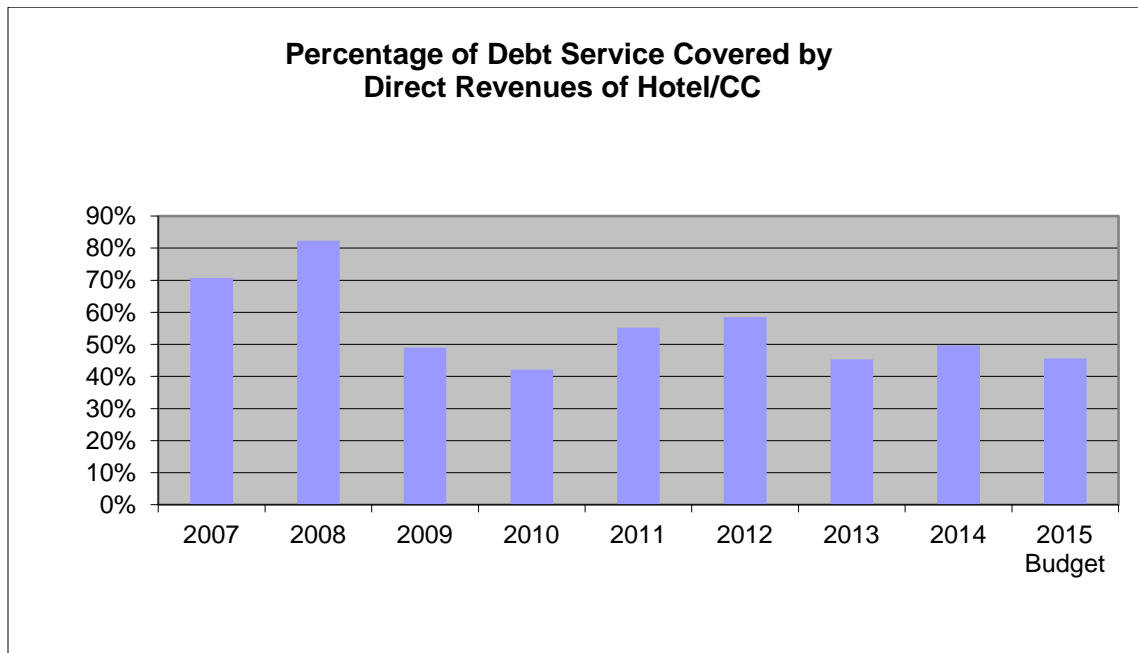
**Hotel and Convention Center Fund
Changes in Net Assets
(Amounts in \$1,000's)**

	2014 Budget	2014 Projected	2015 Budget	% Change
Revenues				
Transfer from Hotel	\$ 6,662	\$ 5,412	\$ 5,083	(23.7) %
Direct Project Taxes	2,128	2,183	2,324	9.2%
General Taxes	4,604	4,558	4,737	2.9 %
Other Income	566	581	573	1.2%
Total Revenues	13,960	12,734	12,717	(8.9) %
Expenses (Excluding Depreciation)				
Bond Interest	9,578	9,578	9,526	(0.5) %
Professional Services	1	1	41	4000 %
Capital Transfers Out	600	0	0	(100) %
Total Expenses	10,179	9,579	9,567	(6.0) %
Change in Net Assets Before Depreciation and Amortization	3,781	3,155	3,150	(16.7) %
Depreciation and Amortization	8,780	6,519	6,517	(25.8)%
Change in Net Assets	(4,999)	(3,364)	(3,367)	(32.6) %
Net Assets – Beginning	(10,663)	(11,719)	(15,083)	41.5 %
Net Assets – Ending	\$(15,662)	\$ (15,083)	\$(18,450)	17.8%

Cash and investments are expected to total \$15,548,268 at the end of 2014 and \$16,558,940 at the end of 2015. Following is a graph that shows year-end cash and investment balances.



When the hotel and convention center project was approved, direct revenues of the hotel and convention center were not expected to cover the entire amount of annual debt service. Direct revenues includes the transfer from Renaissance from operations, and the hotel tax, sales taxes, food and beverage taxes, and telecommunications taxes generated by the property. Because of the expected economic benefits of the hotel and convention center, certain general tax revenues are used to cover the difference. The following graph illustrates the percentage of debt service covered by direct revenues of the hotel and convention center. As can be seen, the percentage reached a high of 82% in 2008, but dropped to a low of 42% for 2010. For 2015 the coverage is estimated at 45.6%.



RENAISSANCE HOTEL & CONVENTION CENTER FUND

The Renaissance Hotel & Convention Center Fund accounts for the day to day operations of the hotel and convention center. Renaissance Hotel Management Company, part of Marriott International, has been retained under Qualified Management Agreement, to manage the property on a day to day basis. The budget for this fund has been prepared based on estimates prepared by Village staff, property staff and its consultants.

