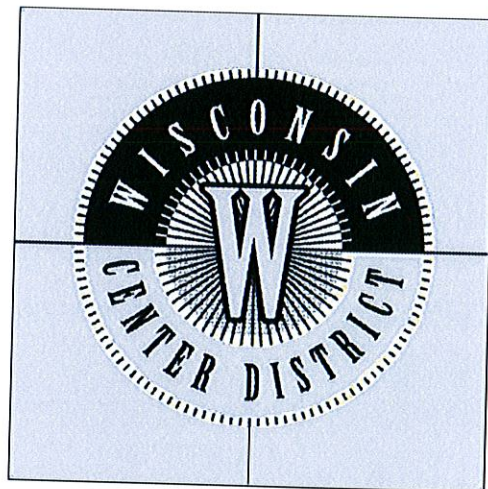


**WISCONSIN CENTER
DISTRICT**



2017 Proposed Budget

APPROVED

WISCONSIN CENTER DISTRICT 2017 BUDGET

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Wisconsin Center District Proposed 2017 Budget Executive Summary

Date: October 10, 2016

To: Wisconsin Center District Board of Directors

Summary of Current Financial Operating Environment:

2016 has been a bounce-back year for the District. There has been excellent corporate activity, sports and entertainment bookings, and national convention business has returned to a normal level of business. The economy continues slow growth, and bookings are continuing at a consistent pace. Later this year, the District will become the home of the Milwaukee Admirals hockey team, which means our stable of sports teams in the UW-Milwaukee Panther Arena now leads the City. The Milwaukee Theatre continues to surge with new energy in 2016. Net income is significantly ahead of budget at mid-year, and management continues to look for additional growth.

As of June 2016 the District's Operating Revenues are 19% below the amount budgeted for that time period. Nonoperating Revenue is 3% above budget. With Operating Expenses at 4.9% under budget and Nonoperating Expenses at 2% under budget, the District is experiencing the positive flow of good news. The District's internal sales staff has filled many openings in the calendar, and staff is looking forward to even more activity in the second half of the year that will generate additional positive results for the District.

The Wisconsin Center's overall operating revenue at June 2016 is 26% over budget. National convention business has returned to a normal level in 2016, and the catering aspect has been receptive to additional up-selling. As usual, the internal sales staff has worked hard to book events into calendar openings, to fully maximize the convention center capabilities and boost the economics of the District.

The UW-Milwaukee Panther Arena exceeded its revenue goal for the first half of 2016 (by 17%), and the Milwaukee Theatre is ahead of budget by 4%. Expense controls in both buildings have helped those buildings to provide important cash flow to the District. UWM Men's and Women's basketball leads the sports tenant roster in the Arena, and the continuation of the Milwaukee Wave, the Brew City Bruisers, US Robotics, multiple graduations, and other events make it a vibrant venue. As mentioned before, the Admirals will extensively increase the Arena's exposure and revenue generating potential.

In the first 6 months of 2016, the UW-Milwaukee Panther Arena and Milwaukee Theatre combined to generate \$2.8 million in overall revenue and \$2 million in net revenue (after deducting direct expenses). **The significance of those two amounts is a clear indication of the importance (and operating margins) of those two buildings to the District.** The District has partnered with the Marcus Center multiple times, and works with Shank Hall, the Riverside Theater, and the Rave on events as well. We believe these

strategic partnerships (as well as outreaches to the Bradley Center, Summerfest and State Fair) will lead to many exciting opportunities in the future.

The District continues to place a strong emphasis on controlling costs and spending. We have kept expenses in line with revenues each year, and 2017 will similarly show a balanced budget. The 2016 operating expenses are projected to be over budget, attributable to the generation of significant revenues beyond budget. Nonoperating costs are also under budget due to consistent control measures. Cash reserves are holding, but at a level which is still considered lower than preferred. As documented in the past, all tax revenues (Hotel, Food & Beverage, and Car Rental taxes) are subject to the time lag that results from the tax collections being accumulated and remitted through the Wisconsin Department of Revenue, and passed through the restrictive annual bond funding requirements.

