

**THE ROSE MUSIC CENTER AT THE HEIGHTS**  
**Combined Cash Basis Management Report of Operations & Capital**  
**January through October 2015**

**Facility Operating Revenue & Expenditures**

**Operating Revenue**

|                 |         |              |
|-----------------|---------|--------------|
| Ticket Revenue  |         | 2,847,480    |
| Event Rental    |         | 20,354       |
| Sponsorships    |         | 326,900      |
| Other Operating |         | 889,855      |
| Concessions     | 628,158 |              |
| Net Merchandise | 62,457  |              |
| Parking         | 199,241 |              |
| Miscellaneous   |         | <u>2,977</u> |
| Total           |         | 4,087,566    |

**Operating Expenses**

|   |         |              |
|---|---------|--------------|
| Talent Expense                            |         | 2,192,233    |
| Production                                |         | 606,424      |
| Light & Sound Equip                       | 239,885 |              |
| Stagehand Labor                           | 168,374 |              |
| Artist Catering                           | 126,412 |              |
| Video Expenses                            | 45,076  |              |
| Artist Travel/Lodging                     | 16,328  |              |
| Misc Staging Expense                      | 10,349  |              |
| Event Operations                          |         | 466,669      |
| Staffing & Benefits                       | 252,970 |              |
| Supplies & Uniforms                       | 29,100  |              |
| Music Royalties                           | 15,090  |              |
| Concession Mdse                           | 155,355 |              |
| Club Catering                             | 4,449   |              |
| Maintenance & Misc                        | 9,705   |              |
| Rental Expenses                           |         | 27,791       |
| Advertising                               |         | 358,545      |
| Administrative                            |         | 214,256      |
| Box Office/Maint Wages                    | 41,067  |              |
| Bank/Credit Card fees                     | 25,811  |              |
| Insurance                                 | 28,848  |              |
| Accounting Services                       | 48,750  |              |
| Maint/Repairs/Supplies                    | 36,611  |              |
| Office Supplies, Postage, Print           | 13,767  |              |
| Inspections & Licenses                    | 3,619   |              |
| Miscellaneous                             | 15,783  |              |
| Occupancy Expenses (Utilities & Security) |         | 71,054       |
| Sponsorship Expenses                      |         | <u>4,702</u> |
| Total                                     |         | 3,941,674    |

**Net Results of Operations Before Other City Facility Related Revenue and Expenditures** **145,892**

**Other City Facility Related Revenue & Expenditures**

|                                     |         |         |
|-------------------------------------|---------|---------|
| Other Revenue                       |         |         |
| Naming Rights                       |         | 200,000 |
| Other Expenses                      |         | 258,548 |
| MEMI Management Fee                 | 168,750 |         |
| Advertising                         | 254     |         |
| Lighting Strike Repair (Deductible) | 5,000   |         |
| Building Insurance                  | 22,654  |         |
| Pre Opening Utilities/Other         |         |         |
| Electric                            | 14,305  |         |
| Communications                      | 775     |         |
| RE Taxes                            | 1,620   |         |
| Web Site Hosting                    | 585     |         |
| Landscape Maint                     | 44,605  |         |

**Total Other Facility Related Revenue & Expenditures** **(58,548)**

**Combined Results Before Capital Expenditures** **87,345**

**Start-Up Capital Expenditures**

|  |         |                |
|--|---------|----------------|
| Initial SOD                              | 8,000   |                |
| Initial Rose Plantings                   | 3,260   |                |
| Rose & VIP Sponsor Signs & Logos         | 30,000  |                |
| Building Permit                          | 80      |                |
| Web Site Development                     | 5,135   |                |
| I-70 Brush Clearing                      | 7,400   |                |
| Various Other Start-Up Capital Purchases | 222,300 |                |
| Total Capital Related Expenditures       |         | <u>276,174</u> |

The Top Section of this report lists results of operations of the Rose Music Center for the 2015 season as of October 31, 2015. Net Results of Operations Before Other City Facility Related Revenue and Expenditures is best used as a measure of MEMI's ability to successfully operate and program the Rose Music Center.

In addition to this, the City has Other Facility Related Revenue & Expenditures, such as liability insurance and landscaping, that are outside of MEMI's control, however are related to the operations of the facility. These expenses are currently being reviewed by an independent audit firm. However, they are presented above in the Total Other Facility Related Revenue & Expenditures.

Also, the City has other Capital Expenditures related to the start up of the Facility which are detailed above as the Total Capital Related Expenditures. The debt service costs are not included in this report as the final financing has not been completed. When it is finalized the debt service, like all other City debt, is reported in our Debt Service Funds and will be paid out of available TIF funds not Music Center operating funds.

In summary this report combines information from both MEMI and the City's accounting and financial systems. The financial information is currently being audited and finalized. We will release final combined numbers as they become available. Normally, we release finalized information only after it has been audited and prepared in accordance with GAAP and issued as of the close of our accounting period which is 12/31/2015. Please consider this an interim management report and not a final audited financial report on the operations and results of the facility.