

**RENAISSANCE SCHAUMBURG HOTEL
AND CONVENTION CENTER**

**VILLAGE OF
SCHAUMBURG, ILLINOIS**

PROPOSED 2008 BUDGET

**FOR THE FISCAL YEAR BEGINNING
DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009**

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VILLAGE OF SCHAUMBURG, ILLINOIS**

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VILLAGE OF SCHAUMBURG

ANNUAL BUDGET RENAISSANCE SCHAUMBURG HOTEL AND CONVENTION CENTER FOR THE FISCAL YEAR ENDING JANUARY 2, 2009

November 6, 2007

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

I am pleased to present the proposed budget for the Village-owned Renaissance Schaumburg Hotel and Convention Center for the fiscal year beginning December 29, 2007 and ending January 2, 2009 (the "2008 Budget").

The budget for the hotel and convention center enterprise operation is presented separate and apart from the Village's primary budget document due to the fact the hotel and convention center was assigned a different fiscal year. On December 13, 2005 the Village Board passed Ordinance 05-200, setting the fiscal year-end of the hotel as the Friday closest to December 31st, effective with the fiscal period beginning May 1, 2006. The fiscal year of the hotel and convention center was changed to coincide with the fiscal year utilized by both Marriott and Renaissance Hotel Management Company, the manager of the Village's hotel. The Qualified Management Agreement between Renaissance and the Village calls for the accounting and financial reporting of the hotel and convention center to be on the same fiscal year as Renaissance and Marriott. For 2008 the closest Friday falls on January 2, 2009. Therefore, this proposed budget is based on 53 weeks rather than the normal 52 weeks.

At one point there were four funds established that related to the hotel and convention center; the Series 2004B SCC Debt Service Fund, the Series 2004B SCC Project Fund, the Hotel/Convention Center Fund, and the Renaissance Hotel & Convention Center Operating Fund. The Series 2004B SCC Debt Service Fund was created pursuant to the bond ordinance to account for a portion of the bond proceeds used for interest expense and to account for other resources to be used for the payment of bond principal and interest. The Series 2004B SCC Project Fund was created to account for the use of bond proceeds for the construction of the hotel and convention center. The Hotel/Convention Center Fund was created to account for the tax revenues dedicated to the project and collected by the Village, and the Renaissance Hotel and Convention Center Operating Fund was created to account for the operating revenues and expenses of the hotel and convention center as managed by Renaissance Hotel Management Company. For purposes of annual financial reporting, all the funds are combined into one enterprise fund.

With the depletion of the bond proceeds set aside for debt service in the fiscal period ended December 29, 2006, the debt service fund was closed and merged into the Hotel and Convention Center Fund. With the anticipated completion of all construction punch list items in the fiscal year ending January 2, 2009, the Series 2004B SCC Project Fund will be closed and merged with the Hotel and Convention Center Fund as

well. This will leave just two funds; one in which the Village is responsible for the financial activity and one in which Renaissance Hotel Management is responsible for the financial activity.

It is important to note that the budget for the Renaissance Hotel and Convention Center Operating Fund was prepared using the budget figures provided by Renaissance as reflected in their proposed 2008 business plan. The 2008 business plan is being presented to the Committee of the Whole on November 20, 2007.

2008 BUDGET SUMMARY

The hotel and convention center is proving to be the financial success that the Village's elected officials, staff, and consultants predicted. The Renaissance Hotel and Convention Center Fund is showing 2008 net income of \$3,166,578. The transfer to the Village's Hotel and Convention Center Fund for debt service is estimated at \$6,350,000, covering 55.6% of the debt service expense on the bonds issued for the project. The 2007 transfer totaled \$4,966,344, representing 43.5% of debt service expense. During 2008 the Furniture, Fixtures and Equipment (FF&E) reserve account is expected to increase by \$864,703, and the Capital reserve account is expected to increase by \$1,000,273.

The following table presents a basic summary of the entire hotel and convention center budget.

2008 Total Hotel and Convention Center Budget

	2007 Budget	2007 Projected	2008 Budget	% Change
Revenues	\$47,102,980	\$51,855,538	\$57,110,712	21.2 %
Expenses	49,208,246	50,076,327	56,561,530	14.9 %
Operating Income (Loss) Before Depreciation	(2,105,266)	1,779,211	549,182	(126.1)%
Depreciation Expense	(7,438,849)	(9,561,821)	(9,877,349)	32.8 %
Net Income Before Capitalizing Fixed Assets	(9,544,115)	(7,782,610)	(9,328,167)	(2.3)%

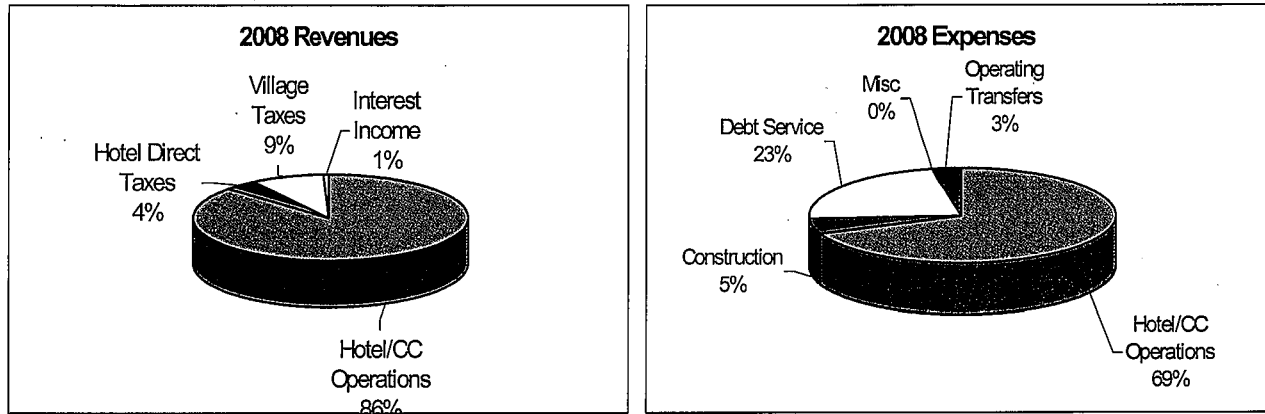
2008 revenues are estimated at \$57,110,712, an increase of 10.1% over the current projections for 2007, and 21.2% higher than the 2007 budget. Expenses (excluding depreciation) are budgeted at \$56,561,530, an increase of 13.0% over the current projections for 2007 and 14.9% higher than the 2007 budget. Combined net operating income before depreciation expense is estimated at \$549,182 for 2008. A net loss of \$9,328,167 is reflected in the budget after depreciation and amortization expense of \$9,877,349 is charged against income. It should be pointed out that the above figures do not take into consideration the capitalization of fixed assets, which reduces expenses, projected at \$2,625,121 for 2007 and \$2,615,651 for 2008.

A budget summary of all funds relating to the hotel and convention center can be found on page 12.

For annual financial reporting purposes, the three funds being maintained will be combined into one enterprise fund, with \$6,350,000 of interfund transfers being eliminated. On this basis, the 2008 budget would show revenue of \$50,760,712 and expenses (excluding depreciation) of \$50,211,530, resulting in net income before depreciation of \$549,182, the same figure as reported above. The following two pie charts show the composition of consolidated revenue by source and expense totals (before depreciation) by type.

As can be seen, revenue from operations represents 86% of consolidated revenue, while Village-wide taxes used to fund the project represents only 9%. Operating expenses of the hotel and convention center represent 69% of the consolidated budget, while debt service represents 23%.

