

Board of Directors

Friday, August 6, 2010
Immediately Following
CAA Operations Committee Meeting
Kent County Commission Chambers
300 Monroe, NW – Grand Rapids, MI

AGENDA

Convention
Arena
Authority

Steven Heacock,
Chairman
Birgit Klohs
Floyd Wilson, Jr.
Gary McInerney
George Heartwell
Joseph Tomaselli
Lew Chamberlin

- | | |
|--|-------------|
| I. Call to Order | |
| II. Approve June 4, 2010, and June 25, 2010, Meeting Minutes | Action |
| III. Ratify and Confirm Actions Taken on June 4, 2010 | Action |
| IV. Committee Reports | |
| A. Operations Committee | Information |
| i. CVB Report | Information |
| B. Finance Committee | |
| i. SMG May and June 2010 Financial Statements -
DeVos Place® and Van Andel Arena® | Action |
| ii. CAA May and June 2010 Financial Statements | Action |
| iii. Insurance Renewal | Action |
| iv. BDO Audit Planning Communication | Information |
| V. Application to Liquor Control Commission for Special License | Action |
| VI. Booking Policy Review | Action |
| VII. SMG Report and Facilities Calendars | Information |
| VIII. Public Comment | |
| IX. Adjournment | |

**Next Meeting Date: Friday, September 3, 2010, immediately following the
CAA Finance Committee meeting**



Van Andel Arena®
130 West Fulton
Grand Rapids, MI 49503-2601
616.742.6600
Fax 616.742.6197

DEVOS PLACE

DeVos Place®
303 Monroe Ave. NW
Grand Rapids, MI 49503-2233
616.742.6500
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**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Friday, June 4, 2010**

I. Call to Order

Joseph Tomaselli, Vice Chairperson, called the meeting to order at 7:35 a.m. Susan Waddell recorded the meeting minutes in the absence of Secretary/Treasurer, Birgit Klohs.

Attendance

Members Present: Lew Chamberlin
 George Heartwell
 Joe Tomaselli
 Floyd Wilson, Jr.

Members Absent: Steve Heacock
 Birgit Klohs
 Gary McInerney

Staff/Others:	Henri Boucher	ShowSpan
	David Czurak	<i>Grand Rapids Business Journal</i>
	Jim Day	Kent County
	Rick DeVries	City of Grand Rapids
	Brian Dykema	Interested Citizen
	George Helmstead	CVB
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Imelda Martinez	City of Grand Rapids
	Darius Quinn	Kent County
	Doug Small	CVB
	Greg Sundstrom	City of Grand Rapids
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Richard Wendt	Dickinson Wright
	Robert White	CAA

II. Minutes of Prior Meeting

Motion: Mr. Heartwell, supported by Mr. Chamberlin, moved to approve the Minutes of the May 7, 2010, meeting of the Grand Rapids-Kent County Convention/Arena Authority. The motion carried unanimously.

Mr. Heartwell departed the meeting after the approval of Minutes.

III. Committee Reports

a. Operations Committee

Mr. Chamberlin stated that the Operations Committee recommended CAA Board approval of the FY 2011 capital repair/replacement budget and the FY 2011 DeVos Place® rate sheets.

b. Finance Committee.

i. SMG Financial Statements for DeVos Place® and Van Andel Arena®

Motion: Mr. Wilson, supported by Mr. Chamberlin, moved to approve the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended April 30, 2010. After review and discussion, the motion carried unanimously.

ii. CAA Financial Statements

Motion: Mr. Wilson, supported by Mr. Chamberlin, moved to approve the CAA Financial Statements for the period ended April 30, 2010. After review and discussion, the motion carried unanimously.

iii. FY 2011 Budgets

Mr. White stated that the preliminary FY 2011 budget request was presented to the Board last month. The revised FY 2011 proposed budget includes an additional funding request of \$265,000. These funds would be allocated to the diversity initiative, art procurement (ArtPrize), capital-way finding, and the concourse expansion.

Motion: Mr. Wilson, supported by Mr. Chamberlin, moved to approve the Fiscal Year 2011 DeVos Place® and Van Andel Arena® Operating Budgets and the Fiscal Year 2011 Consolidated CAA Operating/Capital Budgets. After review and discussion, the motion carried unanimously.

iv. FY 2011 DeVos Place® Rate Sheets

Mr. MacKeigan presented SMG's five-year rate sheet recommendations, effective July 2011 through June 2015, and stated that the rental rates have not increased more than 3.25% each year.

Motion: Mr. Wilson, supported by Mr. Chamberlin, moved to approve the FY 2011 DeVos Place® Rate Sheets. The motion carried unanimously.

IV. Booking Policy Review

Mr. MacKeigan stated that he would like to defer making a recommendation pending the outcome of a meeting with the arts tenants.

V. Resolution Accepting Special Project Grant from US Dept. of Housing & Urban Development

Attorney Richard Wendt recommended approval of the following resolution:

Boardmember Floyd Wilson, Jr., supported by Boardmember Lew Chamberlin, moved the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") has previously applied for and has received notice from the United States Department of Housing and Urban Development ("HUD") that it has received an Economic Development Initiative Special Project Grant in the amount of \$142,500 (the "Grant") for preliminary design engineering and survey work in connection with the realignment and reconfiguration of Butterworth Street, S.W., from the west city limit of the City of Grand Rapids (the "City") to the Wealthy Street/Garfield Avenue, S.W., intersection (the "Project") related to the proposed Millennium Park amphitheater project; and

WHEREAS, it is necessary for the CAA to accept the Grant and to enter into a grant agreement with HUD (the "Grant Agreement"); and

WHEREAS, the CAA has determined that the City's Office of the City Engineer should administer the Grant for and on behalf of the City.

RESOLVED:

1. That the Grant is hereby accepted and the CAA Executive Director is authorized and directed to sign the Grant Agreement for and on behalf of the CAA in a form approved by CAA legal counsel.
2. That the City through the Office of the City Engineer shall administer the Grant for and on behalf of the CAA for an administrative fee not to exceed 5.0% of the Grant, i.e., \$7,125, which amount is not reimbursable from the proceeds of the Grant.
3. That the CAA Executive Director is authorized and directed to execute for and on behalf of the CAA a memorandum of understanding with the City with respect to the administration of the Grant approved as to form by CAA legal counsel.
4. That all resolutions or parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.

Motion carried.

VI. SMG Report and Facilities Calendar

Mr. MacKeigan presented a summary of the upcoming events that will be held at DeVos Place® and the Van Andel Arena®.

VII. Public Comment

None.

VIII. Next Meeting Date

The date for next CAA Board meeting is Friday, August 6, 2010, the Kent County Commission Chambers, Kent County Administration Building, 300 Monroe Avenue, NW, immediately following the Finance and Operations Committee meetings.

IX. Adjournment

There being no other business, the meeting adjourned at 9:35 a.m.

