Downtown Phoenix Hotel Corporation

Quarterly Financial Summary

March 2013

Downtown Phoenix Hotel Corporation
Financial Summary (Unaudited)
For the Three Months Ended March 31, 2013

	Year to Date March 31 **2013** (1)
Room Summary	
Number of Rooms (2)	90,000
Occupied Rooms	56,240
Occupancy %	62.5%
Average Room Rate	$ 181.03
RevPAR	$ 113.12
Revenues	
Rooms	$ 10,180,790
Food & Beverage	6,609,989
Other (3)	1,295,067
Total Revenues	18,085,846
Expenses	
Rooms	2,275,841
Food & Beverage	4,276,908
General and Administrative Costs (4)	3,449,257
Other Direct Expenses (3)	288,158
Total Expenses	10,290,164
Net Operating Income	7,795,682
Corporation Expenses (5)	(838,245)
Investment Earnings	76
Total Net Revenues	6,957,513
Cash from Working Capital Changes	(1,321,958)
Cash Retained for Operations	(2,400,107)
CASH FLOWS AVAILABLE FOR SENIOR DEBT SERVICE	3,235,448
Senior Debt Service Requirement	2,808,473
Deposit to Senior Debt Service Account	2,770,266
Transfer from Cash Trap Fund for Senior Debt Service	-
Transfer from Project Subaccount Closures	-
Senior Debt Service Account	2,770,266
Senior DSCR from Cash Flows Available for Senior Debt Service (6)	N/A
Senior FF&E/CapEx Reserve Requirement	565,660
Deposit to Senior FF&E/CapEx Reserve	-
Transfer from Cash Trap Fund for Senior FF&E	-
Senior FF&E/CapEx Reserve	-
Cash Flows after Senior Debt Service and Senior FF&E/CapEx Reserve	465,181
Sports Facilities Taxes	3,760,185
CASH FLOWS AVAILABLE FOR SUBORDINATE DEBT SERVICE	4,225,366

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Subordinate Debt Service Requirement	3,812,334
Deposit to Subordinate Debt Service	8
Prior Year Interest in Subordinate Debt Service	-
Transfer from Cash Trap Fund for Subordinate Debt Service	-
Transfer from City Lease Payment Account (Sports Facility Taxes)	-
Subordinate Debt Service Account	8
Subordinate DSCR from Cash Flows Available for Subordinate Debt (7)	N/A
Subordinate DSCR from Sports Facilities Taxes Only (8)	N/A
Unused Sports Facilities Taxes	3,760,185
Cash Flows after Subordinate Debt Service	465,174
Subordinate Management Fee Requirement	310,000
Subordinate Centralized Services Fees Requirement	71,178
	381,178
Deposit to Subordinate Management/Centralized Services Fees	-
Transfer from Cash Trap Fund for Subordinate Management/ Centralized Services Fees	-
Subordinate FF&E/CapEx Reserve Fund (9)	-
NET CASH FLOWS	465,174
APPLICATION OF NET CASH FLOWS	
Available Revenue Fund (10)	(3)
Investment Earnings Reinvested (11)	-
Taxes and Insurance Fund (11)	197,085
Administrative Expenses Fund (11)	268,092
Operating Reserve	-
City Reimbursement Obligations	-
Manager Reimbursement Obligations	-
Cash Trap Fund	-
Subordinate Management/Centralized Services Fees	-
City Lease Payments Account	-
Redemption Fund	-
City Payments Account	-
TOTAL DEPOSITS	$ 465,174
FUND BALANCES (in order available for Senior Debt Service)	
Senior Debt Service Fund	$ 2,797,667
Available Revenue Fund	(0)
Cash Trap Fund	-
Redemption Fund	-
Subordinate FF&E/Cap Ex Reserve Fund	-
Subordinate Management Fee Fund	-
Operating Reserve Fund	10,050,417
Senior Special Debt Service Reserve Fund (12)	10,300,000
Senior Debt Service Reserve Fund	12,240,265
Senior FF&E/Cap Ex Reserve Fund	5,186,096
Subordinate Debt Service Account (13)	64
Subordinate Bonds City Lease Payment Account (13)	7,985,289
TOTAL FUND BALANCES	$ 48,559,797

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FOOTNOTES

(1) This statement reflects operations, debt service, capitalized interest and Sports Facilities tax revenues for the 3-month period beginning January 1, 2013 through March 31, 2013.

(2) The Hotel has 1,000 guest rooms. The number of rooms is calculated as the number of nights in the reporting period x 1,000.

(3) Other Revenues and Other Direct Expenses include revenues from telephone and faxing services, laundry and valet services, parking, vending machines, and the gift shop, and the expenses associated with those revenues.

(4) General and Administrative Costs include costs for utilities, repairs and maintenance, marketing, staff and administration, and Senior Management Fees incurred in the operation of the Hotel.

(5) Corporation Expenses include the costs of City support, legal counsel, property insurance and other expenses incurred in the Downtown Phoenix Hotel Corporation's management of the Hotel, or monies reserved for those expenses.

(6) The Senior Debt Service Coverage Ratio (DSCR) is calculated annually at fiscal year end. The DSCR from Cash Flow Available for Senior Debt Service is calculated as follows

$$\frac{\text{Cash Available for Senior Debt Service}}{\text{Senior Debt Service}}$$

(7) The Subordinate DSCR from Cash Flow Available for Subordinate Debt Service is calculated annually at fiscal year end, as follows

$$\frac{\text{Cash Available for Subordinate Debt Service}}{\text{Subordinate Debt Service}}$$

(8) The Subordinate DSCR from Sports Facilities Taxes Only is calculated annually at fiscal year end, as follows

$$\frac{\text{Sports Facilities Taxes}}{\text{Subordinate Debt Service}}$$

(9) Subordinate FF&E/CapEx Reserve set aside amounts begins in FY 2014.

(10) Amounts represent undistributed investment earnings or undistributed balances in the Available Revenue Fund in the prior period that were carried forward and distributed in the current period.

(11) Amounts represent current period activity in the Taxes and Insurance Fund and the Administrative Expenses Fund. Current period deposits are net of expenses paid from prior period deposits that are reserved for those expenses. Year-to-date amounts do not reflect balances in the funds at the beginning of the fiscal year.

(12) Only $10,300,000 of the fund balance is available for debt service, the remaining fund balance represents interest earnings that will be returned to the City.

(13) These Funds are only available for subordinate debt service, not senior debt service.