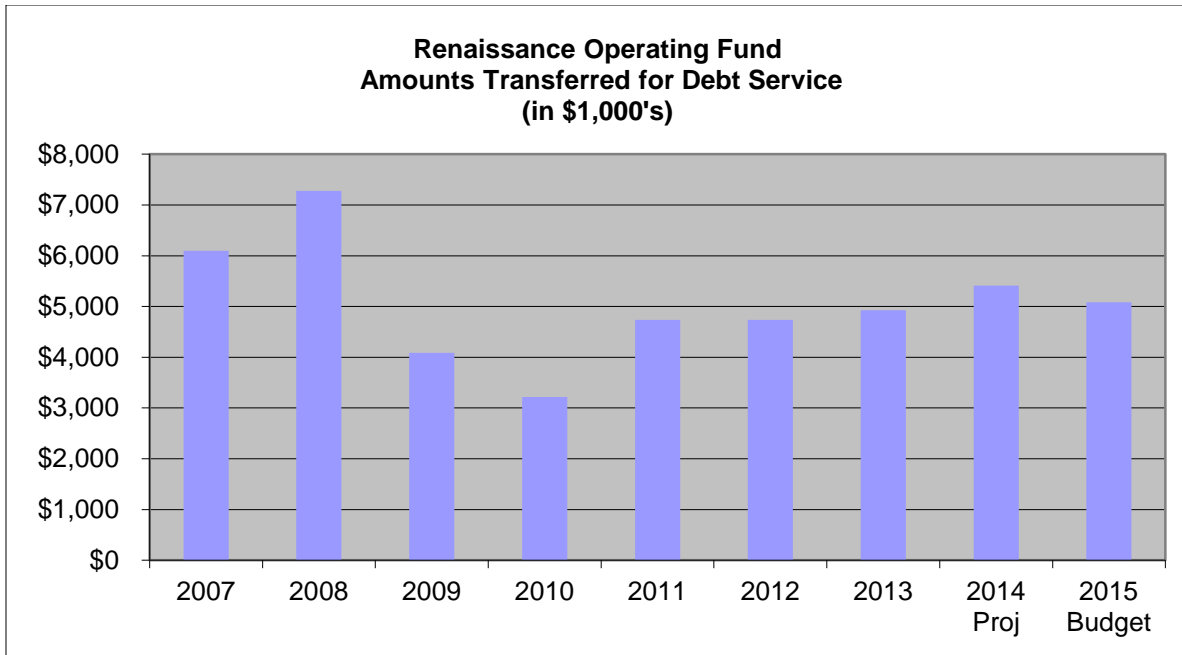
For 2014 the Fund is expected to report a net change in assets of \$791,000, compared to a budgeted surplus of \$14,000. Renaissance is expected to transfer \$6.04 million to the Hotel and Convention Center Fund in 2013, which exceeded the amount budgeted. For 2014, a net loss of \$3,063,000 is projected; however, this includes FF&E improvements totaling \$3.6 million and a transfer to waterfall liabilities of \$6.66 million.

Following is a summary of the 2014 budget, with a comparison to the budget and current projections for 2013.

Renaissance Hotel & Convention Center Fund Budget Summary
(Amounts in \$1,000's)