Susan M. Waddell, Recording Secretary

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS SPECIAL MEETING
Friday, June 25, 2010**

I. Call to Order

Steven Heacock, Chairperson, called the meeting to order at 7:35 a.m. Birgit Klohs, Secretary/Treasurer, recorded the meeting minutes. Chair Heacock added an agenda item relating to the Van Andel Arena® concourse expansion project. Chair Heacock explained that the special meeting was called because there was a question of whether a quorum was present at the June 4, 2010, meeting where action was taken on several items, including the Fiscal Year 2011 budgets. The Board would like to confirm that the budgets would be in effect for the new fiscal year that begins July 1, 2010.

Attendance

Members Present: Steve Heacock, Chair
Lew Chamberlin
George Heartwell
Birgit Klohs
Gary McInerney
Joe Tomaselli

Members Absent: Floyd Wilson, Jr.

Staff/Others:	David Czurak	<i>Grand Rapids Business Journal</i>
	Jim Day	Kent County
	Daryl Delabbio	Kent County
	Scott Gorsline	Grand Rapids Griffins
	Chris Knape	<i>The Grand Rapids Press</i>
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jim Watt	SMG
	Robert White	CAA

II. Motion to Ratify and Confirm FY 2011 DeVos Place® and Van Andel Arena® Operating Budgets

Motion: Ms. Klohs, supported by Mr. Heartwell, moved to ratify and confirm the Fiscal Year 2011 DeVos Place® and Van Andel Arena® Operating Budgets. The motion carried unanimously.

III. Motion to Ratify and Confirm FY 2011 Consolidated CAA Operating/Capital Budgets

Motion: Mr. Heartwell, supported by Mr. Tomaselli, moved to ratify and confirm the Fiscal Year 2011 Consolidated CAA Operating/Capital Budgets. The motion carried unanimously.

IV. Van Andel Arena® Concourse Expansion Construction Bids

Mr. MacKeigan stated that RFPS were sent out to nine local construction firms, and he has received seven responses. The lowest bid came in at \$678,489 and the highest bid was \$902,778, well within the \$1.2 million approved for the project. The bid packets will be reviewed independently by Rossetti and SMG, and they will select three bidders to be interviewed. Mr. MacKeigan requested approval for SMG or the CAA, whichever is deemed appropriate by legal counsel, to enter into an agreement with the construction firm awarded the bid. Attorney Richard Wendt will be asked to prepare the contract in an amount not to exceed \$1 million.

Motion: Mr. Tomaselli, support by Mr. McNerney, moved to approve entering into an agreement with the construction firm awarded the bid, said contract not to exceed \$1 million. Motion carried unanimously.

V. Board Member Comments

Mr. McNerney asked Board members to revisit the Friday meeting schedule. Staff will send out a survey for members to complete.

VI. Public Comment

None.

VII. Adjournment

There being no other business, the meeting adjourned at 7:45 a.m.

Birgit M. Klohs, Recording Secretary

DEVOS PLACE

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED MAY 31, 2010**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Bob McClintock

Lewis Dawley

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

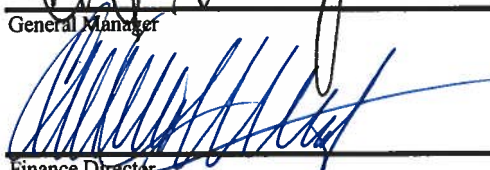
**DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2010**

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	488	25	513	564	(51)
ATTENDANCE	542,825	19,500	562,325	553,300	9,025
DIRECT EVENT REVENUE	2,366,133	78,200	2,444,333	2,263,000	181,333
ANCILLARY REVENUE	1,722,620	155,500	1,878,120	2,277,255	(399,135)
TOTAL EVENT REVENUE	4,088,753	233,700	4,322,453	4,540,255	(217,802)
TOTAL OTHER REVENUE	161,037	16,800	177,837	172,500	5,337
TOTAL OPERATING REVENUE	4,249,790	250,500	4,500,290	4,712,755	(212,465)
INDIRECT EXPENSES					
EXECUTIVE	137,720	14,500	152,220	173,304	21,084
FINANCE	191,654	18,650	210,304	224,296	13,992
MARKETING	61,306	11,340	72,646	107,726	35,080
OPERATIONS	1,198,485	202,410	1,400,895	1,529,250	128,355
EVENT SERVICES	794,901	76,250	871,151	889,147	17,996
BOX OFFICE	69,255	14,300	83,555	72,570	(10,985)
SALES	296,890	52,750	349,640	346,620	(3,020)
OVERHEAD	1,789,226	132,968	1,922,194	2,209,432	287,238
TOTAL OPERATING EXP.	4,539,436	523,168	5,062,605	5,552,345	489,740
NET REVENUE ABOVE EXPENSES	(289,646)	(272,668)	(562,315)	(839,590)	277,275
INCENTIVE FEE		97,292	97,292	0	97,292
NET OPERATING REVENUE OVER OPERATING EXPENSES	(289,646)	(369,960)	(659,607)	(839,590)	179,983

Comments:

DeVos Place continues to perform ahead of budget and consistent with both forecast and previous year. With one month left in the fiscal year it is expected that the facility will finish in excess of \$275K ahead of budget.


General Manager


Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED MAY 31, 2010**

The following schedule summarizes operating results for the current month ending May 31, 2010 and the YTD ending June 30, 2010, compared to budget and to the prior year:

MONTH	May Actual	May Budget	May FY 2009
Number of Events	53	65	46
Attendance	60,792	40,407	57,760
Direct Event Income	\$218,071	\$256,207	\$321,491
Ancillary Income	134,253	259,805	223,526
Other Income	23,252	14,083	5,560
Indirect Expenses	(379,865)	(462,698)	(347,483)
Net Income	(\$4,289)	\$67,397	\$203,094

YTD	YTD 2010 Actual	YTD 2010 Budget	YTD 2009 Prior Year
Number of Events	488	539	510
Attendance	542,825	532,050	530,996
Direct Event Income	\$2,366,133	\$2,210,387	\$2,325,627
Ancillary Income	1,722,620	2,065,733	1,826,535
Other Income	161,037	156,413	137,669
Indirect Expenses	(4,539,436)	(5,089,683)	(4,597,722)
Net Income	(\$289,646)	(\$657,150)	(\$307,891)

EVENT INCOME

Direct event income came in under budget for the month, however, consistent with forecasted expectations.

ANCILLARY INCOME

Ancillary income fell well below budget and a little behind forecasted expectations as the electrical needs of a couple of shows were significantly less than expected.

INDIRECT EXPENSES

Indirect expenses came in ahead of both budget and forecast.