With this as a backdrop, the District Staff has diligently completed its preparation of the 2017 Operating and Capital Budgets. Our greatest challenge is to generate enough business and produce sufficient revenue to cover all of the costs of operating a three building campus. Tax revenues are earmarked for bond payments and Visit Milwaukee funding, so the WCD must book business to generate revenue internally in 2017 and beyond.

The District sales staff (combined with the Levy Restaurants staff) is doing a yeoman's job of capitalizing on short-term calendar openings in 2016. National convention business is projected to be down significantly in 2017, but we have compiled a budget that allows us to survive that difficult issue.

Based upon cash availability, the District has identified \$2.7 million for necessary capital projects, which elevates the WCD to a necessary level of spending for proper upkeep for the campus. This amount includes the lease payments required related to the 2014 Arena seat replacement project (third year, out of three). The capital budget covers those financial amounts required to maintain the District's buildings high standards, and needs for safety and revenue generation potential. The District Board has stated there are ongoing concerns about the District buildings being maintained in top condition for show managers and attendees. The Board also agreed that a "contingency amount" (\$236,000 in 2016) must be included for emergency capital needs, with authority granted to the President/CEO for utilization after notifying and consulting with the Project Development Committee.

REVENUES

1) Major Event Revenues Budgeted at \$5,050,000.

The District's Total Event Room Fees/Equipment Rental/Labor & Show Reimbursement Revenue Budget for 2017 is set at \$5,050,000, or \$150,000 less than the 2016 Budget of \$5,200,000. Current projections suggest that by the end of this year actual revenues will accumulate to \$5.5 million. The change in the overall total of the revenue components is complex and changes from year to year.

Event Room Fees – The 2017 budget is set at \$2,750,000, which is \$50,000 less than the 2016 budget of \$2,800,000. Current projections suggest that by the end of 2016 actual revenues will generate around \$3,000,000.

2016 has been a mixed bag for activity on the WCD campus. Entertainment activity has been very strong, convention activity was average compared to recent years. Ancillary revenue categories have been at an average level, similar to the average level in conventions. District staff was able to fill many dates with Theatre and Arena events and local and regional short-term business which allowed the District to generate the revenue overage amounts presented. While individual events have varying degrees of profitability, the overall results were very good for the District. We expect 2017 to be a very challenging year, as national convention activity is significantly below average. We set goals, and will concentrate on short-term business to fill open periods in the booking calendar.

Equipment Rentals - The 2017 budget is set at \$1,200,000, which the same as the 2016 budget. Current projections suggest that by the end of 2016 actual revenues will generate about \$1.3 million, or 8% over budget. Activity levels (current bookings and reasonable future estimations) and pricing structures in 2017 suggest that the \$1,200,000 budget is appropriate.

Labor Service & Show Reimbursement Revenue – The 2017 budget is set at \$1,100,000, a decrease of \$100,000 from the 2016 budget. Current projections suggest that by the end of 2016 actual revenues will produce approximately \$1,200,000. The District is booking fewer self-produced events than in the past, because we are able to generate good show volume with rentals and partnerships. With strong assistance from partnerships, in the local entertainment community, we have identified a number of shows for the second half of 2016 and 2017. There are ongoing strong District staff efforts put into those shows to make them profitable. The addition of the Admirals significantly reduces the open dates for the Arena, but we will still look for opportunities.

2) Concession Net Revenues – Budgeted at \$2,780,000.

During 2016 net Concessions Revenue resulting from food, beverage and novelty operations (managed by Levy Restaurants) has returned to a strong level. Some good catering events occurred in 2016. Levy's internal projections indicate that the 2016 year-end amount will be approximately \$3,000,000, over the budget amount of \$2,050,000. The 2017 Concessions budget is set at \$2,780,000. The sales and marketing groups will continue to attempt to maximize catering opportunities associated with conventions and corporate business, and aggressively campaign to acquire opportunities from the local corporate business community. Levy works within WCD budget parameters to maximize cash flow to the District.

3) Other Sources of Revenue - Budgeted at \$4,064,000.

During the past few years the WCD has been successful in developing some of its "other" sources of revenue. These include 1) Technology Revenues, 2) Advertising and Naming Rights, 3) Box Office fees (primarily ticketing fees and facility fees), and 4) Parking Fees. The 2017 Budget goal for these categories totals \$4,064,000 – up 6% from the previous year's budget.