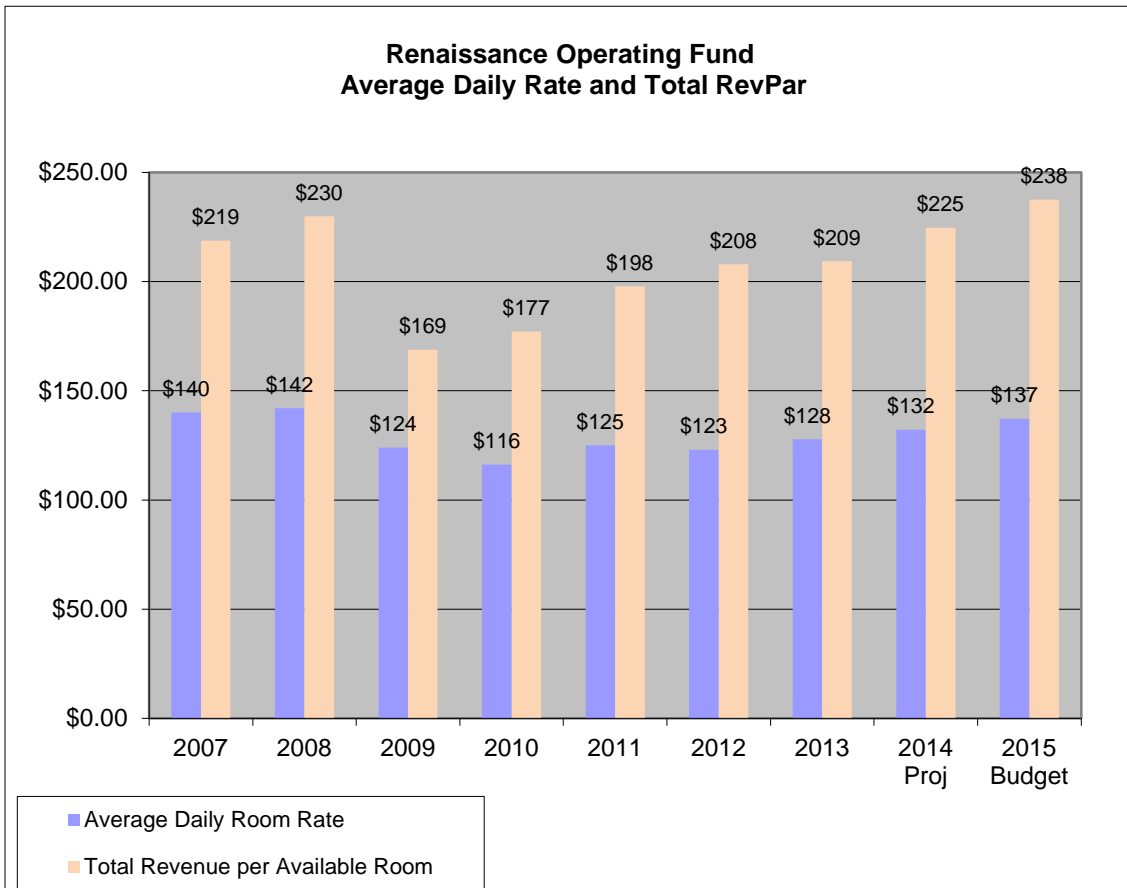
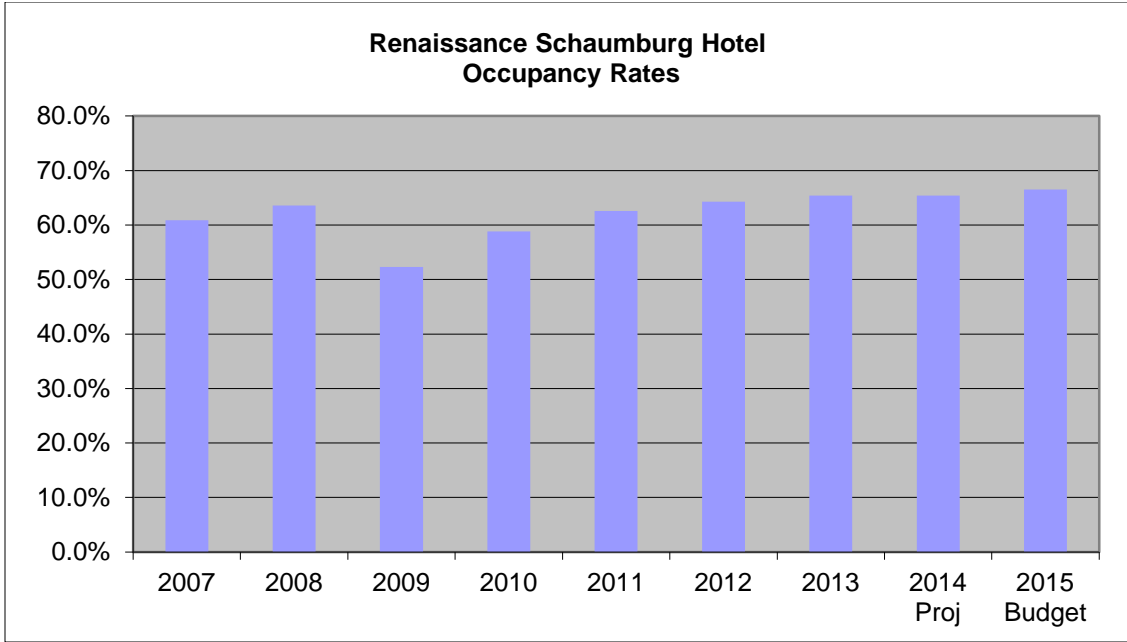
	2014 Budget	2014 Projected	2015 Budget	% Change From 2014 Budget	% Change From 2014 Projected
Revenues	\$42,063	\$41,193	\$43,564	3.6 %	5.8 %
Expenses					
Operations	33,817	34,470	35,624	5.3 %	3.3 %
Capital Outlay	3,600	600	4,452	23.7 %	642 %
Transfer to Village	6,662	5,412	5,083	(23.7) %	(6.1) %
Total Expenses	44,079	40,482	45,159	2.5 %	11.6 %
Change in Net Assets	(2,016)	(711)	(1,595)	(20.9) %	(324.3) %
Net Assets, BOY	482	1,496	2,207	357.9 %	47.5 %
Net Assets, EOY	\$ (1,534)	\$ 2,207	\$ 612	(139.9) %	(72.3) %

Following is a summary of the transfers made by Renaissance to the Village for debt service:



The amount transferred to the Village for debt service is determined based upon an established cash flow waterfall as set forth in the Qualified Management Agreement. Primary debt service is the first bucket under the waterfall. Primary debt service started at \$4,750,000 per year in 2006 and increases 2% per year. Any owner's expenses for asset management are deducted from the debt service requirement. For 2015, \$5,083,255 is expected to be transferred for primary debt service. If there are any funds remaining after primary debt service, deposits to the furniture, fixtures and equipment account, secondary management fees, capital account deposits, and prior year's unpaid primary debt service, Renaissance transfers said excess to the Village for supplemental debt service. Renaissance was able to transfer supplemental debt service payments of \$1.1 million in 2007 and \$2.7 million in 2008, but has not made any supplemental debt service payments since 2008 due to the recession. In fact, Renaissance was not able to meet the entire primary debt service requirement from 2009 through 2011. Renaissance did meet the minimum for primary debt service in 2013 and 2014 and expects to do the same in 2015.

Revenue for 2015 is expected to increase 5.8% over the current projections for 2014. This increase is driven by an expected jump in both occupancy rates and average daily rates. Following are two graphs that illustrate trends in occupancy rates, average daily rates, and total revenue per available room (RevPar).