DeVos Place
Income Statement
For the Eleven Months Ending May 31, 2010

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$214,309	\$284,672	(\$70,363)	\$322,404	\$2,388,884	\$2,366,350	\$22,534	\$2,503,253
Service Revenue	334,889	208,964	125,925	307,200	2,066,433	1,912,143	154,290	1,850,639
Service Expenses	(331,127)	(237,429)	(93,698)	(308,113)	(2,089,184)	(2,068,106)	(21,078)	(2,028,265)
Total Direct Event Income	218,071	256,207	(38,136)	321,491	2,366,133	2,210,387	155,746	2,325,627
Ancillary Income								
F&B Concession	11,250	12,845	(1,595)	12,440	135,999	134,138	1,861	133,290
F&B Catering	60,599	82,609	(22,010)	117,619	485,982	698,692	(210,710)	609,074
Novelty Sales	1,664	988	676	2,859	11,612	12,444	(832)	12,798
Booth Cleaning	6,691	33,614	(26,923)	16,287	221,419	248,308	(26,889)	231,239
Telephone/Long Distance	225	250	(25)	3,754	4,395	9,972	(5,577)	25,637
Electrical Services	17,243	72,694	(55,451)	23,296	400,293	457,215	(56,922)	388,772
Audio Visual	21,074	46,052	(24,978)	20,605	272,194	306,154	(33,960)	265,162
Internet Services	1,271	3,387	(2,116)	6,563	48,456	37,264	11,192	21,610
Equipment Rental	14,236	7,366	6,870	20,103	142,270	163,546	(21,276)	138,953
Total Ancillary Income	134,253	259,805	(125,552)	223,526	1,722,620	2,065,733	(343,113)	1,826,535
Other Event Income								
Ticket Rebates(Per Event)	20,902	11,250	9,652	3,158	127,498	125,250	2,248	103,985
Total Other Event Income	20,902	11,250	9,652	3,158	127,498	125,250	2,248	103,985
Total Event Income	373,226	527,262	(154,036)	548,175	4,216,251	4,401,370	(185,119)	4,256,147
Other Operating Income								
Luxury Box Agreements	1,802	2,000	(198)	1,733	19,937	22,000	(2,063)	24,267
Other Income	548	833	(285)	669	13,602	9,163	4,439	9,417
Total Other Operating Income	2,350	2,833	(483)	2,402	33,539	31,163	2,376	33,684
Adjusted Gross Income	375,576	530,095	(154,519)	550,577	4,249,790	4,432,533	(182,743)	4,289,831
Operating Expenses								
Salaries and Wages	265,416	223,027	42,389	284,049	2,498,139	2,453,302	44,837	2,508,797
Payroll Taxes and Benefits	73,212	61,340	11,872	90,736	680,238	674,740	5,498	716,579
Labor Allocations to Events	(186,797)	(119,103)	(67,694)	(212,285)	(1,426,407)	(1,310,133)	(116,274)	(1,434,767)
Net Salaries and Benefits	151,831	165,264	(13,433)	162,500	1,751,970	1,817,909	(65,939)	1,790,609
Contracted Services	24,599	21,200	3,399	22,331	269,946	233,200	36,746	301,796
General and Administrative	20,710	28,768	(8,058)	14,936	262,349	316,448	(54,099)	266,591
Operations	4,594	11,823	(7,229)	8,003	73,710	130,053	(56,343)	69,200
Repair and Maintenance	21,930	41,941	(20,011)	31,459	427,459	461,351	(33,892)	442,360
Operational Supplies	8,454	21,500	(13,046)	8,655	155,996	236,500	(80,504)	130,390
Insurance	20,743	17,463	3,280	19,584	202,326	192,093	10,233	198,344
Utilities	113,781	141,516	(27,735)	66,792	1,250,231	1,556,676	(306,445)	1,247,226
Other	0	0	0	0	0	0	0	5,757
SMG Management Fees	13,223	13,223	0	13,223	145,449	145,453	(4)	145,449
Total Operating Expenses	379,865	462,698	(82,833)	347,483	4,539,436	5,089,683	(550,247)	4,597,722
Net Income(Loss) From Operations	(4,289)	67,397	(71,686)	203,094	(289,646)	(657,150)	367,504	(307,891)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(4,289)	67,397	(71,686)	203,094	(289,646)	(657,150)	367,504	(307,891)

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For Eleven Months Ended May 31, 2010

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	104	169	121,221	158,000	1,606,709	1,744,628
Consumer/Gated Shows	49	59	163,542	162,000	908,229	962,150
Devos Performance Hall	126	124	134,461	141,200	922,143	902,467
Banquets	29	33	21,164	24,600	245,736	235,552
Meetings	94	115	24,799	28,750	315,150	306,693
Other	33	39	16,846	17,500	218,285	249,880
GRAND TOTALS	435	539	482,033	532,050	4,216,254	4,401,370

As Percentage of Overall

Convention/Trade Shows	23.91%	31.35%	25.15%	29.70%	38.11%	39.64%
Consumer/Gated Shows	11.26%	10.95%	33.93%	30.45%	21.54%	21.86%
Devos Performance Hall	28.97%	23.01%	27.89%	26.54%	21.87%	20.50%
Ballroom Exclusive	6.67%	6.12%	4.39%	4.62%	5.83%	5.35%
Meetings	21.61%	21.34%	5.14%	5.40%	7.47%	6.97%
Other	7.59%	7.24%	3.49%	3.29%	5.18%	5.68%

DeVos Place
Balance Sheet
As of May 31, 2010

ASSETS

Current Assets

Cash	1,136,588
Account Receivable	280,348
Prepaid Expenses	45,359

Total Current Assets		\$1,462,295
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Total Assets

\$1,462,295
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	(93,887)
Accrued Expenses	373,964
Deferred Income	68,105
Advanced Ticket Sales & Deposits	401,696

Total Current Liabilities		\$749,878
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Other Liabilities

Equity

Funds Remitted to CAA	(850,000)
Expenses Paid Direct by CAA	1,179,048
Beginning Balance Equity	673,015
Current Year Equity	(289,646)

Total Equity		\$712,417
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Total Liabilities and Equity

\$1,462,295
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of May 31 ,2010

Current - Under 30 Days	
Food & Beverage	68,525
Ticketing	908
Merchandise	-
Decorating	6,690
Audio/Visual	38,635
Van Andel Arena	(215,416)
Operating	287,870
 Over 30 Days	 62,502
 Over 60 Days	 15,500
 Over 90 Days	
Donnell Productions	5,736
Paragon Leather	2,110
Saigon Entertainment	5,002
Grinder Promotions	2,286
 Total Accounts Receivable	 280,348

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2010**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2009 Actual
Net Revenue above Expenses	1,405,678	(562,315)	843,363	863,953
Benchmark			700,000	700,000
Excess	1,405,678	(562,315)	143,363	163,953

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	158,672	158,671	317,343	317,343
Incentive Fee				
Revenue	5,201,346	4,500,290	9,701,636	9,587,496
Benchmark Revenue	4,750,000	4,150,000	8,900,000	8,800,000
Revenue Excess	451,346	350,290	801,636	787,496
Incentive Fee **	-	-	215,491	211,249
Total SMG Management Fee	158,672	158,671	532,834	528,592