Technology Revenues (including Telecommunications, Data Communications and Video Production Services) - The Wisconsin Center was built with a sophisticated infrastructure to provide "state of the art" technology services to clients. A significant part of

this infrastructure is the built-in capability and flexibility of the Wi-Fi internet access, video production equipment and satellite up and down links. This allows the District to provide high quality data communication services to clients during events, and to bill directly for these services, as well as other services offered. Total 2017 Technology Revenues are budgeted at \$752,000, which is 11% higher than the 2016 Budget. We are continually seeking out new revenue opportunities as technology applications become available for show use.

Advertising and Naming Rights Revenue - The District generates revenue from the placement of advertising displays in various areas within its facilities, including the UW-Milwaukee Panther Arena scoreboard, plasma screens and on outdoor message centers. In 2017 the District projects Advertising and Naming Rights Revenues totaling \$900,000, down 17% from 2016. The reduction relates to the naming rights for the Walk of Fame. Efforts are continuing to locate addition naming rights sponsor(s) and advertisers in general.

Box Office Fees – Budgeted at \$800,000, this represents a \$260,000 increase over 2016. In general, all public ticketed sports and entertainment events in our facilities are subject to a Facility Fee that goes to the WCD. This includes our self-promoted and co-promoted shows. This is an area that will be boosted by the Admirals significantly. The revenue structure in the sports and entertainment world mandates that we evaluate event offerings from an overall standpoint, considering ticket fees at the same time as room fees, labor and equipment, etc.

Parking Revenue – Budgeted at \$630,000, up \$55,000 over 2016. This amount reflects receipts from the main parking lot on Kilbourn Avenue, as well as the parking areas for the Arena and Theatre. The increase is most directly attributable to the Admirals season.

EXPENSES

1) Operational Costs Held in Check.

The District's Total Operating Expense Budget for 2017 is set at \$8,666,000, or 10% higher than the 2016 Budget. We are projecting a major increase in Arena revenues, and are budgeting appropriately for the expenses associated with the events. Operational labor costs (approximately 30 full-time employees and 220 part-time) are projected to increase incrementally in 2016, and then additionally in 2017 with a full year of Admirals hockey. In 2017, pay increases projected for both operational and administrative staff are at 2%, a level comparable to CPI.

Maintenance costs are rising for the Wisconsin Center, as the building and its various mechanicals are aging. We must maintain high standards in appearance and efficiency to keep Milwaukee competitive in the convention industry. Finally, we are allocating a budget for in-house produced events as we look to continue enhancing bookings by finding shows for purchase.

2) Utility Budgets for 2017 increasing.

The total 2017 budget for all utilities (electricity, steam, gas and water) is set at \$2,272,000, or 3% above the 2016 Budget. As a result of energy conservation programs

undertaken by the District, utility expenses in the last few years have risen much slower than the increases in rates charged. The 2017 Budget takes into consideration the Cost of maintaining ice from October to May and expected various increases in utility rates published by the providers involved, offset by gained efficiencies.

3) Repairs and Maintenance Budget Increased.

The total Repairs and Maintenance amount in the 2017 Budget is \$1,265,000 or 2% lower than the 2016 Budget. As the campus has aged, the District has increased the level of spending for maintenance costs, especially over the last few years. We continue to evaluate programmed maintenance initiatives that may have a significant impact on future year's expenses (or capital budgets), and authorize those programs based upon funds available. Basic costs are increasing across the board and we have instituted comprehensive preventative maintenance programs, which will maximize the lives and earnings potentials of our buildings and the equipment in inventory.

4) Reductions continued in Administrative Employee Costs.

The District continues to maintain a reduced level of administrative payroll due to the limits on funds available. Duties have been reallocated amongst the remaining personnel when attrition has occurred. Event Services, Sales, Finance, and Information Technology departments have each had positions frozen, resulting in major cost savings. Since 2003, the District has frozen multiple positions (resulting in annual savings of approximately \$600,000).

The total 2017 budget for Administrative Wages is set at \$2,550,000 or 8% more than the 2016 Budget. Pay raises have been included for 2017, at the 2% level previously mentioned. Several well thought out additions to staff raises the budget for 2017 as well. The budget for benefits is \$2,172,000, or 6% higher than 2016, due mostly to the insurance premium rate increases. Benefit offerings are evaluated on a yearly basis, and District personnel are responsible for a portion of their insurance premiums, as has become standard with many employers.