Status of Reserve Accounts: As previously mentioned, the Qualified Management Agreement between Renaissance and the Village provides for a specific flow of funds after paying operating expenses. The

designated waterfall of surplus funds provides for a transfer to the Village for debt service, deposits into a furniture, fixture & equipment reserve account, payment of a secondary management fee, replenishment of the operating reserve account, and then payments to a capital reserve account. Any funds remaining after these set distributions can also be paid over to the Village for purposes of paying debt service.

Based on projected operating results, the primary debt service requirement for 2015 is expected to be met. We also expect to receive the full primary debt service payment in 2014. However, cash flow is not expected to be sufficient to meet all of the other QMA waterfall requirements in either 2014 or 2015, but it is improving. 2008 was the last year all the QMA waterfall requirements were met.

The following table reflects the projected liabilities for unfunded QMA requirements at the end of 2014 and 2015.

Projected QMA Waterfall Liabilities for 2013 and 2014

QMA Requirement	Estimated Outstanding Balance at 12/31/14	Estimated Outstanding Balance at 12/31/15
Prior Years Primary Debt Service	\$771,839	\$745,963
FF&E Reserve	5,207,884	3,995,171
Secondary Management Fees	1,818,943	1,818,943
Capital Reserve	3,188,331	3,881,524
Total Outstanding Waterfall Liabilities	\$10,986,997	\$10,441,601

The QMA waterfall liabilities have been steadily growing since 2008 due to the severe recession, but progress has been made toward funding some of the outstanding liabilities in recent years. Because of the projected \$10.4 million waterfall liability, it is unlikely the Village will see supplemental debt service payments for many years, resulting in the continued use of general tax revenue to meet its debt service requirements. While Marriott can only be paid the secondary management fees if funds are available under the waterfall, they can require the Village to advance additional funds to cover needed capital expenditures given the lack of funding in the FF& E and Capital reserve accounts. Staff does not expect the Village to have to make additional contributions towards capital improvements until at least 2016.

ACKNOWLEDGEMENTS

We would like to thank the Village President and members of the Board of Trustees for the foresight, courage, and leadership in undertaking such a large venture as the Renaissance Schaumburg Hotel and Convention Center. Their direction and policies have been the guiding principles in the preparation of this budget document.

We would also like to thank Renaissance Hotel Management Company and Marriott International for making the Village's hotel one of the highest rated properties in the Marriott family, and for the responsible and prudent manner in which they carry out their duties.

Respectfully submitted,

Brian Townsend
Village Manager

Lisa Happ
Director of Finance

VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
2015 ANNUAL BUDGET
FISCAL YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015

BUDGET SUMMARY - ALL FUNDS

	Actual	Amended		Original	% Change
	2013	Budget	Projected	Budget	2014
		2014	2014	2015	Budget
REVENUES					
Taxes	6,232,368	6,551,854	6,555,904	6,875,009	4.9%
Intergovernmental	163,427	180,000	185,000	186,500	3.6%
Charges for Services	39,536,611	41,444,713	41,185,960	43,558,480	5.1%
Investment Income	17,148	37,247	42,200	30,376	-18.4%
Miscellaneous	546,692	547,080	547,079	547,359	0.1%
Subtotal	46,496,246	48,760,894	48,516,143	51,197,724	5.0%
Operating Transfers In	6,154,717	6,661,925	5,411,534	5,083,255	-23.7%
Equity Transfers In	288,101	0	0	0	0.0%
Capital Transfers In	0	600,000	0	0	-100.0%
Total Revenues	52,939,064	56,022,819	53,927,677	56,280,979	0.5%
EXPENSES					
Hotel & Convention Center Operations	32,622,680	33,817,409	34,470,277	35,623,673	5.3%
Other Operating Expenses	10,522	1,000	1,200	41,200	4020.0%
Interest Expense	10,162,561	9,578,092	9,578,092	9,525,892	-0.5%
Capital Outlay	258,778	3,600,000	600,000	4,452,230	23.7%
Subtotal	43,054,541	46,996,501	44,649,569	49,642,995	5.6%
Operating Transfers Out	6,154,717	6,661,925	5,411,534	5,083,255	-23.7%
Equity Transfers Out	288,101	0	0	0	0.0%
Capital Transfers Out	0	600,000	0	0	-100.0%
Total Expenses	49,497,359	54,258,426	50,061,103	54,726,250	0.9%
CHANGE IN NET ASSETS BEFORE					
DEPRECIATION AND AMORT. EXPENSE	3,441,705	1,764,393	3,866,574	1,554,729	-11.9%
DEPRECIATION AND AMORTIZATION EXPENSE	10,169,092	8,780,535	6,519,310	6,516,876	-25.8%
CHANGE IN NET ASSETS	(6,727,387)	(7,016,142)	(2,652,736)	(4,962,147)	-29.3%
NET ASSETS					
Beginning of Period	(3,496,037)	(10,180,037)	(10,223,424)	(12,876,160)	26.5%
End of Period	(10,223,424)	(17,196,179)	(12,876,160)	(17,838,307)	3.7%

**VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
2015 ANNUAL BUDGET
FISCAL YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015**