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE PERIOD ENDED MAY 31, 2010

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Bob McClintock

Lewis Dawley

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



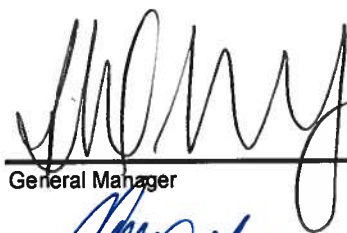
An SMG Managed Facility

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2010

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	100	3	103	105	(2)
ATTENDANCE	561,597	8,500	570,097	559,650	10,447
DIRECT EVENT INCOME	1,435,576	35,000	1,470,576	1,423,745	46,831
ANCILLARY INCOME	1,320,375	8,500	1,328,875	1,113,577	215,298
TOTAL EVENT INCOME	2,755,951	43,500	2,799,451	2,537,322	262,129
TOTAL OTHER INCOME	2,264,445	137,450	2,401,895	2,467,390	(65,495)
TOTAL INCOME	5,020,396	180,950	5,201,346	5,004,712	196,634
INDIRECT EXPENSES					
EXECUTIVE	146,140	17,650	163,790	187,074	23,284
FINANCE	173,891	23,980	197,871	233,925	36,054
MARKETING	273,592	17,360	290,952	275,280	(15,672)
OPERATIONS	1,303,664	277,649	1,581,313	1,644,844	63,531
BOX OFFICE	113,563	16,646	130,209	144,138	13,929
LUXURY SEATING	74,312	6,035	80,347	86,751	6,404
SKYWALK ADMIN	21,882	1,646	23,528	23,956	428
OVERHEAD	1,248,206	79,452	1,327,658	1,246,071	(81,587)
TOTAL INDIRECT EXP.	3,355,250	440,418	3,795,668	3,842,039	46,371
NET REVENUE ABOVE EXPENSES	1,665,146	(259,468)	1,405,678	1,162,673	243,005
LESS INCENTIVE FEE		97,292	97,292	-	(97,292)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,665,146	(356,760)	1,308,386	1,162,673	145,713

Comments:

May was a very successful month for the Arena with a sold out Nickelback concert in addition to stronger than expected results from the Bill Gaither Homecoming concert and the Beth Moore religious conference held during the month.



General Manager



Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED MAY 31, 2010**

The following schedule summarizes operating results for the current month ending May 31, 2010 and the YTD ending June 30, 2009 compared to budget and to the prior year:

MONTH	May Actual	May Budget	May FY 2009
Number of Events	7	9	4
Attendance	53,751	53,000	13,472
Direct Event Income	\$173,320	\$188,582	\$23,315
Ancillary Income	90,960	62,774	51,704
Other Income	198,176	218,365	167,159
Indirect Expenses	(326,397)	(320,171)	(274,683)
Net Income	\$136,059	\$149,550	(\$32,505)

YTD	YTD 2010 Actual	YTD 2010 Budget	YTD 2009 Prior Year
Number of Events	100	104	114
Attendance	561,597	552,650	591,532
Direct Event Income	\$1,435,576	\$1,387,981	\$1,206,361
Ancillary Income	1,320,375	1,095,669	1,241,968
Other Income	2,264,445	2,293,825	2,309,740
Indirect Expenses	(3,355,250)	(3,521,881)	(3,454,165)
Net Income	\$1,665,146	\$1,255,594	\$1,303,904

EVENT INCOME

Direct event income came in consistent with budget and ahead of forecast as all events hosted during the month performed better than expectations.

ANCILLARY INCOME

Ancillary income came in ahead of budget and forecast as per cap spending on all events hosted came in ahead of expectations.

INDIRECT EXPENSES

Indirect expenses came in at expected levels for the month.

Van Andel Arena
Income Statement
For the Eleven Months Ending May 31, 2010

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$151,191	\$167,356	(16,165)	\$38,307	\$1,800,978	\$1,814,574	(13,596)	\$2,044,393
Service Revenue	180,662	248,633	(67,971)	61,886	1,804,499	1,668,454	136,045	1,831,824
Service Expenses	(158,533)	(227,407)	68,874	(76,878)	(2,169,901)	(2,095,047)	(74,854)	(2,669,856)
Total Direct Event Income	173,320	188,582	(15,262)	23,315	1,435,576	1,387,981	47,595	1,206,361
Ancillary Income								
F&B Concession	74,112	48,009	26,103	33,959	1,102,877	891,935	210,942	998,242
F&B Catering	4,926	3,508	1,418	1,174	86,573	72,540	14,033	90,924
Novelty Sales	11,122	11,257	(135)	10,731	97,337	100,394	(3,057)	117,359
Booth Cleaning	800	0	800	0	1,065	0	1,065	614
Audio Visual	0	0	0	0	23	0	23	2,479
Other Ancillary	0	0	0	5,840	32,500	30,800	1,700	32,350
Total Ancillary Income	90,960	62,774	28,186	51,704	1,320,375	1,095,669	224,706	1,241,968
Other Event Income								
Ticket Rebates(Per Event)	32,210	35,655	(3,445)	18,669	374,044	310,295	63,749	323,278
Total Other Event Income	32,210	35,655	(3,445)	18,669	374,044	310,295	63,749	323,278
Total Event Income	296,490	287,011	9,479	93,688	3,129,995	2,793,945	336,050	2,771,607
Other Operating Income								
Luxury Box Agreements	117,455	121,626	(4,171)	97,309	1,297,206	1,311,606	(14,400)	1,365,307
Advertising	44,000	54,167	(10,167)	46,500	520,534	595,837	(75,303)	541,625
Other Income	4,511	6,917	(2,406)	4,681	72,661	76,087	(3,426)	79,530
Total Other Operating Income	165,966	182,710	(16,744)	148,490	1,890,401	1,983,530	(93,129)	1,986,462
Adjusted Gross Income	462,456	469,721	(7,265)	242,178	5,020,396	4,777,475	242,921	4,758,069
Operating Expenses								
Salaries and Wages	188,021	158,969	29,052	139,266	1,723,972	1,748,659	(24,687)	1,793,789
Payroll Taxes and Benefits	49,718	46,429	3,289	29,029	453,757	510,719	(56,962)	484,846
Labor Allocations to Events	(78,015)	(71,669)	(6,346)	(36,372)	(775,956)	(788,359)	12,403	(823,304)
Net Salaries and Benefits	159,724	133,729	25,995	131,923	1,401,773	1,471,019	(69,246)	1,455,331
Contracted Services	20,430	21,300	(870)	19,736	219,675	234,300	(14,625)	254,983
General and Administrative	25,547	27,965	(2,418)	19,097	307,306	307,615	(309)	295,214
Operations	1,686	5,183	(3,497)	2,455	24,000	57,013	(33,013)	57,142
Repair and Maintenance	15,116	18,662	(3,546)	6,894	151,399	205,282	(53,883)	176,650
Operational Supplies	5,559	18,342	(12,783)	2,055	129,635	201,762	(72,127)	112,043
Insurance	12,588	2,667	9,921	5,028	146,025	29,337	116,688	118,985
Utilities	72,524	79,100	(6,576)	74,272	829,988	870,100	(40,112)	838,368
SMG Management Fees	13,223	13,223	0	13,223	145,449	145,453	(4)	145,449
Total Operating Expenses	326,397	320,171	6,226	274,683	3,355,250	3,521,881	(166,631)	3,454,165
Net Income(Loss) From Operations	136,059	149,550	(13,491)	(32,505)	1,665,146	1,255,594	409,552	1,303,904
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	136,059	149,550	(13,491)	(32,505)	1,665,146	1,255,594	409,552	1,303,904