5) Advertising & Promotional Budget Established.

The 2017 Advertising and Promotional budget is set at \$174,000, which is a \$44,000 increase from the 2016 Budget. The District needs to continue marketing all three of the buildings on our campus, in a targeted, effective manner. This will better enhance our potential in local, state, and national markets, and let potential clients managing all kinds of shows know we are aggressively seeking their business.

CAPITAL BUDGET AND RESERVES

The 2017 Capital Budget, as reflected in this package, is set at \$2,738,000. It proposes necessary capital improvements within the three District facilities. This amount is a \$57,000 decrease above the 2016 capital budget amount.

Financial resource limitations forced the District to severely restrict capital spending for several years to a very basic level, most severely in 2010. We have attempted to maintain a manageable level of capital spending, but cash flow issues have affected that process. District staff annually maintains a 5 year capital projection in an attempt to plan for needed capital spending for the foreseeable future. Significant building work, including LED signage and lighting, electrical, weatherproofing, repainting projects and escalator work in the Wisconsin Center has occurred and will continue in subsequent years.

The level of capital funding leaves a gap from the 15 Year Long-Term Capital Requirements program presented to and approved by the Board in 2004, and even more important maintains the campus safety and marketability. It also includes the contingency reserve previously called for by the Project Development Committee. The staff has maximized the funding available with the items on the capital projects list.

We have increased our expectations for tax collections in recent years because of positive growth and the Food and Beverage tax increase, but the drastic cuts to capital over the last 5-10 years were an issue that needed to be addressed. If additional operating or tax revenues develop, they must be earmarked for replenishing reserves that were used up in 2009 (i.e. for the pension assessment, which has occurred each of the last 3 years) and for reinstating capital projects previously deferred.

TAX COLLECTIONS

The tax collections for the District are designed to do the following things:

- Fund the annual debt service on bonds issued.
- Fund the national marketing effort, handled by Visit Milwaukee.
- Fund capital maintenance and improvements.

The District was in a situation in 2009 where debt service had climbed to a level that resulted in there being insufficient tax money left over after the debt service payments to fully fund the national marketing effort, let alone any amount for capital maintenance or improvements. An increase in the Food and Beverage tax was passed in 2009, and a County Hotel tax increase was passed in 2010 in order to allow for a funding increase to enhance Visit Milwaukee's efforts.

The budget for tax collections in 2017 is set at \$33.8 million. The 2016 budget amount included moderate increases over previous years. We have been fortunate that business has continued to improve and the tax collections are over budget (including the percentage allocated to Visit Milwaukee). If the level of tax collections continues to show growth and resume the positive pattern seen prior to and since 2009, the District financial status will continue to strengthen its position and stabilize the future.

NOTE – The District was able to reestablish bond-defined operating reserves utilized in 2009. It is still necessary that internal cash reserves be enhanced, as well as full funding for all bond obligations including the 2016 issuance. Those two items,

combined with the need to address the level of capital spending on a timely basis, are the priorities for any cash flows generated above and beyond the budgeted numbers.

The WCD bonds have reserve funds of \$2,500,000 available for operational issues, and \$17,600,000 for debt service.

Summary of District Taxes:

The District currently is authorized to collect four taxes: City of Milwaukee Room Tax of 7%, Milwaukee County Room Tax of 2.5%, Milwaukee County Food and Beverage Tax of 0.50%, and Milwaukee Car Rental Tax of 3%. In the resolutions passed by the Board and the Wisconsin State Legislature as part of the financing of the new convention center, specific provisions concerning these taxes were included. The following is a brief summary:

Milwaukee County Room Tax – The collection of funds from this tax can only be used for the payment of the District's bond interest and principal. Although originally set at 2%, the District Board was given the discretion to increase this tax up to a maximum of 3% at any time. In 2010, based upon a request from the local hotel community, an increase of 0.5% was approved in order to yield additional funding for Visit Milwaukee. This increase was effective 1/1/11.