2008 Budget Summary (Consolidated Basis)



Comparison to 2004 Financing Plan:

In the aggregate, actual hotel and convention center financial results are exceeding the projections factored into the financing plan approved by the Village Board in 2004. For 2007, total revenue is expected to exceed the financing plan projections by 7.5%. Rather than drawing down reserves in 2007 as called for in the financing plan, reserves were actually increased by \$53,910. For 2008, total revenue is expected to exceed the financing plan projections by 5.7%, resulting in a surplus of \$1,516,273 surplus as opposed to \$819,644. The following table compares both the 2007 projected and 2008 budgeted revenue sources and debt service to the 2004 financing plan.

Revenues and Expenses Compared to Financing Plan

Financing Plan Component	Financing Plan: 2007 Projection	2007 Projected	% Variance	Financing Plan: 2008 Projection	2008 Budget	% Variance
Transfer from Hotel/CC	\$ 4,792,000	\$ 4,966,344	3.6 %	\$ 6,101,000	\$ 6,350,000	4.1 %
Amusement Tax	515,113	1,075,729	108.8	522,839	1,097,244	109.9
Hotel Tax -Village Wide	1,409,483	1,522,215	8.0	1,474,699	1,567,881	6.3
Telecomm Tax	2,440,160	1,894,510	(22.4)	2,464,562	1,791,474	(27.3)
Hotel Direct Taxes	1,428,000	1,773,119	24.2	1,605,000	1,953,979	21.7
Interest Income	92,199	246,256	167.1	75,807	179,958	137.4
Total Revenue	10,676,955	11,478,173	7.5 %	12,243,907	12,940,536	5.7 %
Debt Service Expense	(11,424,263)	(11,424,263)	0.0	(11,424,263)	(11,424,263)	0.0
Surplus (Deficit)	\$ (747,308)	\$ 53,910	107.2 %	\$ 819,644	\$ 1,516,273	85.0 %

The 2008 transfer from Renaissance to the Village is expected to be 4% higher than the financing plan projection. The amusement tax is generating more than twice the amount estimated prior to the tax being imposed. Hotel direct taxes are the various taxes paid by the Renaissance Hotel, and include the hotel tax, food & beverage tax, telecommunications tax, sales tax and home-rule sales tax. Direct tax revenues are

exceeding the financing plan projections mostly because the original plan did not include sales tax and home-rule sales tax revenue being allocated to pay debt service.

The Hotel and Convention Center Fund is expected to have cash and investments totaling \$5,986,934 at the end of 2008, representing 52% of the 2009 debt service requirements. The financing plan projected a cash balance of \$4,188,850 at December 31, 2008.

The 2008 budget includes the anticipated close-out of the Series 2004 Hotel and Convention Center Construction Project Fund. We expect there to be \$1,533,268 of cash remaining after the final \$2,615,651 of estimated construction costs are paid. The Budget includes transferring half of the cash surplus, or \$766,634, to the Capital Improvement Fund, with the other half being transferred to a new Performing Arts Center Fund.

2004B SCHAUMBURG HOTEL & CONVENTION CENTER PROJECT FUND

2007 Recap: The 2007 budget, as originally passed, assumed that construction would be completed and the fund closed by December 29, 2006. Unfortunately, a dispute with the contractor and other factors resulted in certain construction work being delayed. The 2007 budget was therefore amended, providing for \$4,212,000 of construction expenses.

Village staff estimates that \$2,625,121 of construction expenses will be incurred in the fiscal year ending December 28, 2007. In addition, \$6,618,972 of depreciation and amortization expenses will be charged to this fund, rather than the Hotel and Convention Center Fund, due to the fact the project fund did not close out at December 29, 2006 as originally expected. Because of the delay in construction, investment earnings for 2007 are expected to total \$1,044,743, compared to the budget estimate of \$579,000.

Our projections show expenses exceeding revenues by \$8,197,850, before the capitalization of \$2,625,121 of construction costs. Therefore, fund equity is expected to decrease by \$5,572,729, resulting in a balance of \$4,032,951 at December 28, 2007. Cash and investments are expected to total \$4,128,919 at that same date.

2008 Budget: Construction expenses carried over into 2008 are budgeted at \$2,615,651. Included in the budget is \$1,214,000 for the sign to be located adjacent to the tollway. Investment earnings are estimated at \$20,000.

The project fund is expected to be closed out during the fiscal year ending January 2, 2009. A cash balance of \$1,533,268 is expected to remain after all construction costs are paid. The 2008 budget includes transferring half of the excess, or \$766,634, to the Capital Improvements Fund with the other half going to a new fund to be created for the Performing Arts Center. These transfers are being proposed due to the fact that in 2006 the Village Board approved transferring \$5,188,000 of excess General Fund fund balance into the Hotel and Convention Center Project Fund rather than the two aforementioned funds.

When the project fund is closed in 2008, fixed assets and liabilities with a net value of \$2,519,683 will be moved to the Hotel and Convention Center Fund.

Project Fund Recap: The following table presents a comparison of the original construction fund budget to the project-length projections, factoring in the 2008 budget figures.

Project-Length Construction Summary

Activity	Original Project-Length Budget	Projected Project-Length Actual	Variance Positive (Negative)
Revenues:			
Bond Proceeds	\$213,110,863	\$213,110,863	\$ 0
Investment Income	2,785,711	8,786,325	6,000,614
Transfer from General Fund	0	5,188,000	5,188,000
Miscellaneous	0	228,396	228,396
Total Revenues	\$215,896,574	\$227,313,584	\$11,417,010
Expenses:			
Bond Discount & Issuance Costs	4,513,368	4,478,257	35,111
Construction	164,800,906	179,552,825	(14,751,919)
Furniture & Equipment	27,400,000	22,576,420	4,823,580
Renaissance Pre-Opening Services	5,000,000	5,235,479	(235,479)
Construction Manager	3,214,459	2,639,144	575,315
Architect Fees	5,094,840	4,468,870	625,970
Other Project Expenses	5,873,001	6,829,321	(956,320)
Transfer to Other Funds	0	1,533,268	(1,533,268)
Total Expenses	\$215,896,574	\$227,313,584	\$(11,417,010)

Total construction expenses, excluding the transfer of surplus funds, are projected at \$225,780,316, which is \$9,883,743, or 4.6%, higher than the original project-length budget. The overrun can be attributed to delays in the project completion and changes made to the project after the original budget was developed. It should be noted that more sixty percent of the overrun was offset by additional investment earnings resulting from the delayed construction payouts.

The detailed budget for the Series 2004B Hotel and Convention Center Project Fund can be found on pages 19 and 20.

HOTEL & CONVENTION CENTER FUND

2007 Recap: For the fiscal year ending December 28, 2007, we are estimating revenues of \$11,478,173 and expenses of \$14,371,862, resulting in a net loss of \$2,893,689. This compares favorably to the \$7,248,977 net loss reflected in the 2007 amended budget. The net losses are the result of depreciation expense on capitalized fixed assets and amortization of bond issuance expenses. Excluding depreciation and amortization expense, the 2007 budget would have shown a \$189,872 surplus and our projected actual would show a \$49,160 surplus. Fund equity, or net assets, at December 28, 2007 is estimated at \$36,520,832. Cash and investments are estimated to be \$4,495,411 at year-end.

Projected revenues of \$11,478,173 are \$140,712, or 1.2%, below the \$11,618,885 included in the 2007 budget. Following is a summary of revenues compared to budget:

2007 Hotel and Convention Center Fund Revenues

Revenue Source	2007 Budget	2007 Projected	% Variance
Taxes	\$6,280,706	\$6,137,819	(2.3) %
Intergovernmental	127,754	127,754	0.0
Investment Earnings	246,256	246,256	0.0
Renaissance Transfers	4,964,169	4,966,344	0.0
Total Revenues	\$11,618,885	\$11,478,173	(1.2) %

The only revenue category showing a negative variance is taxes. Telecommunications tax revenue is estimated at \$1,894,510, which is 9.7% below budget. The one-quarter of the 8% hotel tax revenue deposited into this fund, estimated at \$1,522,215, is expected to come in 4.7% higher than budget. The hotel tax generated by the Renaissance Hotel is estimated at \$1,259,635, which is 4% below budget. Amusement tax revenue is estimated at \$1,075,729, a 3% positive budget variance.

