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Cobo Authority finances remain solid and profitable Net income through 8 months exceeds budget by \$1.1 million

DETROIT – Holding expenses below expectations and exceeding the forecast for operations and parking revenue, the Detroit Regional Convention Facility reports net operating income of \$1.1 million through the first eight months of its fiscal year.

The budget adopted by the DRCFA for the 2012-13 fiscal year anticipated a loss of \$1.5 million.

The DRCFA's positive financial performance through May was almost evenly split between increased revenue and reduced expenses. Total revenue was \$586,000 more than budgeted and total operating expenses were \$542,000 under expectations. Non-operating expenses left net income at \$1.1 million through eight months.

"We are very pleased with our progress in transforming Cobo Center into a generator of economic growth for Detroit and Southeast Michigan," said Patrick Bero, CEO/CFO of the Detroit Regional Convention Facility Authority. "We've built a solid foundation for future growth during a year that was supposed to be difficult. With the new Grand Riverview Ballroom, new Atrium and new meeting space coming on line this summer, we're going to be shifting into a higher gear next year."

Total eight-month revenue was up 6 percent over the first eight months of the 2012 fiscal year. Operating expenses were 9 percent higher than the same period a year ago, mainly due to having parking lots open and staffed for the full year and because of higher utility costs.

Net operating income through May this year was 38 percent lower than a year ago, because of lower federal grant revenues for energy saving capital improvements, higher utility costs, increased interest expenses and growth in charges for depreciation and amortization as more of the \$279 million capital project comes online.

The DRCFA also reported that its capital improvement program remained on budget, with 58 percent of the \$279 million complete through May 31.

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About the Detroit Regional Convention Facility Authority:

The Detroit Regional Convention Facility Authority (DRCFA) was created in 2009 to operate Cobo Convention and Exhibition Center in Detroit under long-term lease from the City of Detroit. The DRCFA Board of Directors is comprised of five representatives selected by the Governor of Michigan, the Mayor of Detroit, and the county executives of Wayne, Oakland and Macomb Counties. The DRCFA receives funding from revenues at Cobo Center as well as support from the state's Convention Fund. For more information, visit www.DRCFA.org.