If taxes collected are not sufficient to make the required semi-annual bond payments there is a provision in the tax resolutions that supported the bond issues that would automatically increase the tax rate to its maximum. This rate would remain at that maximum rate until all bonds have been paid off.

Milwaukee County Food and Beverage Tax – The collection of funds from this tax can only be used for the payment of the District's bond interest and principal. Originally set at 0.25%, the District Board exercised its authority to increase this tax up to 0.5%, effective July 1, 2010.

Milwaukee County Car Rental Tax - The collection of funds from this tax can only be used for the payment of the District's bond interest and principal. The tax was originally set at 3%. However, if taxes collected are not sufficient to make the required semi-annual bond payments, there is a provision in the tax resolutions that supported the bond issues that would automatically increase the tax rate to its maximum of 4%. This rate would remain at that maximum rate until all bonds have been paid off. This automatic tax rate increase provides the State of Wisconsin some protection against having to provide financial assistance in case the District is unable to make timely payments of its Junior Bonds. The State of Wisconsin gave its "moral obligation," which provided additional "insurance" that the bond principal and interest payments would be honored in case of default by the District. This District Board of Directors has no current authority to raise this tax through its own discretion without first obtaining Legislative approval.

City of Milwaukee Room Tax - The collection of funds from this tax must first be used to pay semi-annual bond interest and principal payments when collections from the three taxes restricted to bond debt service are not sufficient. Excess funds from the unrestricted City tax may be used by the District for any legally authorized use. The current rate for this tax is 7% and may not be increased by the District without first obtaining Wisconsin State Legislative approval.

Total Room Tax collections (7% City of Milwaukee and 2.5% Milwaukee County) for this January through June period was 9% above the budget, while the 0.50% Milwaukee County Food and Beverage Tax was 1% over budget, and the 3% Milwaukee County Car Rental Tax was approximately 5% over budget.

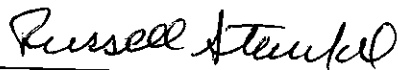
Visit Milwaukee Funding Budgeted at \$7,300,000.

The proposed budget includes national marketing funding to Visit Milwaukee in the amount of \$7,300,000. A 5 year agreement was signed in 2011, and extended in 2015 to 2020..

The agreement with Visit Milwaukee redefined the relationship to update for the current market in the convention industry, and incorporated an updated funding formula. This formula includes a base amount, an amount equal to the County Hotel tax increase, and an incentive program designed to reward Visit Milwaukee for exceeding their booking goals for room nights and revenues. A good working relationship is important for both the District and Visit Milwaukee's success.

2017 shows some signs of growth and improvement in the economic climate nationally, but locally the signs are not as positive as hoped for. While some revenue areas have maintained strong status, others still need improvement. We look to 2017 and beyond as we focus on generating improvement, and to bring positive business results to the District and to the greater Milwaukee area. The Board can be confident that the District's management staff and other employees will be cautious, exercise sound decision making, and do all they can to make the year a success. The District's staff thanks the Board for their support, sound judgment, and trust.

Respectfully submitted:



Russell Staerkel, President & CEO


Jeffrey Sinkovec, Director of Finance

Wisconsin Center District Comparative Budget Statement

For All Segment1s

	2017 Budget	2016 Projection Based on Budget	Increase (Decrease) Over Prior Year Budget	2016 Budget
Operating Income				
Event Room Fees	2,750,000	3,577,733	(50,000)	2,800,000
Equipment Rentals	1,200,000	1,438,332	0	1,200,000
Labor Service / Show Reimb Revenue	1,100,000	1,191,098	(100,000)	1,200,000
Net Concessions Revenue	2,780,000	3,054,036	730,000	2,050,000
Box Office Revenue	800,000	693,631	260,000	540,000
Office Space Rentals	190,000	204,513	(16,000)	206,000
Telecommunications Revenue	120,000	157,590	(10,000)	130,000
Datacommunications Revenue	380,000	538,684	(20,000)	400,000
Video Production Services Revenue	252,000	122,402	102,000	150,000
Advertising Revenue	500,000	650,976	(240,000)	740,000
Naming Rights Revenue	400,000	456,000	50,000	350,000
Parking Revenue	630,000	668,028	55,000	575,000
Other Income	792,000	785,509	40,000	752,000
Total Operating Income	11,894,000	13,538,532	801,000	11,093,000
Operating Expenses				
Operating Wages	3,251,000	3,171,488	611,000	2,640,000
Technician Wages	92,000	110,132	1,000	91,000
Contract Services	709,000	819,936	93,000	616,000
Steam & Gas	825,000	824,884	(25,000)	850,000
Electricity	1,320,000	1,649,927	62,000	1,258,000
Water	127,000	130,243	24,000	103,000
Uniform Expense	18,000	15,204	0	18,000
Ticket Expense	135,000	105,219	40,000	95,000
Telecommunications Expense-Events	50,000	62,785	0	50,000
Datacommunications Expense-Events	60,000	60,551	10,000	50,000
Video Productions Expense-Events	234,000	174,366	94,000	140,000
Miscellaneous Show Expense	505,000	500,961	(84,000)	589,000
Cleaning Supplies	75,000	94,214	5,000	70,000
Other Supplies	0	262	0	0
Maintenance - Building	800,000	773,678	(12,000)	812,000
Maintenance - Carpentry	44,000	48,976	(5,000)	49,000
Maintenance - Electrical	122,000	123,478	(10,000)	132,000
Maintenance - Mechanical	210,000	218,812	3,000	207,000
Maintenance - Miscellaneous	89,000	84,530	2,000	87,000
Total Operating Expenses	8,666,000	8,969,645	809,000	7,857,000
Operating revenues over expenses	3,228,000	4,568,887	(8,000)	3,236,000

**Wisconsin Center District
Comparative Budget Statement**

For All Segment1s

	2017 Budget	2016 Projection Based on Budget	Increase (Decrease) Over Prior Year Budget	2016 Budget
Nonoperating Income				
Interest Income	1,400,000	1,407,071	150,000	1,250,000
Total Nonoperating Income	1,400,000	1,407,071	150,000	1,250,000
Nonoperating Expenses				
Administrative Wages	2,550,000	2,791,520	180,000	2,370,000
FICA Taxes	490,000	497,393	40,000	450,000
Unemployment Taxes	40,000	35,579	(15,000)	55,000
Health Insurance	1,230,000	1,172,597	85,000	1,145,000
Life Insurance	12,000	14,456	(1,000)	13,000
Pension	400,000	357,795	20,000	380,000
Advertising	150,000	154,424	50,000	100,000
Promotional Items	24,000	20,937	(6,000)	30,000
Maintenance-Copier/Fax/Software	4,000	1,900	0	4,000
Office Supplies	16,000	19,114	0	16,000
Legal Services	125,000	198,481	0	125,000
Professional Services	122,000	55,083	(20,000)	142,000
Information Technology Expense	295,000	361,218	45,000	250,000
Insurance	680,000	690,238	10,000	670,000
Employee Activity Expense	22,000	15,906	0	22,000
Interest Expense	67,000	74,124	(13,000)	80,000
Travel	30,000	27,589	0	30,000
Business Meetings	37,000	40,055	1,000	36,000
Postage	20,000	15,682	0	20,000
Recruiting	15,000	20,130	5,000	10,000
Training Expense	36,000	12,054	18,000	18,000
Dues & Subscriptions	11,000	45,481	1,000	10,000
Bad Debt Expense	24,000	26,000	0	24,000
Miscellaneous Expense	137,000	165,816	1,000	136,000
Total Nonoperating Expenses	6,537,000	6,813,572	401,000	6,136,000
Net income(loss) before non cash items	(1,909,000)	(837,614)	(259,000)	(1,650,000)
Depreciation Expense	8,400,000	8,554,000	500,000	7,900,000
Amortization of Financing Costs	90,000	137,442	(80,000)	170,000
Total Noncash Expenses	8,490,000	8,691,442	420,000	8,070,000
Net income(loss) before tax items	(10,399,000)	(9,529,056)	(679,000)	(9,720,000)