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For Eleven Months Ending May 31, 2010

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	13	17	50,126	64,500	138,264	259,522
Sporting Event	16	13	51,672	51,000	345,772	333,035
Concert	17	22	150,864	160,000	1,878,944	1,718,392
Team Home Games	40	40	230,220	220,000	589,745	481,160
Other	14	12	78,715	57,150	491,118	286,086
GRAND TOTALS	100	104	561,597	552,650	3,443,843	3,078,195

As Percentage of Overall

Family Show	13.00%	16.35%	8.93%	11.67%	4.01%	8.43%
Sporting Event	16.00%	12.50%	9.20%	9.23%	10.04%	10.82%
Concert	17.00%	21.15%	26.86%	28.95%	54.56%	55.82%
Team Home Games	40.00%	38.46%	40.99%	39.81%	17.12%	15.63%
Other	14.00%	11.54%	14.02%	10.34%	14.26%	9.29%

Van Andel Arena
Balance Sheet
As of May 31, 2010

ASSETS

Current Assets

Cash	1,988,452
Account Receivable	865,828
Prepaid Expenses	104,752

Total Current Assets	\$2,959,033	
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Total Assets	\$2,959,033	
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	(772,196)
Accrued Expenses	821,013
Deferred Income	1,198,397
Advanced Ticket Sales & Deposits	553,353

Total Current Liabilities	\$1,800,568	
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Other Liabilities

Equity

Funds Remitted to CAA	(2,100,000)
Expenses Paid Direct by CAA	773,288
Beginning Balance Equity	820,031
Current Year Equity	1,665,146

Total Equity	\$1,158,465	
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Total Liabilities and Equity	\$2,959,033	
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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of May 31 ,2010

Current - Under 30 Days	
Food & Beverage	68,578
Ticketing	40,800
Merchandise	-
Permanent Advertising	138,457
DeVos Place	215,367
Operating	257,648
 Over 30 Days	 112,478
 Over 60 Days	 32,500
 Over 90 Days	
 Total Accounts Receivable	 865,828

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2010**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2009 Actual
Net Revenue above Expenses	1,405,678	(562,315)	843,363	863,953
Benchmark			700,000	700,000
Excess	1,405,678	(562,315)	143,363	163,953

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	158,672	158,671	317,343	317,343
Incentive Fee				
Revenue	5,201,346	4,500,290	9,701,636	9,587,496
Benchmark Revenue	4,750,000	4,150,000	8,900,000	8,800,000
Revenue Excess	451,346	350,290	801,636	787,496
Incentive Fee **	-	-	215,491	211,249
Total SMG Management Fee	158,672	158,671	532,834	528,592

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

DEVOS PLACE

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2010**

*****UNAUDITED*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Bob McClintock
Lewis Dawley
Gary McAneney
Howard Feldman
Richard MacKeigan
Chris Machuta



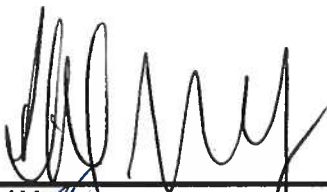
An SMG Managed Facility


DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2010

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	510		510	564	(54)
ATTENDANCE	561,580		561,580	553,300	8,280
DIRECT EVENT REVENUE	2,448,063		2,448,063	2,263,000	185,063
ANCILLARY REVENUE	1,843,412		1,843,412	2,277,255	(433,843)
TOTAL EVENT REVENUE	4,291,475	-	4,291,475	4,540,255	(248,780)
TOTAL OTHER REVENUE	177,649		177,649	172,500	5,149
TOTAL OPERATING REVENUE	4,469,124	-	4,469,124	4,712,755	(243,631)
INDIRECT EXPENSES					
EXECUTIVE	149,810		149,810	173,304	23,494
FINANCE	209,030		209,030	224,296	15,266
MARKETING	69,514		69,514	107,726	38,212
OPERATIONS	1,374,844		1,374,844	1,529,250	154,406
EVENT SERVICES	871,025		871,025	889,147	18,122
BOX OFFICE	73,848		73,848	72,570	(1,278)
SALES	333,793		333,793	346,620	12,827
OVERHEAD	1,944,183		1,944,183	2,209,432	265,249
TOTAL OPERATING EXP.	5,026,047	-	5,026,047	5,552,345	526,298
NET REVENUE ABOVE EXPENSES	(556,923)	-	(556,923)	(839,590)	282,667
INCENTIVE FEE		105,286	105,286	0	105,286
NET OPERATING REVENUE OVER OPERATING EXPENSES	(556,923)	(105,286)	(662,209)	(839,590)	177,381

Comments:

DeVos Place concludes the fiscal year ahead of budget overall. Shortfall in revenue was offset by a savings in expenses, however, both come in very consistent with prior year.


General Manager


Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED JUNE 30, 2010**

The following schedule summarizes operating results for the current month ending June 30, 2010 and the YTD ending June 30, 2010, compared to budget and to the prior year:

MONTH	June Actual	June Budget	June FY 2009
Number of Events	22	25	22
Attendance	18,755	21,250	7,977
Direct Event Income	\$81,930	\$52,613	\$50,684
Ancillary Income	120,793	211,522	95,753
Other Income	16,612	(5,913)	79,045
Indirect Expenses	(486,612)	(462,662)	(438,823)
Net Income	(\$267,277)	(\$204,440)	(\$213,341)

YTD	YTD 2010 Actual	YTD 2010 Budget	YTD 2009 Prior Year
Number of Events	510	564	532
Attendance	561,580	553,300	538,973
Direct Event Income	\$2,448,063	\$2,263,000	\$2,376,311
Ancillary Income	1,843,412	2,277,255	1,922,287
Other Income	177,649	172,500	216,713
Indirect Expenses	(5,026,047)	(5,552,345)	(5,036,546)
Net Income	(\$556,923)	(\$839,590)	(\$521,235)

EVENT INCOME

Direct event income came in a little behind budget overall, however, ahead of budget for the year as a whole.

ANCILLARY INCOME

Ancillary income, as has been the case most months this fiscal year, fell short of budget. While usage of the facility has continued to be strong, the spending by the shows when they are in the facility has not come back to past levels.

INDIRECT EXPENSES

Indirect expenses were consistent with budget. Overall expenses came in ahead of budget with most of the savings again coming in utilities. They also came in very consistent with prior year spending.