SUMMARY OF REVENUES BY TYPE - ALL FUNDS

	<u>Actual 2013</u>	<u>Amended Budget 2014</u>	<u>Projected 2014</u>	<u>Budget 2015</u>	<u>% Change 2014 Budget</u>
Taxes					
Amusement Surcharge	1,201,551	1,296,393	1,194,320	1,206,263	-7.0%
Telecomm Tax - Renaissance Hotel	5,853	6,850	5,235	5,078	-25.9%
Hotel Tax - Renaissance Hotel	1,227,703	1,305,556	1,464,869	1,508,815	15.6%
Hotel Tax - Other Hotels	1,387,732	1,406,010	1,425,000	1,496,250	6.4%
Food & Bev. Tax - Renaissance	379,821	455,657	343,000	436,700	-4.2%
Food & Beverage Tax	1,866,281	1,901,388	1,938,480	2,035,403	7.0%
Home Rule Sales Tax- Renaissance	163,427	180,000	185,000	186,500	3.6%
Total Taxes	<u>6,232,368</u>	<u>6,551,854</u>	<u>6,555,904</u>	<u>6,875,009</u>	<u>4.9%</u>
Intergovernmental					
State Sales Tax - Renaissance	<u>163,427</u>	<u>180,000</u>	<u>185,000</u>	<u>186,500</u>	<u>3.6%</u>
Charges for Services					
Hotel & Conv Center Operations	<u>39,536,611</u>	<u>41,444,713</u>	<u>41,185,960</u>	<u>43,558,480</u>	<u>5.1%</u>
Investment Income					
Interest on Investments	<u>17,148</u>	<u>37,247</u>	<u>42,200</u>	<u>30,376</u>	<u>-18.4%</u>
Miscellaneous Revenue					
Miscellaneous Income	37,333	37,720	37,720	38,000	0.7%
Amortized Bond Premium	509,359	509,360	509,359	509,359	0.0%
	<u>546,692</u>	<u>547,080</u>	<u>547,079</u>	<u>547,359</u>	<u>0.1%</u>
Operating Transfers In					
Operating Transfers In	6,154,717	6,661,925	5,411,534	5,083,255	-23.7%
Equity Transfers In	288,101	0	0	0	0.0%
Capital Transfers In	0	600,000	0	0	0.0%
	<u>6,442,818</u>	<u>7,261,925</u>	<u>5,411,534</u>	<u>5,083,255</u>	<u>-30.0%</u>
TOTAL REVENUES	<u><u>52,939,064</u></u>	<u><u>56,022,819</u></u>	<u><u>53,927,677</u></u>	<u><u>56,280,979</u></u>	<u><u>0.5%</u></u>

**VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
2015 ANNUAL BUDGET
FISCAL YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015**

SUMMARY OF REVENUES BY FUND

	<u>Actual</u> <u>2013</u>	<u>Amended</u> <u>Budget</u> <u>2014</u>	<u>Projected</u> <u>2014</u>	<u>Budget</u> <u>2015</u>	<u>% Change</u> <u>from 2014</u> <u>Budget</u>
ENTERPRISE FUNDS					
Hotel/Convention Center Fund	13,394,228	13,959,859	12,734,517	12,717,123	-8.9%
Renaissance Hotel/CC Operating Fund	<u>39,544,836</u>	<u>42,062,960</u>	<u>41,193,160</u>	<u>43,563,856</u>	<u>3.6%</u>
	<u>52,939,064</u>	<u>56,022,819</u>	<u>53,927,677</u>	<u>56,280,979</u>	<u>0.5%</u>
TOTAL ALL FUNDS	<u><u>52,939,064</u></u>	<u><u>56,022,819</u></u>	<u><u>53,927,677</u></u>	<u><u>56,280,979</u></u>	<u><u>0.5%</u></u>

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HOTEL AND CONVENTION CENTER OPERATIONS
2015 ANNUAL BUDGET
FISCAL YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015**

SUMMARY OF EXPENSES BY FUND

	<u>Actual 2013</u>	<u>Amended Budget 2014</u>	<u>Projected 2014</u>	<u>Budget 2015</u>	<u>% Change from 2014 Budget</u>
ENTERPRISE FUNDS					
Hotel/Convention Center Fund	20,342,175	18,959,627	16,098,602	16,083,968	-15.2%
Renaissance Hotel/CC Operating Fund	<u>39,324,276</u>	<u>44,079,334</u>	<u>40,481,811</u>	<u>45,159,158</u>	<u>2.4%</u>
	<u>59,666,451</u>	<u>63,038,961</u>	<u>56,580,413</u>	<u>61,243,126</u>	<u>-2.8%</u>
TOTAL ALL FUNDS	<u><u>59,666,451</u></u>	<u><u>63,038,961</u></u>	<u><u>56,580,413</u></u>	<u><u>61,243,126</u></u>	<u><u>-2.8%</u></u>

VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
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FISCAL YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015