**Wisconsin Center District
Comparative Budget Statement**

For All Segment1s

	2017 Budget	2016 Projection Based on Budget	Increase (Decrease) Over Prior Year Budget	2016 Budget
Tax Revenue				
City Room Tax	14,343,000	14,983,437	1,121,000	13,222,000
County Room Tax	6,599,000	6,891,461	526,000	6,073,000
Food & Beverage Tax	10,993,000	11,479,061	292,000	10,701,000
Car Rental Tax	2,734,000	3,009,145	101,000	2,633,000
Tax Revenue Administration Fee	(884,000)	(927,223)	(52,000)	(832,000)
Net Tax Revenue	33,785,000	35,435,881	1,988,000	31,797,000
Tax Usages				
Visit Milwaukee Management Fee	7,300,000	7,561,000	300,000	7,000,000
Bond Interest Expense	21,090,000	21,671,242	1,090,000	20,000,000
Total Tax Usages	28,390,000	29,232,242	1,390,000	27,000,000
Tax Overage (Underage)	5,395,000	6,203,639	598,000	4,797,000
Net Income	(5,004,000)	(3,325,417)	(81,000)	(4,923,000)

**WISCONSIN CENTER DISTRICT
2017 BUDGET**

OVERALL OPERATING CASH ANALYSIS

Estimated Operating Cash balance at January 1, 2017		\$ 2,500,000
<u>Cash provided by operations</u>		
Net Income (Loss)	\$ (5,004,000)	
<u>Add back Non-Cash expenses & Other Cash Provided</u>		
Depreciation & Amortization	8,490,000	
Bond Interest Accrued	21,090,000	
Amortization of Bond Premium/Catering Premium	(521,000)	
<u>Deduct Other Cash Outflows</u>		
Principal and Interest Payment on Junior Bonds	(11,165,000)	
Principal & Interest Payment on Senior Bonds	(7,400,000)	
Principal & Interest Payment on Theatre Bonds	(1,797,000)	
Principal and Interest Payment on 2016 Junior Bonds	(525,000)	
Operating Lease Payments	(399,000)	
Capital Budget items	(2,738,000)	
Utilization of Current Year Capital Reserve	1,046,000	
Funding of Subsequent Year Capital Reserve	(1,077,000)	
Net Cash Change for 2017 based upon Budget	\$ -	
Estimated Operating Cash balance at December 31, 2017		<u><u>\$ 2,500,000</u></u>
Status of Building Reserves:		
Amounts in Reserve at 12-31-2016		
Artwork Repairs/Refurbishment Reserve	\$ 104,000	
Wisconsin Center Capital Improvements	1,046,000	
	<u>1,150,000</u>	\$ 1,150,000
Amounts Committed to Reserves in 2017		
Artwork Repairs/Refurbishment Reserve	10,000	
Wisconsin Center Capital Improvements	1,077,000	
	<u>1,087,000</u>	1,087,000
Amounts Funded by Reserves in 2017		
Artwork Repairs/Refurbishment Reserve	(10,000)	
Wisconsin Center Capital Improvements	(1,046,000)	
	<u>(1,056,000)</u>	(1,056,000)
Total Projected Building Reserves	<u><u>\$ 1,181,000</u></u>	
Cash Available for Operations	<u><u>\$ 1,319,000</u></u>	
Estimated Operating Cash balance at December 31, 2017	<u><u>\$ 2,500,000</u></u>	
<u>Amounts Projected in Reserve at 12-31-2017</u>		
Artwork Repairs/Refurbishment Reserve	\$ 104,000	
Wisconsin Center Capital Improvements	1,077,000	
	<u>1,181,000</u>	<u><u>\$ 1,181,000</u></u>

