

**PUEBLO CONVENTION CENTER**  
**GLOBAL SPECTRUM**  
**FISCAL YEAR 2013 (January 1- December 31)**  
**INCOME STATEMENT**  
**BUDGET PROPOSAL**

	BUDGET 2013	PROJECTED 2012
<b># OF EVENTS</b>	<b>454</b>	<b>438</b>
<b>ATTENDANCE</b>	<b>53,205</b>	<b>52,749</b>
<b>DIRECT EVENT REVENUE</b>		
RENTAL REVENUE	267,387	252,215
SERVICE REVENUE	133,401	106,703
<b>TOTAL DIRECT EVENT REVENUE</b>	<b>400,788</b>	<b>358,918</b>
<b>ANCILLARY REVENUE</b>		
FOOD AND BEVERAGE REVENUE	1,177,497	1,157,835
AUDIO-VISUAL REVENUE	54,339	44,788
PARKING REVENUE	0	0
DECORATOR SERVICES REVENUE	27,285	20,420
MERCHANDISE	800	117
<b>TOTAL ANCILLARY REVENUE</b>	<b>1,259,921</b>	<b>1,223,160</b>
<b>TOTAL EVENT REVENUE</b>	<b>1,660,709</b>	<b>1,582,078</b>
<b>OTHER REVENUE</b>	<b>28,000</b>	<b>18,000</b>
<b>TOTAL GROSS REVENUE</b>	<b>1,688,709</b>	<b>1,600,078</b>
<b>EVENT EXPENSE</b>		
SERVICE EXPENSE	(137,580)	(122,499)
FOOD & BEVERAGE EXPENSE	(469,509)	(440,381)
AUDIO-VISUAL EXPENSE	(2,355)	(1,611)
PARKING EXPENSE	0	0
DECORATOR SERVICES EXPENSE	(543)	(441)
BUSINESS CENTER EXPENSE	0	0
<b>TOTAL EVENT EXPENSE</b>	<b>(609,987)</b>	<b>(564,932)</b>
<b>TOTAL EVENT INCOME</b>	<b>1,050,722</b>	<b>1,017,147</b>
<b>TOTAL INCOME WITH OTHER REVENUE</b>	<b>1,078,722</b>	<b>1,035,147</b>
<b>INDIRECT EXPENSES</b>		
EXECUTIVE	168,308	144,780
FINANCE	162,180	145,386
MARKETING & SALES	236,974	204,056
EVENTS	115,889	101,669
OPERATIONS	142,208	141,158
OVERHEAD*	487,910	492,245
FOOD & BEVERAGE OVERHEAD	266,381	257,024
<b>TOTAL INDIRECT EXPENSES</b>	<b>1,579,850</b>	<b>1,486,317</b>
Revenue Reimbursement for Memorial Hall Salaries	(85,200)	0
<b>NET INCOME</b>	<b>(415,928)</b>	<b>(451,171)</b>
<b>OPERATING SURPLUS/(DEFICIT) FOR CONVENTION CENTER</b>	<b>(415,928)</b>	<b>(451,171)</b>

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	<b>BUDGET 2013</b>	<b>PROJECTED 2012</b>
<b>NON-OPERATING INCOME</b>		
Transfer in from Memorial Hall for O&M Subsidy	593,178	609,740
Transfer in from Memorial Hall for Debt Service	534,515	535,358
<b>TOTAL TRANSFERS IN FROM MEMORIAL HALL</b>	<b>1,127,693</b>	<b>1,145,098</b>
<b>NON-OPERATING EXPENSES</b>		
Capital Expense (scheduling software upgrade)	8,000	0
Debt Service Payment	534,515	535,358
Pueblo Urban Renewal Assessment	155,087	128,653
Misc Expenses/Trustee Fees	3,000	2,500
Maintenance Reserve	0	0
Promotions Expense	0	0
<b>TOTAL OTHER VENDOR FEE EXPENSES</b>	<b>700,602</b>	<b>666,511</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>11,163</b>	<b>27,416</b>

(1) The Global Spectrum management fee and incentive fee are included in overhead. The 2013 base management fee is \$129,372 of which 20% or \$25,874 of the total base fee is deferred until the facility earns \$1.4 million in gross revenue for the fiscal year. Upon annual audit certification of revenue the deferred portion is paid to Global Spectrum.

Global Spectrum is also eligible for an incentive fee. The incentive fee is calculated on a quantitative and a qualitative component. The quantitative incentive fee is equal to 20% of gross revenue in excess of \$1.5 million dollars each fiscal year and capped at 18.75% of the base management fee. The budget amount for 2013 is \$24,257.

The qualitative component of the incentive fee shall not exceed 6.25% of the base management fee for each year and shall be calculated as follows: The owner shall evaluate Manager's performance during the applicable year in each of the following categories:

- (1) Customer satisfaction scores-5%
- (2) Favorable relations with the Chamber and other stake holders-5%
- (3) Marketing efforts-5%
- (4) Financial performance-10%

The owner shall determine an overall performance rating for each category. Once the total score is determined it shall be divided by 25 to determine the percentage of qualitative incentive potential. The budget amount for 2013 is \$8,086

**The total base and incentive compensation budgeted for 2013 is \$161,715**

(2) The total 2013 vendor fee revenue budget is \$1,658,955