SCHEDULE OF PROJECTED CASH FLOWS

	<u>Projected 2014</u>	<u>Projected 2015</u>
HOTEL AND CONVENTION CENTER FUND		
Excess (deficiency) of revenues over expenses	(3,364,085)	(3,366,845)
Add Non-cash expense: depreciation & amortization	6,519,310	6,516,876
Less Non-cash revenue: bond premium amortization	(509,359)	(509,359)
Bond principal payment	(1,305,000)	(1,630,000)
Increase (decrease) in payables	0	0
Net Proceeds from Bond Refunding	0	0
(Increase) decrease in receivables	<u>0</u>	<u>0</u>
Net change in cash flow	1,340,866	1,010,672
Cash & investment balance - beginning of year	<u>14,207,402</u>	<u>15,548,268</u>
Cash & investment balance - end of year	<u><u>15,548,268</u></u>	<u><u>16,558,940</u></u>
RENAISSANCE HOTEL & CONVENTION CENTER FUND		
Excess (deficiency) of revenues over expenses	711,349	(1,595,302)
Net change in receivables and payables	(347,944)	(629,995)
Amortization of deferred revenue	<u>(200,005)</u>	<u>(200,005)</u>
Net change in cash flow	163,400	(2,425,302)
Cash & investment balance - beginning of year	<u>8,368,640</u>	<u>8,532,040</u>
Cash & investment balance - end of year	<u><u>8,532,040</u></u>	<u><u>6,106,738</u></u>
<u>Renaissance Hotel & Convention Center Cash Composition</u>		
Operating Cash	2,897,240	2,754,556
Operating Reserve Cash	2,458,000	2,191,282
Furniture, Fixture & Equipment Reserve Cash	2,420,100	459,000
Capital Account Cash	<u>756,700</u>	<u>701,900</u>
Total	<u><u>8,532,040</u></u>	<u><u>6,106,738</u></u>

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Schaumburg Convention Center
NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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PROJECTION: 20151 2015 Schaumburg Convention Center Hotel Budget

FOR PERIOD 99

Schaumburg Convention Center		2013	2014	2014	2014	2014	2015	PCT
		ACTUAL	ORIG BUD	REVISED BUD	ACTUAL	PROJECTION	Department	CHANGE
5900153	Revenue-H&CC							
5900153	5001	Amusement Surcharge -1,201,550.46	-1,296,393.00	-1,296,393.00	-1,141,801.96	-1,194,320.00	-1,206,263.00	-7.0%
5900153	5003	Telecom Tax-Renaissance -5,853.04	-6,850.00	-6,850.00	-4,798.44	-5,235.00	-5,078.00	-25.9%
5900153	5004	Hotel/Motel Tax-Village -1,227,703.15	-1,305,556.00	-1,305,556.00	-1,184,619.41	-1,464,869.00	-1,508,815.00	15.6%
5900153	5005	Hotel/Motel Tax -1,387,732.23	-1,406,010.00	-1,406,010.00	-1,370,490.65	-1,425,000.00	-1,496,250.00	6.4%
5900153	5006	Food and Beverage Tax -1,866,280.89	-1,901,388.00	-1,901,388.00	-1,825,213.68	-1,938,480.00	-2,035,403.00	7.0%
5900153	5007	Food & Beverage Tax-Ren -379,821.42	-455,657.00	-455,657.00	-314,190.27	-343,000.00	-436,700.00	-4.2%
5900153	5102	State Sales Tax-Renaissance -163,426.87	-180,000.00	-180,000.00	-173,539.99	-185,000.00	-186,500.00	3.6%
5900153	5104	Home Rule Sales Tax-Ren -163,426.87	-180,000.00	-180,000.00	-173,539.99	-185,000.00	-186,500.00	3.6%
5900153	5655	Neutral Host Lease -37,332.59	-37,720.00	-37,720.00	-34,035.05	-37,720.00	-38,000.00	.7%

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Schaumburg Convention Center
NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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PROJECTION: 20151 2015 Schaumburg Convention Center Hotel Budget

FOR PERIOD 99

Schaumburg Convention Center		2013	2014	2014	2014	2014	2015	PCT
		ACTUAL	ORIG BUD	REVISED BUD	ACTUAL	PROJECTION	Department	CHANGE
5900153	5702	Bond Premium -509,359.37	-509,360.00	-509,360.00	.00	-509,359.00	-509,359.00	.0%
TOTAL Revenue-H&CC		-6,942,486.89	-7,278,934.00	-7,278,934.00	-6,222,229.44	-7,287,983.00	-7,608,868.00	4.5%
5900165	Revenue-General Revenue							
5900165	5550	Interest Earned on Investments -18,511.51	-19,000.00	-19,000.00	-34,309.84	-35,000.00	-25,000.00	31.6%
5900165	5555	Increase/Decrease-Fair Value 9,588.65	.00	.00	.00	.00	.00	.0%
5900165	5811	Operating Trans In-Ren HCC -6,154,717.22	-6,661,925.00	-6,661,925.00	-4,966,534.41	-5,411,534.00	-5,083,255.00	-23.7%
5900165	5830	Equity Transfer In - 591 -288,101.39	.00	.00	.00	.00	.00	.0%
TOTAL Revenue-General Revenu		-6,451,741.47	-6,680,925.00	-6,680,925.00	-5,000,844.25	-5,446,534.00	-5,108,255.00	-23.5%
5909805	General Projects							
5909805	7223	Professional Services 10,522.40	1,000.00	1,000.00	1,175.00	1,200.00	41,200.00	4020.0%
5909805	7606	Interest Exp-Tax Exempt Bonds 10,162,560.55	9,578,092.00	9,578,092.00	9,578,091.93	9,578,092.00	9,525,892.00	-.5%