**WISCONSIN CENTER DISTRICT
2017 BUDGET**

CASH ANALYSIS - OPERATIONAL / TAXES

	2017 Budget	2016 Budget
Estimated Cash balance at January 1	\$ 2,500,000	\$ 2,500,000
<u>Cash provided by operations</u>		
Operating Income	\$ 11,894,000	\$ 11,093,000
Operating Expenses	(8,666,000)	(7,857,000)
Nonoperating Expenses (excluding Interest/VisitM)	(6,537,000)	(6,136,000)
	\$ (3,309,000)	\$ (2,900,000)
 <u>Cash Impact of Tax Revenues / Bonds / Visit Milw</u>		
Tax Revenues (net)	33,785,000	31,797,000
Funding of Visit Milwaukee	(7,300,000)	(7,000,000)
Interest Income	1,009,000	1,042,000
Principal & Interest Payment on Junior Bonds	(11,165,000)	(10,386,000)
Principal & Interest Payment on Senior Bonds	(7,400,000)	(7,400,000)
Principal & Interest Payment on Theatre Bonds	(1,797,000)	(1,795,000)
Principal and Interest Payment on 2016 Junior Bonds	(525,000)	-
Catering Premium Amortization	(130,000)	(130,000)
Operating Lease Payments	(399,000)	(403,000)
Capital Budget items	-	-
	(2,738,000)	(2,795,000)
	\$ 3,340,000	\$ 2,930,000
 <u>Add/Deduct Other Cash In/Outflows</u>		
Utilization of Current Year Capital Reserve	1,046,000	1,016,000
Funding of Subsequent Year Capital Reserve	(1,077,000)	(1,046,000)
	\$ (31,000)	\$ (30,000)
 Net Cash Change for the Year based upon Budget	\$ -	\$ -
Estimated Cash balance at December 31	\$ 2,500,000	\$ 2,500,000

WISCONSIN CENTER DISTRICT

2017 Budget

PROPOSED CAPITAL BUDGET ITEMS

<u>Description</u>		<u>Building</u>	<u>Estimated Amount</u>
Digital LED Signs		Arena	\$ 200,000
Arena Folding Chairs		Arena	93,000
Exterior Doors	Partial/Multi-Yr Project	Arena	60,000
Fire Supression For Video Production Room		Arena	60,000
Partial Roof Replacement	Partial/Multi-Yr Project	Arena	95,000
Video Production & Audio Room	Partial/Multi-Yr Project	Arena	50,000
Moving Scoreboard Lights		Arena	30,000
Cast Iron Piping		Arena	25,000
Arena Basement Floor Concrete Polish		Arena	25,000
Steam Condensate Pumps	Partial/Multi-Yr Project	Arena	24,000
Unit Wall Heaters	Partial/Multi-Yr Project	Arena	23,000
ISTAR Panels	Partial/Multi-Yr Project	Arena	20,000
LED Exit Lighting		Arena	14,500
ATM Machine		Arena	4,000
Daktronics Outdoor Signage	Partial/Multi-Yr Project	Theatre	75,000
Exterior Doors	Partial/Multi-Yr Project	Theatre	40,000
LED Lighting		Theatre	12,500
Escalators (2)		Wisc Ctr	745,000
Electrical Sub-Station, Transformers		Wisc Ctr	110,000
LED Lighting - Ballroom	Partial/Multi-Yr Project	Wisc Ctr	109,000
Tuckpointing	Partial/Multi-Yr Project	Wisc Ctr	100,000
Escalator - Drive/Motor Replacement	Partial/Multi-Yr Project	Wisc Ctr	50,000
Transport Truck		Wisc Ctr	50,000
Touch Screen System		Wisc Ctr	50,000
Forklift		Wisc Ctr	26,000
Parking Lot Refurbishment		Wisc Ctr	26,000
Concession Stand	Partial/Multi-Yr Project	Wisc Ctr	25,000
Office Furniture		Wisc Ctr	25,000
Switchgear & Substation Thermo Imaging		Wisc Ctr	25,000
Trash Receptacles		Wisc Ctr	24,000
Carpet Extractor		Wisc Ctr	22,000
Repaint Interior Walls/Doors	Partial/Multi-Yr Project	Multiple Bldgs	90,000
Kitchen Equipment		Multiple Bldgs	70,000
Concession Stand Upgrades	Partial/Multi-Yr Project	Multiple Bldgs	50,000
Air Handling Units	Partial/Multi-Yr Project	Multiple Bldgs	40,000
Security Server Upgrade		Multiple Bldgs	40,000
Network Switches	Partial/Multi-Yr Project	Multiple Bldgs	30,000
Computer Equipment – Servers / Computers / Printers		Multiple Bldgs	25,000
China, Glass, Silver		Multiple Bldgs	25,000
Banquet Service Carts		Multiple Bldgs	13,000
Sidewalks / Curbs / Driveways		Multiple Bldgs	10,000
Pipe / Drape / Skirts		Multiple Bldgs	10,000
Capital Contingency Amount			97,000
			<u>\$ 2,738,000</u>