The amount transferred from the Renaissance Hotel and Convention Center Fund, pursuant to the provisions of the Qualified Management Agreement between Renaissance Hotel Management and the Village, is estimated at \$4,966,344, just slightly above the \$4,964,169 included in the 2007 budget.

Expenses for the year ending December 28, 2007 are estimated at \$14,371,862, which is \$4,496,000, or 23.8%, under budget. The \$11,424,263 of interest expense on the \$228,690,000 of outstanding Series 2004B general obligation bonds relating to the hotel and convention center came in exactly at budget. The budget variance can be attributed solely to depreciation expense, where the actual expense of \$2,825,000 came in less than the \$7,321,000 included in the budget. As previously mentioned, depreciation expense was originally expected to be moved from the Series 2004B Hotel and Convention Center Project Fund to this fund for 2007 but the delay in closing the project fund due to delays has kept that from happening.

2008 Budget: The budget for the fiscal year ending January 2, 2009 is showing anticipated revenues of \$12,940,536 and expenses of \$21,306,362, resulting in a deficit of \$8,365,826. However, included in the expense total is \$9,877,349 for depreciation and amortization, which do not result in a cash outlay. Excluding depreciation and amortization expense, the fund would be showing a \$1,511,523 surplus. Net assets at January 2, 2009 are estimated at \$30,674,689, with the cash and investment balance being estimated at \$5,986,934.

Revenues for 2008 are projected to be \$12,940,536, an 11.4% increase over the 2007 budget. Following is a summary of revenues compared to the prior year:

2008 Hotel and Convention Center Fund Revenues

Revenue Source	2007 Budget	2007 Projected	2008 Budget	Percentage Change
Taxes	\$6,280,706	\$6,137,819	\$6,279,247	(0.0) %
Intergovernmental	127,754	127,754	131,331	2.8
Investment Earnings	246,256	246,256	179,958	(26.9)
Renaissance Transfers	4,964,169	4,966,344	6,350,000	27.9
Total Revenues	\$11,618,885	\$11,478,173	\$12,940,536	11.4 %

Revenue from taxes is expected to stay constant with the 2007 budget. Amusement surcharge revenue of \$1,097,244 is showing a 5.3% increase. Revenue from the one-third portion of the 6% telecommunications tax deposited into this fund is estimated at \$1,791,474, a 14.6% decrease. The one-quarter portion of the Village's 8% hotel tax is estimated at \$1,567,881, which is a 7.8% increase. The hotel tax generated by the Renaissance Hotel is estimated at \$1,426,090, an 8.3% increase over the 2007 budget.

The transfer from the Renaissance Hotel and Convention Center Fund is estimated at \$6,350,000, an increase of 27.9% over 2007. The 2004 financing plan and HVS study projected that \$6,101,000 would be transferred in 2008.

Of the \$12.9 million of revenue projected for 2008, \$8,303,979 (or 64%) represents funds generated by the Renaissance Hotel and Convention Center property itself, consisting of transfers from operations and taxes generated by the property. The balance of \$4,636,557 is provided from village-wide taxes.

Expenses of \$21,306,362 represent a 12.9% increase from the 2007 budget. The increase can be attributed entirely to depreciation expense, which is increasing from \$7,321,000 to \$9,759,500. Interest expense will remain at \$11,424,263, as no bond principal will be paid again this year. The first principal payment will be on December 1, 2011.

When the Series 2004B Hotel and Convention Center Project Fund is closed in 2008, fixed assets and liabilities with a net value of \$2,519,683 are expected to be transferred to the Hotel and Convention Center Fund.

The detailed budget for the Hotel and Convention Center can be found on pages 21 and 22.

RENAISSANCE HOTEL & CONVENTION CENTER FUND

As previously stated, the Renaissance Hotel & Convention Center Fund is used to account for the day to day operations of the hotel and convention center, as managed by Renaissance Hotel Management Company pursuant to a qualified management agreement.

2007 Recap: For the year ending December 28, 2007 we are projecting revenues of \$39,331,122 and expenses of \$36,022,193, resulting in net operating income of \$3,308,929. This is significantly better than the \$1,337,862 net operating income reflected in the 2007 budget. Fund equity at December 28, 2007 is estimated at \$3,137,017, while cash and investments balances are expected to total \$4,767,697.

Projected revenues of \$39,331,122 exceed the budget total of \$34,905,095 by \$4,426,027, or 12.7%. The following table shows projected revenues by major area, with a comparison to budget.

2007 Renaissance Hotel & Convention Center Operating Revenue

Revenue Source	2007 Budget	2007 Projected	% Variance
Hotel Rooms	\$16,461,185	\$15,739,922	(4.4) %
Banquets ¹	11,043,709	15,187,516	37.5
Restaurants	3,154,607	2,872,655	(8.9)
Audio Visual	1,992,736	2,602,616	30.6
Lounges	1,186,808	1,150,099	(3.1)
Telephone Charges	308,574	567,735	84.0
Other Revenues	757,476	1,210,579	59.8
Total Revenues	\$34,905,095	\$39,331,122	12.7%

As can be seen in the above table, revenue from hotel room charges, restaurants and lounges are slightly below budget, while all other revenue sources are greatly exceeding budget.

Total expenses for 2007 are estimated at \$36,022,193, which is \$2,454,960 (or 7.3%) over the 2007 budget of \$33,567,233. Following is a table that breaks out the 2007 budget and projected expenses into major service areas.

¹ Includes exhibit space rental.

2007 Renaissance Hotel & Convention Center Operating Expenses

Service Area	2007 Budget	2007 Projected	% Variance
Hotel Rooms	\$4,634,764	\$4,457,165	(3.8) %
Kitchen	4,968,217	5,965,415	20.1
Banquets 1	3,075,345	3,659,513	19.0
Restaurants	1,792,350	1,654,370	(7.7)
Audio Visual	890,145	1,235,522	38.8
Lounges	506,060	491,608	(2.9)
Telephone Charges	359,735	451,030	25.4
Transfer to Village for Debt Service	4,964,169	4,966,344	0.0
Hotel/CC Administrative	2,662,201	2,737,831	2.8
Sales and Marketing	2,838,157	3,045,516	7.3
Utilities	1,533,249	1,977,745	29.0
Repair and Maintenance	2,041,338	2,211,563	8.3
Other Expenses	3,301,503	3,168,571	(4.0)
Total Expenses	\$33,567,233	\$36,022,193	7.3 %

As would be expected, the variances in the expenditure summary table generally correspond to the variances found in the revenue table. For example, hotel room revenue is showing a 4% negative budget variance and the hotel room expense category is also showing an offsetting 4% positive budget variance.

2008 Budget: For the year ending January 2, 2009 revenues are estimated at \$44,150,176 and expenses are budgeted at \$40,983,598, resulting in net operating income of \$3,166,578. Fund equity at January 2, 2009 is expected to be \$6,303,595. Cash and investment balances are expected to total \$6,805,193.

Projected revenues of \$44,150,176 represent an increase of 12.2% over current estimates for 2007 and a 26.5% increase over the 2007 budget. The following table shows projected revenues by major area, with a comparison to budget.