DeVos Place
Income Statement
For the Twelve Months Ending June 30, 2010

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$103,178	\$78,650	\$24,528	\$66,643	\$2,492,062	\$2,445,000	\$47,062	\$2,569,896
Service Revenue	101,803	5,857	95,946	59,938	2,168,236	1,918,000	250,236	1,910,576
Service Expenses	(123,051)	(31,894)	(91,157)	(75,897)	(2,212,235)	(2,100,000)	(112,235)	(2,104,161)
Total Direct Event Income	81,930	52,613	29,317	50,684	2,448,063	2,263,000	185,063	2,376,311
Ancillary Income								
F&B Concession	8,380	(1,263)	9,643	3,098	144,379	132,875	11,504	136,388
F&B Catering	55,317	70,933	(15,616)	64,725	541,299	767,825	(226,326)	673,799
Novelty Sales	3,361	(1,444)	4,805	0	14,973	11,000	3,973	12,798
Booth Cleaning	16,076	28,877	(12,801)	1,078	237,495	277,185	(39,690)	232,317
Telephone/Long Distance	0	16,028	(16,028)	113	4,395	26,000	(21,605)	25,749
Electrical Services	11,524	64,385	(52,861)	6,280	411,817	521,600	(109,783)	395,052
Audio Visual	18,758	33,716	(14,958)	17,012	290,952	339,870	(48,918)	282,174
Internet Services	1,376	(4,764)	6,140	713	49,831	32,500	17,331	22,323
Equipment Rental	6,001	5,054	947	2,734	148,271	168,600	(20,329)	141,687
Total Ancillary Income	120,793	211,522	(90,729)	95,753	1,843,412	2,277,255	(433,843)	1,922,287
Other Event Income								
Ticket Rebates(Per Event)	11,738	(10,750)	22,488	2,265	139,236	114,500	24,736	106,249
Total Other Event Income	11,738	(10,750)	22,488	2,265	139,236	114,500	24,736	106,249
Total Event Income	214,461	253,385	(38,924)	148,702	4,430,711	4,654,755	(224,044)	4,404,847
Other Operating Income								
Luxury Box Agreements	1,802	2,000	(198)	1,733	21,739	24,000	(2,261)	26,000
Other Income	3,072	2,837	235	75,047	16,674	34,000	(17,326)	84,464
Total Other Operating Income	4,874	4,837	37	76,780	38,413	58,000	(19,587)	110,464
Adjusted Gross Income	219,335	258,222	(38,887)	225,482	4,469,124	4,712,755	(243,631)	4,515,311
Operating Expenses								
Salaries and Wages	213,629	223,003	(9,374)	203,230	2,711,768	2,676,305	35,463	2,712,027
Payroll Taxes and Benefits	45,096	61,342	(16,246)	38,097	725,334	736,082	(10,748)	754,676
Labor Allocations to Events	(81,100)	(119,112)	38,012	(58,282)	(1,507,507)	(1,429,245)	(78,262)	(1,493,049)
Net Salaries and Benefits	177,625	165,233	12,392	183,045	1,929,595	1,983,142	(53,547)	1,973,654
Contracted Services	20,787	21,200	(413)	21,385	290,733	254,400	36,333	323,180
General and Administrative	25,558	28,752	(3,194)	14,377	287,907	345,200	(57,293)	280,968
Operations	33,314	11,827	21,487	25,352	107,023	141,880	(34,857)	94,552
Repair and Maintenance	60,304	41,940	18,364	50,413	487,763	503,291	(15,528)	492,774
Operational Supplies	28,334	21,500	6,834	2,351	184,330	258,000	(73,670)	132,741
Insurance	13,303	17,468	(4,165)	10,971	215,629	209,561	6,068	209,316
Utilities	114,164	141,524	(27,360)	117,706	1,364,395	1,698,200	(333,805)	1,364,932
Other	0	0	0	0	0	0	0	5,757
SMG Management Fees	13,223	13,218	5	13,223	158,672	158,671	1	158,672
Total Operating Expenses	486,612	462,662	23,950	438,823	5,026,047	5,552,345	(526,298)	5,036,546
Net Income(Loss) From Operations	(267,277)	(204,440)	(62,837)	(213,341)	(556,923)	(839,590)	282,667	(521,235)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(267,277)	(204,440)	(62,837)	(213,341)	(556,923)	(839,590)	282,667	(521,235)

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For Twelve Months Ended June 30, 2010

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	121	180	130,471	170,000	1,678,228	1,951,000
Consumer/Gated Shows	50	62	166,777	165,000	908,848	1,023,650
Devos Performance Hall	149	126	160,787	144,200	949,159	829,825
Banquets	36	36	27,364	26,100	313,681	264,905
Meetings	105	120	28,083	30,000	320,325	335,520
Other	49	40	48,098	18,000	260,470	249,855
GRAND TOTALS	510	564	561,580	553,300	4,430,713	4,654,755

As Percentage of Overall

Convention/Trade Shows	23.73%	31.91%	23.23%	30.72%	37.88%	41.91%
Consumer/Gated Shows	9.80%	10.99%	29.70%	29.82%	20.51%	21.99%
Devos Performance Hall	29.22%	22.34%	28.63%	26.06%	21.42%	17.83%
Ballroom Exclusive	7.06%	6.38%	4.87%	4.72%	7.08%	5.69%
Meetings	20.59%	21.28%	5.00%	5.42%	7.23%	7.21%
Other	9.61%	7.09%	8.56%	3.25%	5.88%	5.37%

DeVos Place
Balance Sheet
For the Twelve Months Ending June 30, 2010

ASSETS

Current Assets

Cash	852,675
Account Receivable	248,737
Prepaid Expenses	115,304

Total Current Assets		\$1,216,715
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Total Assets

\$1,216,715

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	32,489
Accrued Expenses	274,898
Deferred Income	56,444
Advanced Ticket Sales & Deposits	300,066

Total Current Liabilities		\$663,896
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Other Liabilities

Equity

Funds Remitted to CAA	(850,000)
Expenses Paid Direct by CAA	1,286,728
Beginning Balance Equity	673,015
Current Year Equity	(556,923)

Total Equity		\$552,819
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Total Liabilities and Equity		\$1,216,715
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of April 30, 2010

Current - Under 30 Days	
Food & Beverage	63,696
Ticketing	13,431
Merchandise	-
Decorating	16,075
Audio/Visual	16,039
Van Andel Arena	(173,580)
Operating	207,732
 Over 30 Days	 77,780
 Over 60 Days	 12,430
 Over 90 Days	
Donnell Productions	5,736
Paragon Leather	2,110
Saigon Entertainment	5,002
Grinder Promotions	2,286
 Total Accounts Receivable	 248,737

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2010**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2009 Actual
Net Revenue above Expenses	1,442,375	(556,923)	885,452	863,953
Benchmark			700,000	700,000
Excess	1,442,375	(556,923)	185,452	163,953

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	158,672	158,671	317,343	317,343
Incentive Fee				
Revenue	5,216,115	4,469,124	9,685,239	9,587,496
Benchmark Revenue	4,750,000	4,150,000	8,900,000	8,800,000
Revenue Excess	466,115	319,124	785,239	787,496
Incentive Fee **	-	-	210,572	211,249
Total SMG Management Fee	158,672	158,671	527,915	528,592