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Schaumburg Convention Center
NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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PROJECTION: 20151 2015 Schaumburg Convention Center Hotel Budget

FOR PERIOD 99

Schaumburg Convention Center		2013	2014	2014	2014	2014	2015	PCT
		ACTUAL	ORIG BUD	REVISED BUD	ACTUAL	PROJECTION	Department	CHANGE
5909805	7612	Amortized Bond Discount 29,996.50	6,782.00	6,782.00	.00	6,782.00	6,782.00	.0%
5909805	7613	Amortized Bond Issuance Costs 3,564,476.98	94,643.00	94,643.00	.00	.00	.00	-100.0%
5909805	7615	Amortized Deferred Charges 917,059.42	924,110.00	924,110.00	.00	870,501.00	870,501.00	-5.8%
5909805	7716	Depreciation Expense 5,657,559.78	7,755,000.00	7,755,000.00	7,108,750.00	5,642,027.00	5,639,593.00	-27.3%
TOTAL General Projects		20,342,175.63	18,359,627.00	18,359,627.00	16,688,016.93	16,098,602.00	16,083,968.00	-12.4%
5909905	Outgoing Transfers							
5909905	8035	Capital Transfers Out-591 .00	600,000.00	600,000.00	.00	.00	.00	-100.0%
TOTAL Outgoing Transfers		.00	600,000.00	600,000.00	.00	.00	.00	-100.0%
TOTAL Schaumburg Convention		6,947,947.27	4,999,768.00	4,999,768.00	5,464,943.24	3,364,085.00	3,366,845.00	-32.7%

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Schaumburg Convention Center
NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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PROJECTION: 20151 2015 Schaumburg Convention Center Hotel Budget

FOR PERIOD 99

Hotel and Convention Center		2013	2014	2014	2014	2014	2015	PCT
		ACTUAL	ORIG BUD	REVISED BUD	ACTUAL	PROJECTION	Department	CHANGE
5910153	Revenue-H&CC							
5910153	5270 Hotel Room	-15,401,670.00	-16,144,417.00	-16,175,749.00	-14,063,968.02	-15,771,244.00	-16,638,492.00	2.9%
5910153	5271 Telephone Charges-Hotel	-486,696.00	-468,771.00	-503,616.00	-530,397.00	-563,836.00	-146,209.00	-71.0%
5910153	5272 Restaurant Charges-Hotel	-2,914,660.00	-3,009,456.00	-3,009,876.00	-2,533,434.00	-2,888,676.00	-3,121,912.00	3.7%
5910153	5273 Lounge Charges-Hotel	-1,629,628.00	-1,605,366.00	-1,653,172.00	-1,488,560.00	-1,678,399.00	-1,785,911.00	8.0%
5910153	5274 Audio Visual Charges-Hotel	-2,737,478.00	-2,543,804.00	-2,854,680.00	-2,599,570.00	-3,108,960.00	-2,048,325.00	-28.2%
5910153	5275 Banquet Charges-Hotel	-11,675,920.00	-12,594,208.00	-12,942,071.00	-11,005,750.00	-12,633,274.00	-14,878,016.00	15.0%
5910153	5276 Other Hotel/CC Revenue	-542,882.00	-461,041.00	-455,215.00	-430,915.00	-496,566.00	-498,610.00	9.5%
5910153	5277 Inducement Fee Revenue	-198,948.00	-200,005.00	-200,005.00	-165,790.00	-200,005.00	-200,005.00	.0%
5910153	5278 Exhibit Space Rental	-3,948,729.00	-3,552,213.00	-3,650,329.00	-3,490,216.00	-3,845,000.00	-4,241,000.00	16.2%

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Schaumburg Convention Center
NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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PROJECTION: 20151 2015 Schaumburg Convention Center Hotel Budget

FOR PERIOD 99

Hotel and Convention Center		2013 ACTUAL	2014 ORIG BUD	2014 REVISED BUD	2014 ACTUAL	2014 PROJECTION	2015 Department	PCT CHANGE
5910153	8535	Capital Transfers In-590 .00	-600,000.00	-600,000.00	.00	.00	.00	-100.0%
TOTAL Revenue-H&CC		-39,536,611.00	-41,179,281.00	-42,044,713.00	-36,308,600.02	-41,185,960.00	-43,558,480.00	3.6%
5910165	Revenue-General Revenue							
5910165	5550	Interest Earned on Investments -8,225.00	-11,500.00	-18,247.00	-6,233.00	-7,200.00	-5,376.00	-70.5%
TOTAL Revenue-General Revenu		-8,225.00	-11,500.00	-18,247.00	-6,233.00	-7,200.00	-5,376.00	-70.5%
5913080	Convention Center							
5913080	7101	Hotel Room Expense 5,756,621.00	5,795,182.00	5,850,651.00	5,126,904.00	5,855,505.00	5,859,367.00	.1%
5913080	7102	Telephone Department-Hotel 288,841.00	288,534.00	295,280.00	257,344.00	297,372.00	206,558.00	-30.0%
5913080	7103	Restaurant Exepenses-Hotel 1,845,068.00	1,918,838.00	1,893,935.00	1,583,739.00	1,860,832.00	2,013,293.00	6.3%
5913080	7104	Lounge Expenses-Hotel 659,779.00	663,867.00	663,754.00	624,858.00	697,222.00	736,500.00	11.0%
5913080	7105	Kitchen Expenses-Hotel 5,900,543.00	6,053,572.00	6,082,097.00	5,296,842.00	6,166,626.00	6,372,483.00	4.8%