2008 Renaissance Hotel & Convention Center Fund Revenue

Revenue Source	2007 Budget	2007 Projected	2008 Budget	% Change
Hotel Rooms	\$16,461,185	\$15,739,922	\$18,006,191	9.4%
Banquets ²	11,043,709	15,187,516	13,726,675	24.3
Exhibit Space ²	0	0	3,200,000	n/a
Restaurants	3,154,607	2,872,655	3,262,524	3.4
Audio Visual	1,992,736	2,602,616	2,898,076	45.4
Lounges	1,186,808	1,150,099	1,330,096	12.1
Telephone Charges	308,574	567,735	622,821	101.8
Other Revenues	757,476	1,210,579	1,103,793	45.7
Total Revenues	\$34,905,095	\$39,331,122	\$44,150,176	26.5%

Initially, the Village decided to include exhibit space rental revenue with Banquet revenue for purposes of budgeting and financial reporting since that is how Renaissance Hotel Management handles it. Due to the magnitude and uniqueness of the revenue source, the Village decided to budget and report exhibit space rental revenue separately beginning with 2008. The information is available in detailed financial reports of Renaissance.

² Prior to the 2008 budget, exhibit space rental revenue was included in the banquet revenue total.

As can be seen from the projected 9% increase in hotel room revenue, Renaissance Hotel Management expects the hotel market to remain relatively strong in 2008. Following is a table that shows key operating indicators reflected in the 2008 budget, with a comparison to both 2007 and the stub period beginning with the hotel's opening on July 17, 2006 and ending December 29, 2006.

Hotel and Convention Center Key Operating Indicators

Indicator	2006 Actual ³	2007 Budget	2007 Projected	2008 Budget	2003 HVS Projections For 2008
Occupancy Rate	50.2%	65.2%	61.5%	66.6%	71.0%
Average Room Rate	\$143.07	\$138.70	\$140.59	\$145.65	\$133.19
Room RevPar ⁴	\$ 71.79	\$90.45	\$86.48	\$97.07	\$94.57
Total RevPar	\$172.94	\$190.69	\$215.01	\$236.93	\$196.78

While the expected occupancy rate for 2008 is slightly below the rate projected by HVS International as part of its 2003 feasibility study, positive variances in the average room rate, room RevPar, and total RevPar more than cover the shortfall in occupancy rate.

Total expenses for 2008 are budgeted at \$40,983,598, an increase of 13.8% over the current 2007 estimates and an increase of 22.1% over the 2007 budget. Following is a summary of the 2008 expense budget with a comparison to 2007.

2008 Renaissance Hotel & Convention Center Fund Expenses

Expense Area	2007 Budget	2007 Projected	2008 Budget	% Change
Hotel Rooms	\$4,634,764	\$4,457,165	\$5,266,172	13.6 %
Banquets ⁵	3,075,345	3,659,513	3,735,633	21.4
Exhibit Space ⁵	0	0	300,000	n/a
Restaurants	1,792,350	1,654,370	1,932,484	7.8
Lounges	506,060	491,608	572,402	13.1
Kitchen	4,968,217	5,965,415	6,753,210	35.9
Audio Visual	890,145	1,235,522	1,342,286	50.8
Hotel Administration	2,662,201	2,737,831	2,990,211	12.3
Sales and Marketing	2,838,157	3,045,516	3,346,896	17.9
Primary and Secondary Mgmt. Fee	1,169,811	1,169,811	1,358,309	16.1
Senior Executive Compensation	1,012,240	999,643	1,042,607	3.0
Utilities	1,533,249	1,977,745	2,162,994	41.1
Repair & Maintenance	2,041,338	2,211,563	2,396,919	17.4
Other Operating Expenses	1,479,187	1,450,147	1,433,475	(3.1)
Total Operating Expenses	28,603,064	31,055,849	34,633,598	21.1
Transfer to Village's Hotel/CC Fund	4,964,169	4,966,344	6,350,000	27.9
Total Expenses	\$33,567,233	\$36,022,193	\$40,983,598	22.1 %

As previously mentioned, the significant increase appearing in several departments is more than offset by similar increases in department revenue.

³ Represents the period from the hotel opening date of July 17, 2006 through December 29, 2006.

⁴ RevPar is a hotel industry term representing revenue per available room.

⁵ Prior to the 2008 budget, exhibit space rental expenses were included in the banquet total.

2008 Transfer to Village for Debt Service: A total of \$6,350,000 is expected to be transferred from Renaissance Hotel Management to the Village for debt service purposes in 2008, which is \$249,000 higher than the 2004 financing plan called for. The following shows how the amount was determined:

2008 Transfer from Renaissance for Debt Service

	2008 Budget	2004 Financing Plan
Scheduled 2008 Debt Service Obligation per QMA	\$4,750,000	\$4,750,000
Less: Amount Budgeted for Owners Expense	(150,000)	0
Net Amount to be Transferred before FF&E & Capital Contributions and Secondary Mgmt Fees	4,600,000	4,750,000
Projected Excess Funds After Meeting all Other QMA Cash Flow Waterfall Requirements	1,750,000	1,351,000
Total Expected to be Transferred for Debt Service	\$6,350,000	\$6,101,000

Status of Reserve Accounts: The qualified management agreement between Renaissance and the Village provides for a specific flow of excess funds after setting aside a specific amount for future 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 payments to a capital reserve account.

Because of the late opening of the hotel and the need to set aside funds for deposits and operating expenses, we were unable to meet the waterfall requirements for the stub fiscal period ended December 29, 2006. The total amount transferred to the Village for debt service was \$396,344 short of the QMA provision, no funds were deposited into the FF&E and Capital reserve accounts, the secondary management fees were unpaid, and the operating reserve account was drawn down by \$1,064,471.

Fiscal year 2007 presents a completely different picture. We were able to pay the outstanding \$396,344 of debt service from 2006, make the full debt service transfer for 2007, fully fund FF&E for 2006 and 2007, replenish the operating reserve fund back to \$2 million, pay the \$215,316 due the Capital account from 2006 and pay \$245,946 of the \$586,966 capital account contributions expected to required for 2007.

The 2008 budget anticipates all current year contributions being made and there being no outstanding obligations from prior years. Following is a summary of the status of the various reserve accounts.

Status of Reserve Accounts

Account Status	Operating Reserve Account	FF&E Account	Capital Account
Projected Balance – 12/27/07	2,000,000	598,955	461,262
Estimated Requirement for 2008	0	864,703	659,253
Estimated Deposits – 2008	0	864,703	659,253
Estimated Deposits in 2008 for Prior Year Shortfalls	0	0	341,020
Budgeted Reductions	0	0	0
Projected Balance – 1/2/09	\$2,000,000	\$1,463,658	\$1,461,535

Differences between Renaissance Business Plan and Village Budget: You will see in the Renaissance business plan for 2008 that they are showing a projected net house profit of \$8,229,580, compared to the Village's budgeted net income of \$3,166,578. The difference of \$5,063,002 is comprised of the following elements:

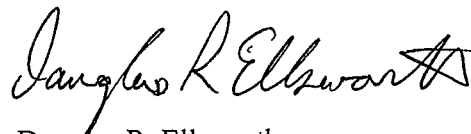
- Renaissance treats the \$1,523,956 of projected deposits into the FF&E and Capital accounts as an operating expense. The Village's budget does not consider the transfers an expense, since cash is merely being reserved and not expended.
- The Village records as a fund expense the \$6,350,000 transfer for debt service, whereas Renaissance considers this a return of owner's profit.
- Renaissance does not show as an expense the asset management fees (\$150,000).
- Renaissance does not show as an expense the \$286,963 of secondary management fees to be paid to them.
- Renaissance is not amortizing the \$3 million inducement revenue over the life of the QMA (\$200,005).

The detailed budget for the Renaissance Hotel & Convention Center Operating Fund can be found on pages 23 and 24.