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE PERIOD ENDED JUNE 30, 2010

*****UNAUDITED*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Bob McClintock

Lewis Dawley

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



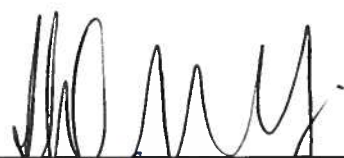
An SMG Managed Facility


VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2010

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	103		103	105	(2)
ATTENDANCE	567,846		567,846	559,650	8,196
DIRECT EVENT INCOME	1,478,431		1,478,431	1,423,745	54,686
ANCILLARY INCOME	1,332,577		1,332,577	1,113,577	219,000
TOTAL EVENT INCOME	2,811,008	-	2,811,008	2,537,322	273,686
TOTAL OTHER INCOME	2,405,107		2,405,107	2,467,390	(62,283)
TOTAL INCOME	5,216,115	-	5,216,115	5,004,712	211,403
INDIRECT EXPENSES					
EXECUTIVE	156,030		156,030	187,074	31,044
FINANCE	195,271		195,271	233,925	38,654
MARKETING	293,636		293,636	275,280	(18,356)
OPERATIONS	1,538,470		1,538,470	1,644,844	106,374
BOX OFFICE	127,714		127,714	144,138	16,424
LUXURY SEATING	81,925		81,925	86,751	4,826
SKYWALK ADMIN	23,381		23,381	23,956	575
OVERHEAD	1,357,313		1,357,313	1,246,071	(111,242)
TOTAL INDIRECT EXP.	3,773,740	-	3,773,740	3,842,039	68,299
NET REVENUE ABOVE EXPENSES	1,442,375	-	1,442,375	1,162,673	279,702
LESS INCENTIVE FEE		105,286	105,286	-	(105,286)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,442,375	(105,286)	1,337,089	1,162,673	174,416

Comments:

With a very strong 4th quarter of the fiscal year, the Arena was able to offset a slow start to the fiscal year and end the year ahead of budget and slightly ahead of prior fiscal year.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED JUNE 30, 2010**

The following schedule summarizes operating results for the current month ending June 30, 2010 and the YTD ending June 30, 2009 compared to budget and to the prior year:

MONTH	June Actual	June Budget	June FY 2009
Number of Events	3	1	1
Attendance	6,249	7,000	3,096
Direct Event Income	\$42,854	\$35,764	(\$6,437)
Ancillary Income	12,202	17,909	10,978
Other Income	140,662	173,565	309,573
Indirect Expenses	(418,490)	(320,158)	(232,829)
Net Income	(\$222,772)	(\$92,920)	\$81,285

YTD	YTD 2010 Actual	YTD 2010 Budget	YTD 2009 Prior Year
Number of Events	103	105	115
Attendance	567,846	559,650	594,628
Direct Event Income	\$1,478,431	\$1,423,745	\$1,199,923
Ancillary Income	1,332,577	1,113,577	1,252,947
Other Income	2,405,107	2,467,390	2,619,314
Indirect Expenses	(3,773,740)	(3,842,039)	(3,686,994)
Net Income	\$1,442,375	\$1,162,673	\$1,385,190

EVENT INCOME

Direct event income came in consistent for the month and consistent with budget overall for the fiscal year as a whole.

ANCILLARY INCOME

Ancillary income came in at expected levels for the month. Ancillary income, led by very strong per caps over the course of year, finished the fiscal year well ahead of budget.

INDIRECT EXPENSES

Indirect expenses came in at expected levels when compared to the forecast.

Van Andel Arena
Income Statement
For the Twelve Months Ending June 30, 2010

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$28,274	\$33,052	(4,778)	(\$7,387)	\$1,829,252	\$1,847,626	(18,374)	\$2,037,006
Service Revenue	58,256	46,426	11,830	47,494	1,862,755	1,714,880	147,875	1,879,317
Service Expenses	(43,676)	(43,714)	38	(46,544)	(2,213,576)	(2,138,761)	(74,815)	(2,716,400)
Total Direct Event Income	42,854	35,764	7,090	(6,437)	1,478,431	1,423,745	54,686	1,199,923
Ancillary Income								
F&B Concession	5,538	13,671	(8,133)	7,442	1,108,415	905,606	202,809	1,005,684
F&B Catering	1,240	1,072	168	354	87,813	73,612	14,201	91,279
Novelty Sales	4,327	3,166	1,161	3,182	101,664	103,559	(1,895)	120,541
Booth Cleaning	0	0	0	0	1,065	0	1,065	614
Audio Visual	1,097	0	1,097	0	1,120	0	1,120	2,479
Other Ancillary	0	0	0	0	32,500	30,800	1,700	32,350
Total Ancillary Income	12,202	17,909	(5,707)	10,978	1,332,577	1,113,577	219,000	1,252,947
Other Event Income								
Ticket Rebates(Per Event)	6,454	10,385	(3,931)	2,361	380,498	320,680	59,818	325,639
Total Other Event Income	6,454	10,385	(3,931)	2,361	380,498	320,680	59,818	325,639
Total Event Income	61,510	64,058	(2,548)	6,902	3,191,506	2,858,002	333,504	2,778,509
Other Operating Income								
Luxury Box Agreements	87,470	102,104	(14,634)	180,674	1,384,676	1,413,710	(29,034)	1,545,982
Advertising	44,000	54,163	(10,163)	121,500	564,534	650,000	(85,466)	663,125
Other Income	2,738	6,913	(4,175)	5,038	75,399	83,000	(7,601)	84,568
Total Other Operating Income	134,208	163,180	(28,972)	307,212	2,024,609	2,146,710	(122,101)	2,293,675
Adjusted Gross Income	195,718	227,238	(31,520)	314,114	5,216,115	5,004,712	211,403	5,072,184
Operating Expenses								
Salaries and Wages	191,556	158,944	32,612	133,799	1,915,528	1,907,603	7,925	1,927,588
Payroll Taxes and Benefits	40,586	46,424	(5,838)	20,481	494,344	557,143	(62,799)	505,328
Labor Allocations to Events	(35,020)	(71,669)	36,649	(31,009)	(810,976)	(860,028)	49,052	(854,313)
Net Salaries and Benefits	197,122	133,699	63,423	123,271	1,598,896	1,604,718	(5,822)	1,578,603
Contracted Services	16,430	21,300	(4,870)	12,365	236,105	255,600	(19,495)	267,348
General and Administrative	23,493	27,985	(4,492)	(6,489)	330,799	335,600	(4,801)	288,725
Operations	15,819	5,187	10,632	12,016	39,819	62,200	(22,381)	69,158
Repair and Maintenance	46,985	18,668	28,317	16,478	198,384	223,950	(25,566)	193,128
Operational Supplies	26,134	18,338	7,796	7,401	155,769	220,100	(64,331)	119,443
Insurance	4,148	2,663	1,485	3,264	150,173	32,000	118,173	122,249
Utilities	75,136	79,100	(3,964)	51,300	905,123	949,200	(44,077)	889,668
SMG Management Fees	13,223	13,218	5	13,223	158,672	158,671	1	158,672
Total Operating Expenses	418,490	320,158	98,332	232,829	3,773,740	3,842,039	(68,299)	3,686,994
Net Income(Loss) From Operations	(222,772)	(92,920)	(129,852)	81,285	1,442,375	1,162,673	279,702	1,385,190
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(222,772)	(92,920)	(129,852)	81,285	1,442,375	1,162,673	279,702	1,385,190