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Schaumburg Convention Center
NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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PROJECTION: 20151 2015 Schaumburg Convention Center Hotel Budget

FOR PERIOD 99

Hotel and Convention Center		2013	2014	2014	2014	2014	2015	PCT
		ACTUAL	ORIG BUD	REVISED BUD	ACTUAL	PROJECTION	Department	CHANGE
5913080	7106	Audio Visual Expenses-Hotel 1,178,080.00	1,156,515.00	1,262,625.00	1,191,349.00	1,399,265.00	.00	-100.0%
5913080	7107	Banquet Expenses-Hotel 3,417,408.00	3,973,097.00	3,664,901.00	3,193,490.00	4,127,760.00	5,536,742.00	51.1%
5913080	7108	Other Hotel/CC Expenses 96,081.12	180,954.00	117,163.00	126,603.04	134,242.00	135,292.00	15.5%
5913080	7109	Hotel/CC Administrative Costs 2,867,701.00	2,946,461.00	3,026,864.00	2,544,503.70	2,988,162.00	3,223,711.00	6.5%
5913080	7110	Central Training & Reloc-Hotel 114,408.00	114,404.00	128,729.00	107,240.00	128,700.00	128,688.00	.0%
5913080	7111	Sales & Marketing Exp-Hotel 2,939,134.00	3,144,294.00	3,118,570.00	2,543,569.00	3,038,906.00	3,400,598.00	9.0%
5913080	7112	Primary Hotel/CC Mgmt Fee 1,303,671.00	1,384,416.00	1,381,577.00	1,149,668.00	1,381,586.00	1,419,831.00	2.8%
5913080	7113	Equipment Leasing 90,276.00	86,000.00	83,604.00	57,686.00	83,604.00	71,868.00	-14.0%
5913080	7115	Owners Expense-Hotel 125,315.00	120,000.00	177,665.00	146,097.00	175,000.00	187,000.00	5.3%

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Schaumburg Convention Center
NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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PROJECTION: 20151 2015 Schaumburg Convention Center Hotel Budget

FOR PERIOD 99

Hotel and Convention Center		2013	2014	2014	2014	2014	2015	PCT
		ACTUAL	ORIG BUD	REVISED BUD	ACTUAL	PROJECTION	Department	CHANGE
5913080	7116	Leisure/Recreation Exp-Hotel 99,722.00	102,000.00	98,913.00	86,850.00	101,542.00	102,932.00	4.1%
5913080	7117	Secondary Hotel/CC Mgmt Fee 325,930.00	345,375.00	345,375.00	295,776.00	345,375.00	360,290.00	4.3%
5913080	7118	Interest-Secondary Mgmt Fee 106,576.00	121,385.00	121,385.00	79,861.00	121,385.00	135,251.00	11.4%
5913080	7119	Senior Executive Comp-Hotel 1,152,165.00	1,199,537.00	1,174,061.00	978,380.00	1,174,061.00	1,197,534.00	2.0%
5913080	7120	Exhibit Space Rental Expense 428,572.00	441,583.00	407,329.00	367,199.00	440,640.00	566,728.00	39.1%
5913080	7201	Property Insurance 164,742.00	158,784.00	178,863.00	149,365.00	178,863.00	51,944.00	-71.0%
5913080	7202	Liability Insurance -20,068.00	80,472.00	30,600.00	438.00	1,000.00	138,981.00	354.2%
5913080	7210	Utilities-Gas & Electric 1,531,323.00	1,416,312.00	1,433,353.00	1,284,273.00	1,509,771.00	1,467,638.00	2.4%
5913080	7234	Repair & Maintenance of Bldg 2,250,792.00	2,300,650.00	2,280,115.00	1,862,292.00	2,262,858.00	2,310,444.00	1.3%

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Schaumburg Convention Center
NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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PROJECTION: 20151 2015 Schaumburg Convention Center Hotel Budget

FOR PERIOD 99

Hotel and Convention Center		2013 ACTUAL	2014 ORIG BUD	2014 REVISED BUD	2014 ACTUAL	2014 PROJECTION	2015 Department	PCT CHANGE
5913080	7404	Other Capital Outlay 258,777.61	3,600,000.00	3,600,000.00	544,854.00	600,000.00	4,452,230.00	23.7%
5913080	8011	Operating Trans Out-CC 6,154,717.22	6,661,925.00	6,661,925.00	4,966,534.41	5,411,534.00	5,083,255.00	-23.7%
5913080	8030	Equity Transfer Out -590 288,101.39	.00	.00	.00	.00	.00	.0%
TOTAL Convention Center		39,324,276.34	44,254,157.00	44,079,334.00	34,565,715.15	40,481,811.00	45,159,158.00	2.4%
TOTAL Hotel and Convention C		-220,559.66	3,063,376.00	2,016,374.00	-1,749,117.87	-711,349.00	1,595,302.00	-20.9%
GRAND TOTAL		6,727,387.61	8,063,144.00	7,016,142.00	3,715,825.37	2,652,736.00	4,962,147.00	-29.3%

** END OF REPORT - Generated by Lisa Happ **