Respectfully submitted,



Ken Fritz
Village Manager



Douglas R. Ellsworth
Director of Finance

**VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009**

BUDGET SUMMARY - ALL FUNDS

	Actual 5/1/2006 - 12/29/2006	Adjusted Budget 12/30/2006 - 12/28/2007	Projected 12/30/2006 - 12/28/2007	Budget 12/29/2007 - 1/2/2009	% Change from 2007 Budget
REVENUES					
Taxes	3,783,633	6,280,706	6,137,819	6,279,247	0.0%
Intergovernmental	69,832	127,754	127,754	131,331	2.8%
Charges for Services	14,446,682	34,845,095	39,172,858	44,000,176	26.3%
Investment Income	1,587,835	885,256	1,449,263	349,958	-60.5%
Miscellaneous	60,766	0	1,500	0	0.0%
Subtotal	<u>19,948,748</u>	<u>42,138,811</u>	<u>46,889,194</u>	<u>50,760,712</u>	<u>20.5%</u>
Operating Transfers In	<u>12,515,922</u>	<u>4,964,169</u>	<u>4,966,344</u>	<u>6,350,000</u>	<u>27.9%</u>
Total Revenues	<u>32,464,670</u>	<u>47,102,980</u>	<u>51,855,538</u>	<u>57,110,712</u>	<u>21.2%</u>
EXPENSES					
Hotel & Convention Center Operations	12,897,017	28,603,064	31,055,849	34,633,598	21.1%
Construction Expenses	51,330,504	4,212,000	2,625,121	2,615,651	-37.9%
Other Operating Expenses	5,598	4,750	4,750	4,750	0.0%
Debt Service	<u>7,542,942</u>	<u>11,424,263</u>	<u>11,424,263</u>	<u>11,424,263</u>	<u>0.0%</u>
Subtotal	<u>71,776,061</u>	<u>44,244,077</u>	<u>45,109,983</u>	<u>48,678,262</u>	<u>10.0%</u>
Operating Transfers Out	<u>7,327,922</u>	<u>4,964,169</u>	<u>4,966,344</u>	<u>7,883,268</u>	<u>58.8%</u>
Total Expenses	<u>79,103,983</u>	<u>49,208,246</u>	<u>50,076,327</u>	<u>56,561,530</u>	<u>14.9%</u>
CHANGE IN NET ASSETS BEFORE					
DEPRECIATION AND AMORT. EXPENSE	(46,639,313)	(2,105,266)	1,779,211	549,182	-126.1%
DEPRECIATION AND AMORTIZATION EXPENSE	<u>(4,913,348)</u>	<u>(7,438,849)</u>	<u>(9,561,821)</u>	<u>(9,877,349)</u>	<u>32.8%</u>
CHANGE IN NET ASSETS	<u>(51,552,661)</u>	<u>(9,544,115)</u>	<u>(7,782,610)</u>	<u>(9,328,167)</u>	<u>-2.3%</u>
NET ASSETS					
Beginning of Period	46,661,664	44,085,710	48,848,289	43,690,800	-0.9%
Expenses Capitalized	<u>53,739,286</u>	<u>4,212,000</u>	<u>2,625,121</u>	<u>2,615,651</u>	<u>-37.9%</u>
End of Period	<u><u>48,848,289</u></u>	<u><u>38,753,595</u></u>	<u><u>43,690,800</u></u>	<u><u>36,978,284</u></u>	<u><u>-4.6%</u></u>

VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	<u>Revenues</u>	<u>Expenses</u>	<u>Change In Net Assets Before Capitalizing Expenses</u>	<u>Expenses Capitalized</u>	<u>Change In Net Assets</u>	<u>Estimated Beginning Net Assets</u>	<u>Residual Equity Transfers</u>	<u>Estimated Ending Net Assets</u>
ENTERPRISE FUNDS								
Hotel/Convention Center Fund	12,940,536	21,306,362	(8,365,826)	0	(8,365,826)	36,520,832	2,519,683	30,674,689
Renaissance Hotel/CC Operating Fund	<u>44,150,176</u>	<u>40,983,598</u>	<u>3,166,578</u>	<u>0</u>	<u>3,166,578</u>	<u>3,137,017</u>	<u>0</u>	<u>6,303,595</u>
	<u>57,090,712</u>	<u>62,289,960</u>	<u>(5,199,248)</u>	<u>0</u>	<u>(5,199,248)</u>	<u>39,657,849</u>	<u>2,519,683</u>	<u>36,978,284</u>
CAPITAL PROJECT FUND								
Series 2004B SCC Project Fund	<u>20,000</u>	<u>4,148,919</u>	<u>(4,128,919)</u>	<u>2,615,651</u>	<u>(1,513,268)</u>	<u>4,032,951</u>	<u>(2,519,683)</u>	<u>0</u>
Total All Funds	<u><u>57,110,712</u></u>	<u><u>66,438,879</u></u>	<u><u>(9,328,167)</u></u>	<u><u>2,615,651</u></u>	<u><u>(6,712,516)</u></u>	<u><u>43,690,800</u></u>	<u><u>0</u></u>	<u><u>36,978,284</u></u>

VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009

SCHEDULE OF PROJECTED CASH FLOWS

	Projected 12/30/2006 - 12/28/2007	Projected 12/29/2007 - 1/2/2009
SERIES 2004B HOTEL/CC PROJECT FUND		
Excess (deficiency) of revenues over expenses	(8,197,850)	(4,128,919)
Add: Non-cash expense: depreciation & amortization	6,618,972	0
Receipt of interest receivable	959	0
Less: Payment of accounts payable	<u>(23,936,480)</u>	<u>0</u>
Net change in cash flow	(25,514,399)	(4,128,919)
Cash balance - beginning of year	<u>29,643,318</u>	<u>4,128,919</u>
Cash balance - end of year	<u><u>4,128,919</u></u>	<u><u>0</u></u>
HOTEL AND CONVENTION CENTER FUND		
Excess (deficiency) of revenues over expenses	(2,893,689)	(8,365,826)
Add: Non-cash expense: depreciation & amortization	2,942,849	9,877,349
Decrease in receivables	51,241	
Less: Increase in taxes receivable	<u>0</u>	<u>(20,000)</u>
Net change in cash flow	100,401	1,491,523
Cash balance - beginning of year	<u>4,395,010</u>	<u>4,495,411</u>
Cash balance - end of year	<u><u>4,495,411</u></u>	<u><u>5,986,934</u></u>
RENAISSANCE HOTEL & CONVENTION CENTER FUND		
Excess of revenues over expenses	3,308,929	3,166,578
Less: Net change in receivables and payables	(1,232,775)	(929,077)
Amortization of deferred revenue	<u>(200,005)</u>	<u>(200,005)</u>
Net change in cash flow	1,876,149	2,037,496
Cash Balance - Beginning of Year	<u>2,891,548</u>	<u>4,767,697</u>
Cash Balance - End of Year	<u><u>4,767,697</u></u>	<u><u>6,805,193</u></u>
<u>Cash Composition</u>		
Operating Cash	1,707,480	1,880,000
Operating Reserve Cash	2,000,000	2,000,000
Furniture, Fixture & Equipment Reserve Cash	598,955	1,463,658
Capital Account Cash	<u>461,262</u>	<u>1,461,535</u>
Total	<u><u>4,767,697</u></u>	<u><u>6,805,193</u></u>

**VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009**

SUMMARY OF REVENUES BY TYPE - ALL FUNDS

	Actual 5/1/2006 - 12/29/2006	Adjusted Budget 12/30/2006 - 12/28/2007	Projected 12/30/2006 - 12/28/2007	Budget 12/29/2007 - 1/2/2009	% Change from 2007 Budget
Taxes					
Amusement Surcharge	730,441	1,042,272	1,075,729	1,097,244	5.3%
Telecommunication Tax	1,317,848	2,097,877	1,894,510	1,791,474	-14.6%
Telecomm Tax - Renaissance	4,967	14,268	17,976	18,507	29.7%
Hotel Tax - Renaissance	478,332	1,316,894	1,259,635	1,426,090	8.3%
Hotel Tax	1,055,643	1,454,433	1,522,215	1,567,881	7.8%
Food & Bev. Tax - Renaissance	126,570	227,208	240,000	246,720	8.6%
Home Rule Sales Tax- Renaissance	69,832	127,754	127,754	131,331	2.8%
Total Taxes	<u>3,783,633</u>	<u>6,280,706</u>	<u>6,137,819</u>	<u>6,279,247</u>	<u>0.0%</u>
Intergovernmental					
State Sales Tax - Renaissance	69,832	127,754	127,754	131,331	2.8%
Charges for Services					
Hotel & Conv Center Operations	14,446,682	34,845,095	39,172,858	44,000,176	26.3%
Investment Income					
Interest on Investments	1,587,835	885,256	1,449,263	349,958	-60.5%
Miscellaneous Revenue					
Miscellaneous Income	60,766	0	1,500	0	0.0%
Operating Transfers In					
Operating Transfers In	12,515,922	4,964,169	4,966,344	6,350,000	27.9%
TOTAL REVENUES	<u>32,464,670</u>	<u>47,102,980</u>	<u>51,855,538</u>	<u>57,110,712</u>	<u>21.2%</u>

VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009

SUMMARY OF REVENUES BY FUND

	Actual 5/1/2006 - 12/29/2006	Adjusted Budget 12/30/2006 - 12/28/2007	Projected 12/30/2006 - 12/28/2007	Budget 12/29/2007 - 1/2/2009	% Change from 2007 Budget
DEBT SERVICE FUND					
Series 2004B SCC Debt Service Fund	7,398,862	0	0	0	0.0%
CAPITAL PROJECT FUND					
Series 2004B SCC Project Fund	6,612,361	579,000	1,046,243	20,000	-96.5%
ENTERPRISE FUNDS					
Hotel/Convention Center Fund	4,006,765	11,618,885	11,478,173	12,940,536	11.4%
Renaissance Hotel/CC Operating Fund	14,446,682	34,905,095	39,331,122	44,150,176	26.5%
	<u>18,453,447</u>	<u>46,523,980</u>	<u>50,809,295</u>	<u>57,090,712</u>	<u>22.7%</u>
TOTAL ALL FUNDS	<u>32,464,670</u>	<u>47,102,980</u>	<u>51,855,538</u>	<u>57,110,712</u>	<u>21.2%</u>

**VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009**

SUMMARY OF EXPENSES BY FUND

	Actual 5/1/2006 - 12/29/2006	Adjusted Budget 12/30/2006 - 12/28/2007	Projected 12/30/2006 - 12/28/2007	Budget 12/29/2007 - 1/2/2009	% Change from 2007 Budget
DEBT SERVICE FUND					
Series 2004B SCC Debt Service Fund	7,785,280	0	0	0	0.0%
CAPITAL PROJECT FUND					
Series 2004B SCC Project Fund	54,594,529	4,212,000	9,244,093	4,148,919	-1.5%
ENTERPRISE FUNDS					
Hotel/Convention Center Fund	7,018,928	18,867,862	14,371,862	21,306,362	12.9%
Renaissance Hotel/CC Operating Fund	14,618,594	33,567,233	36,022,193	40,983,598	22.1%
	<u>21,637,522</u>	<u>52,435,095</u>	<u>50,394,055</u>	<u>62,289,960</u>	<u>18.8%</u>
TOTAL ALL FUNDS	<u>84,017,331</u>	<u>56,647,095</u>	<u>59,638,148</u>	<u>66,438,879</u>	<u>17.3%</u>

VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009

2004B SCC DEBT SERVICE FUND

	Actual	Adjusted	Projected	Budget	% Change
	5/1/2006 - 12/29/2006	Budget 12/30/2006 - 12/28/2007	12/30/2006 - 12/28/2007	12/29/2007 - 1/2/2009	From 2007 Budget
REVENUES					
Investment Income					
360-0000-58510 Interest on Investments	70,940	0	0	0	0.0%
Operating Transfers In					
360-0000-59865 Transfer In - Convention Ctr Fund	5,606,345	0	0	0	0.0%
360-0000-59870 Transfer In - Renaissance Fund	1,721,577	0	0	0	0.0%
Total Operating Transfers In	7,327,922	0	0	0	0.0%
Total Revenues	7,398,862	0	0	0	0.0%
EXPENSES					
Services and Charges					
360-9805-73560 Professional Services	2,250	0	0	0	0.0%
Debt Service					
360-9805-79032 Interest Exp. - Tax Exempt Bonds	7,542,942	0	0	0	0.0%
Other Expenses					
360-9805-79998 Depreciation Expense	240,088	0	0	0	0.0%
Total Expenses	7,785,280	0	0	0	0.0%
CHANGE IN NET ASSETS	(386,418)	0	0	0	0.0%
NET ASSETS					
Beginning of Year	4,599,655	0	0	0	0.0%
Interest Expense Capitalized	2,408,782	0	0	0	0.0%
Residual Equity Transfer to Hotel/Conv Center Fund	(6,622,019)	0	0	0	0.0%
End of Year	0	0	0	0	0.0%

**VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009**

2004B SCC PROJECT FUND

		Actual	Adjusted	Projected	Budget	% Change
		5/1/2006 - 12/29/2006	Budget 12/30/2006 - 12/28/2007	12/30/2006 - 12/28/2007	12/29/2007 - 1/2/2009	From 2007 Budget
REVENUES						
Investment Income						
4900165-5550	Interest on Investments	1,363,595	579,000	1,044,743	20,000	-96.5%
Miscellaneous Revenue						
4900153-5645	Miscellaneous Revenue	60,766	0	1,500	0	0.0%
Operating Transfers In						
4900165-5801	Transfer from General Fund	5,188,000	0	0	0	0.0%
Total Revenues		6,612,361	579,000	1,046,243	20,000	-96.5%
EXPENSES						
Salaries & Wages						
4909030-6008	Overtime - Inspections	3,348	0	0	0	0.0%
Total Salaries & Wages		3,348	0	0	0	0.0%
Services and Charges						
4909030-7213	Travel, Meetings, Training	0	0	0	0	0.0%
4909030-7224	Architect Fees	686,099	0	46,009	0	0.0%
4909030-7225	Program Manager	502,888	0	0	0	0.0%
4909030-7226	Consulting Services	402,610	0	56,976	0	0.0%
4909030-7227	Testing/Inspection Services	77,944	0	0	0	0.0%
4909030-7228	Legal Fees	94,361	1,000,000	460,099	0	-100.0%
4909030-7268	Technical Services	0	0	0	0	0.0%
4909030-xxxx	Pre-Opening Services - Hotel Oper.	1,954,984	0	0	0	0.0%
Total Services and Charges		3,718,886	1,000,000	563,084	0	-100.0%
Capital Outlay						
4909030-7402	Capitalized Equipment & Furniture	12,400,035	89,100	203,893	0	-100.0%
4909030-7406	Sculptures	463,750	1,512,500	277,814	5,000	-99.7%
4909030-7431	Other Construction Expenses	0	0	804,222	156,500	#DIV/0!
4909030-7466	Tollway Sign	0	0	17,150	1,214,000	#DIV/0!
4909030-7506	Hotel/Conv Center Construction	33,082,105	1,058,750	572,835	1,082,501	2.2%
4909030-7712	Construction Contingencies	0	100,100	86,560	107,650	7.5%
4909030-7713	Owners Contingency	1,665,728	451,550	99,563	50,000	-88.9%
Total Capital Outlay		47,611,618	3,212,000	2,062,037	2,615,651	-18.6%
Other Expenses						
4909030-7612	Amortized Bond Discount	26,973	0	40,845	0	0.0%
4909030-7613	Amortized Bond Issuance Costs	51,593	0	78,127	0	0.0%
4909030-7716	Depreciation Expense	3,182,111	0	6,500,000	0	0.0%
Total Other Expenses		3,260,677	0	6,618,972	0	0.0%

VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009

2004B SCC PROJECT FUND

	Actual 5/1/2006 - 12/29/2006	Adjusted Budget 12/30/2006 - 12/28/2007	Projected 12/30/2006 - 12/28/2007	Budget 12/29/2007 - 1/2/2009	% Change From 2007 Budget
Operating Transfers Out					
4909030-8006 Transfer to Capital Improvement Fund	0	0	0	766,634	#DIV/0!
4909030-8012 Transfer to Performing Arts Center Fund	0	0	0	766,634	#DIV/0!
Total Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,533,268</u>	<u>#DIV/0!</u>
 Total Expenses	 <u>54,594,529</u>	 <u>4,212,000</u>	 <u>9,244,093</u>	 <u>4,148,919</u>	 <u>-1.5%</u>
CHANGE IN NET ASSETS	(47,982,168)	(3,633,000)	(8,197,850)	(4,128,919)	13.7%
NET ASSETS					
Beginning	6,257,344	0	9,605,680	4,032,951	#DIV/0!
Fixed Assets Capitalized	51,330,504	4,212,000	2,625,121	2,615,651	-37.9%
Residual Equity Transfer to Hotel & Convention Ctr Fund	0	0	0	(2,519,683)	#DIV/0!
 Ending	 <u>9,605,680</u>	 <u>579,000</u>	 <u>4,032,951</u>	 <u>0</u>	 <u>-100.0%</u>

VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009

HOTEL AND CONVENTION CENTER FUND

	Actual	Adjusted			
	5/1/2006 -	Budget	Projected	Budget	% Change
	12/29/2006	12/30/2006 -	12/30/2006 -	12/29/2007 -	From 2007
		12/28/2007	12/28/2007	1/2/2009	Budget
REVENUES					
Taxes					
5900153-5001 Amusement Surcharge	730,441	1,042,272	1,075,729	1,097,244	5.3%
5900153-5002 Telecommunications Tax	1,317,848	2,097,877	1,894,510	1,791,474	-14.6%
5900153-5003 Telecomm Tax - Renaissance	4,967	14,268	17,976	18,507	29.7%
5900153-5004 Hotel Tax - Renaissance	478,332	1,316,894	1,259,635	1,426,090	8.3%
5900153-5005 Hotel Tax	1,055,643	1,454,433	1,522,215	1,567,881	7.8%
5900153-5007 Food & Beverage Tax - Renaissance	126,570	227,208	240,000	246,720	8.6%
5900153-5104 Home Rule Sales Tax - Renaissance	69,832	127,754	127,754	131,331	2.8%
Total Taxes	<u>3,783,633</u>	<u>6,280,706</u>	<u>6,137,819</u>	<u>6,279,247</u>	<u>0.0%</u>
Intergovernmental					
5900153-5102 State Sales Tax - Renaissance	69,832	127,754	127,754	131,331	2.8%
Investment Income					
5900165-5550 Interest on Investments	153,300	246,256	246,256	179,958	-26.9%
Operating Transfers In					
59000165-5811 Transfer from Renaissance Fund	0	4,964,169	4,966,344	6,350,000	27.9%
Total Revenues	<u>4,006,765</u>	<u>11,618,885</u>	<u>11,478,173</u>	<u>12,940,536</u>	<u>11.4%</u>
EXPENSES					
Services and Charges					
5909805-7223 Professional Services	0	4,750	4,750	4,750	0.0%
Total Services and Charges	<u>0</u>	<u>4,750</u>	<u>4,750</u>	<u>4,750</u>	<u>0.0%</u>
Debt Service					
5909805-7606 Interest Expense- Tax Exempt Bonds	0	11,424,263	11,424,263	11,424,263	0.0%
Total Debt Service	<u>0</u>	<u>11,424,263</u>	<u>11,424,263</u>	<u>11,424,263</u>	<u>0.0%</u>
Other Expenses					
5909805-7612 Amortized Bond Discount	0	40,459	40,459	40,459	0.0%
5909805-7613 Amortized Bond Issuance Costs	0	77,390	77,390	77,390	0.0%
5909805-7716 Depreciation Expense	1,412,583	7,321,000	2,825,000	9,759,500	33.3%
Total Other Expenses	<u>1,412,583</u>	<u>7,438,849</u>	<u>2,942,849</u>	<u>9,877,349</u>	<u>32.8%</u>
Operating Transfers Out					
5909905-8007 Transfer to 2004B SCC Debt Service	5,606,345	0	0	0	0.0%
Total Expenses	<u>7,018,928</u>	<u>18,867,862</u>	<u>14,371,862</u>	<u>21,306,362</u>	<u>12.9%</u>

VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009

HOTEL AND CONVENTION CENTER FUND

	Actual	Adjusted Budget	Projected	Budget	% Change
	5/1/2006 - 12/29/2006	12/30/2006 - 12/28/2007	12/30/2006 - 12/28/2007	12/29/2007 - 1/2/2009	From 2007 Budget
CHANGE IN NET ASSETS	(3,012,163)	(7,248,977)	(2,893,689)	(8,365,826)	15.4%
NET ASSETS					
Beginning of Year	35,804,665	43,978,885	39,414,521	36,520,832	-17.0%
Residual Equity Transfer From 2004B Debt Serv Fund	6,622,019	0	0	0	0.0%
Residual Equity Transfer from 2004B SCC Project Fund	0	0	0	2,519,683	#DIV/0!
End of Year	<u>39,414,521</u>	<u>36,729,908</u>	<u>36,520,832</u>	<u>30,674,689</u>	<u>-16.5%</u>

**VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009**

RENAISSANCE HOTEL AND CONVENTION CENTER FUND

	Actual	Adjusted	Projected	Budget	% Change
	5/1/2006 - 12/29/2006	Budget 12/30/2006 - 12/28/2007	12/30/2006 - 12/28/2007	12/29/2007 - 1/2/2009	From 2007 Budget
REVENUES					
Charges for Services					
5910153-5270 Hotel Rooms	5,958,429	16,461,185	15,739,922	18,006,191	9.4%
5910153-5271 Telephone Charges	107,482	308,574	567,735	622,821	101.8%
5910153-5272 Restaurants	1,165,942	3,154,607	2,872,655	3,262,524	3.4%
5910153-5273 Lounges	466,949	1,186,808	1,150,099	1,330,096	12.1%
5910153-5274 Audio Visual	895,451	1,992,736	2,602,616	2,898,076	45.4%
5910153-5275 Banquet	5,405,490	11,043,709	15,187,516	13,726,675	24.3%
5910153-5278 Exhibit Space Rental	0	0	0	3,200,000	#DIV/0!
5910153-5276 Other Hotel/CC Revenue	354,631	497,471	852,310	753,788	51.5%
5910153-5277 Inducement Fee Revenue	92,308	200,005	200,005	200,005	0.0%
Total Charges for Services	<u>14,446,682</u>	<u>34,845,095</u>	<u>39,172,858</u>	<u>44,000,176</u>	<u>26.3%</u>
Investment Income					
5910165-5550 Interest on Investments	0	60,000	158,264	150,000	150.0%
Total Investment Income	<u>0</u>	<u>60,000</u>	<u>158,264</u>	<u>150,000</u>	<u>150.0%</u>
Total Revenues	<u>14,446,682</u>	<u>34,905,095</u>	<u>39,331,122</u>	<u>44,150,176</u>	<u>26.5%</u>
EXPENSES					
Services and Charges					
5913080-7101 Hotel Rooms	1,904,119	4,634,764	4,457,165	5,266,172	13.6%
5913080-7102 Telephone Department	162,339	359,735	451,030	522,892	45.4%
5913080-7103 Restaurant	675,427	1,792,350	1,654,370	1,932,484	7.8%
5913080-7104 Lounge	203,468	506,060	491,608	572,402	13.1%
5913080-7105 Kitchen	2,439,636	4,968,217	5,965,415	6,753,210	35.9%
5913080-7106 Audio Visual	453,646	890,145	1,235,522	1,342,286	50.8%
5913080-7107 Banquet	1,487,886	3,075,345	3,659,513	3,735,633	21.5%
5913080-7120 Exhibit Space Rental	0	0	0	300,000	#DIV/0!
5913080-7108 Other Hotel/CC Expenses	89,580	385,055	191,042	246,465	-36.0%
5913080-7109 Hotel/CC Administrative Costs	1,405,904	2,662,201	2,737,831	2,990,211	12.3%
5913080-7110 Central Training & Relocation	41,183	120,003	141,429	120,000	0.0%
5913080-7111 Sales and Marketing	1,626,104	2,838,157	3,045,516	3,346,896	17.9%
5913080-7112 Primary Management Fee	391,386	908,693	908,693	1,071,346	17.9%
5913080-7113 Equipment Leasing	56,934	117,000	121,590	117,000	0.0%
5913080-7114 Permits & Licenses	903	30,000	25,966	25,966	-13.4%
5913080-7115 Owners Expenses	74,387	182,175	168,714	150,000	-17.7%
5913080-7116 Leisure/Recreation Expenses	34,392	82,322	85,000	90,765	10.3%
5913080-7117 Secondary Management Fee	112,848	261,118	261,118	286,963	9.9%

VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
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RENAISSANCE HOTEL AND CONVENTION CENTER FUND

	Actual	Adjusted	Projected	Budget	% Change
	5/1/2006 - 12/29/2006	12/30/2006 - 12/28/2007	12/30/2006 - 12/28/2007	12/29/2007 - 1/2/2009	From 2007 Budget
5913080-7118 Interest - Secondary Mgmt Fee	2,463	17,660	16,302	0	-100.0%
5913080-7119 Senior Executive Compensation	66,473	1,012,240	999,643	1,042,607	3.0%
5913080-7201 Property Insurance	63,525	177,428	133,948	150,463	-15.2%
5913080-7202 Liability Claims	84,890	7,809	115,126	9,924	27.1%
5913080-7210 Utilities	735,877	1,533,249	1,977,745	2,162,994	41.1%
5913080-7234 Repair & Maintenance of Building	783,647	2,041,338	2,211,563	2,396,919	17.4%
Total Service Charges	<u>12,897,017</u>	<u>28,603,064</u>	<u>31,055,849</u>	<u>34,633,598</u>	<u>21.1%</u>
Operating Transfers Out					
5913080-8011 Transfer to Convention Center Fund	0	4,964,169	4,966,344	4,600,000	-7.3%
551-3080-89874 Transfer to 2004B Debt Service Fund	1,721,577	0	0	1,750,000	0.0%
Total Operating Transfers Out	<u>1,721,577</u>	<u>4,964,169</u>	<u>4,966,344</u>	<u>6,350,000</u>	<u>27.9%</u>
Total Expenses	<u>14,618,594</u>	<u>33,567,233</u>	<u>36,022,193</u>	<u>40,983,598</u>	<u>22.1%</u>
CHANGE IN NET ASSETS	(171,912)	1,337,862	3,308,929	3,166,578	136.7%
NET ASSETS					
Beginning of Year	<u>0</u>	<u>106,825</u>	<u>(171,912)</u>	<u>3,137,017</u>	<u>2836.6%</u>
End of Year	<u>(171,912)</u>	<u>1,444,687</u>	<u>3,137,017</u>	<u>6,303,595</u>	<u>336.3%</u>

**VILLAGE OF SCHAUMBURG
HOTEL AND CONVENTION CENTER OPERATIONS
ANNUAL BUDGET
FISCAL YEAR BEGINNING DECEMBER 29, 2007 AND ENDING JANUARY 2, 2009**

**SCHEDULE OF BONDS AND INTEREST PAYABLE
SERIES 2004B GENERAL OBLIGATION BONDS**

Fiscal Year	Beginning Principal Balance	Dec. 1 Principal Payment	Ending Principal Balance	Interest Payments (A)	Total Debt Service
12/2007	228,690,000	0	228,690,000	11,424,263	11,424,263
12/2008	228,690,000	0	228,690,000	11,424,263	11,424,263
12/2009	228,690,000	0	228,690,000	11,424,263	11,424,263
12/2010	228,690,000	0	228,690,000	11,424,263	11,424,263
12/2011	228,690,000	390,000	228,300,000	11,424,263	11,814,263
12/2012	228,300,000	630,000	227,670,000	11,409,638	12,039,638
12/2013	227,670,000	945,000	226,725,000	11,384,438	12,329,438
12/2014	226,725,000	1,305,000	225,420,000	11,346,638	12,651,638
12/2015	225,420,000	1,630,000	223,790,000	11,294,438	12,924,438
12/2016	223,790,000	1,515,000	222,275,000	11,227,608	12,742,608
12/2017	222,275,000	1,885,000	220,390,000	11,164,735	13,049,735
12/2018	220,390,000	2,260,000	218,130,000	11,084,623	13,344,623
12/2019	218,130,000	2,665,000	215,465,000	10,987,443	13,652,443
12/2020	215,465,000	3,075,000	212,390,000	10,870,183	13,945,183
12/2021	212,390,000	3,515,000	208,875,000	10,733,345	14,248,345
12/2022	208,875,000	3,965,000	204,910,000	10,573,413	14,538,413
12/2023	204,910,000	4,455,000	200,455,000	10,375,163	14,830,163
12/2024	200,455,000	4,975,000	195,480,000	10,152,413	15,127,413
12/2025	195,480,000	5,525,000	189,955,000	9,903,663	15,428,663
12/2026	189,955,000	6,110,000	183,845,000	9,627,413	15,737,413
12/2027	183,845,000	6,730,000	177,115,000	9,321,913	16,051,913
12/2028	177,115,000	7,390,000	169,725,000	8,985,413	16,375,413
12/2029	169,725,000	8,085,000	161,640,000	8,615,913	16,700,913
12/2030	161,640,000	8,665,000	152,975,000	8,211,663	16,876,663
12/2031	152,975,000	9,470,000	143,505,000	7,756,750	17,226,750
12/2032	143,505,000	10,320,000	133,185,000	7,259,575	17,579,575
12/2033	133,185,000	11,225,000	121,960,000	6,717,775	17,942,775
12/2034	121,960,000	12,185,000	109,775,000	6,128,463	18,313,463
12/2035	109,775,000	13,320,000	96,455,000	5,488,750	18,808,750
12/2036	96,455,000	14,360,000	82,095,000	4,822,750	19,182,750
12/2037	82,095,000	15,465,000	66,630,000	4,104,750	19,569,750
12/2038	66,630,000	16,630,000	50,000,000	3,331,500	19,961,500
12/2039	50,000,000	18,145,000	31,855,000	2,500,000	20,645,000
12/2040	31,855,000	19,450,000	12,405,000	1,592,750	21,042,750
12/2041	12,405,000	12,405,000	0	620,250	13,025,250
		<u>228,690,000</u>		<u>304,714,684</u>	<u>533,404,684</u>

(A) Interest is paid semi-annually on June 1 and December 1.