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For Twelve Months Ending June 30, 2010

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	13	16	50,126	60,500	138,264	259,522
Sporting Event	16	13	51,672	51,000	345,772	333,035
Concert	18	23	155,920	167,000	1,925,888	1,791,159
Team Home Games	40	40	230,220	220,000	589,498	481,160
Other	16	12	79,908	57,150	509,442	286,086
GRAND TOTALS	103	104	567,846	555,650	3,508,864	3,150,962

As Percentage of Overall

Family Show	12.62%	15.38%	8.83%	10.89%	3.94%	8.24%
Sporting Event	15.53%	12.50%	9.10%	9.18%	9.85%	10.57%
Concert	17.48%	22.12%	27.46%	30.05%	54.89%	56.84%
Team Home Games	38.83%	38.46%	40.54%	39.59%	16.80%	15.27%
Other	15.53%	11.54%	14.07%	10.29%	14.52%	9.08%

Van Andel Arena
Balance Sheet
As of June 30, 2010

ASSETS

Current Assets

Cash	2,707,438
Account Receivable	608,898
Prepaid Expenses	112,398

Total Current Assets		\$3,428,733
-----------------------------	--	--------------------

Total Assets		\$3,428,733
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	(48,552)
Accrued Expenses	831,542
Deferred Income	1,057,076
Advanced Ticket Sales & Deposits	584,648

Total Current Liabilities		\$2,424,713
----------------------------------	--	--------------------

Other Liabilities

Equity

Funds Remitted to CAA	(2,100,000)
Expenses Paid Direct by CAA	841,613
Beginning Balance Equity	820,031
Current Year Equity	1,442,377

Total Equity		\$1,004,020
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Total Liabilities and Equity		\$3,428,733
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5

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2010

Current - Under 30 Days	
Food & Beverage	9,834
Ticketing	48,730
Merchandise	5,926
Permanent Advertising	138,457
DeVos Place	184,603
Operating	120,748
 Over 30 Days	 68,100
 Over 60 Days	 32,500
 Over 90 Days	
 Total Accounts Receivable	 608,898

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2010**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2009 Actual
Net Revenue above Expenses	1,442,375	(556,923)	885,452	863,953
Benchmark			700,000	700,000
Excess	1,442,375	(556,923)	185,452	163,953

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	158,672	158,671	317,343	317,343
Incentive Fee				
Revenue	5,216,115	4,469,124	9,685,239	9,587,496
Benchmark Revenue	4,750,000	4,150,000	8,900,000	8,800,000
Revenue Excess	466,115	319,124	785,239	787,496
Incentive Fee **	-	-	210,572	211,249
Total SMG Management Fee	158,672	158,671	527,915	528,592

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

3:28 PM

07/19/10

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Balance Sheet
As of May 31, 2010

	May 31, 10
ASSETS	
Current Assets	
Checking/Savings	
1040 · Cash - Operations - SMG	5,310,756.10
1050 · Operations - Cash	62,775.65
Total Checking/Savings	5,373,531.75
Other Current Assets	
1070 · Kent County - Operating	23,489,142.22
1200 · Accounts Receivable	2,118,099.17
1300 · Prepaid Expenses	204,866.35
1600 · Advances/Deposits Receivable	-2,950,001.07
Total Other Current Assets	22,862,106.67
Total Current Assets	28,235,638.42
Fixed Assets	
Buildings & Structures	
Depreciation	-83,557.38
Original Cost	322,431.00
Total Buildings & Structures	238,873.62
Equip	
Depreciation	-817,407.58
Original Cost	1,063,917.04
Equip - Other	130,251.19
Total Equip	376,760.65
Vehicles	43,914.30
Total Fixed Assets	659,548.57
TOTAL ASSETS	28,895,186.99
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	117,497.12
2005 · Accounts payable - SMG	706,647.17
Total Accounts Payable	824,144.29
Other Current Liabilities	
2200 · Accrued Expenses	876,270.61
2210 · Advance Ticket Sales	3,033,935.73
2220 · Advance deposits	277,635.00
2500 · Deferred facility income	1,233,686.74
Total Other Current Liabilities	5,421,528.08
Total Current Liabilities	6,245,672.37
Total Liabilities	6,245,672.37
Equity	
3000 · Opening Bal Equity	37,035,584.45
3900 · Retained Earnings	-12,256,580.05
Net Income	-2,129,489.78
Total Equity	22,649,514.62
TOTAL LIABILITIES & EQUITY	28,895,186.99

3:31 PM

Grand Rapids-Kent County Convention/Arena Authority

07/19/10

Profit & Loss Budget vs. Actual

Accrual Basis

July 2009 through May 2010

	Jul '09 - May 10	Budget	\$ Over Budget	% of Budget
Income				
4500 · Interest on Investments	276,520.73	618,750.00	-342,229.27	44.7%
4540 · Land Lease	117,701.00	123,521.75	-5,820.75	95.3%
4545 · Parking Revenues	709,817.92	786,145.25	-76,327.33	90.3%
4550 · Miscellaneous Revenue	31,179.63	0.00	31,179.63	100.0%
Total Income	1,135,219.28	1,528,417.00	-393,197.72	74.3%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	32,943.84	34,833.34	-1,889.50	94.6%
6040 · Legal Services	32,384.95	32,083.34	301.61	100.9%
Total 6000 · Professional Services	65,328.79	66,916.68	-1,587.89	97.6%
6060 · Other Contractual Services	111,966.19	338,250.00	-226,283.81	33.1%
6065 · Pedestrian Safety	76,500.98	88,000.00	-11,499.02	86.9%
6068 · Parking Management	141,700.00	246,263.42	-104,563.42	57.5%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	1,086.66	0.00	1,086.66	100.0%
6020 · Computer Services	729.00	0.00	729.00	100.0%
6030 · Insurance-Property/Liability	22,903.00	22,000.00	903.00	104.1%
6101 · Advertising/Promo/Publicity	8,037.70	0.00	8,037.70	100.0%
6110 · Meeting Expense	26,718.64	9,166.67	17,551.97	291.5%
6120 · Supplies	3,843.13	4,583.34	-740.21	83.8%
Total 6100 · Other Supplies & Expenses	63,318.13	35,750.01	27,568.12	177.1%
6160 · Facility Repair and Maintenance	19,350.25	9,166.67	10,183.58	211.1%
6200 · Capital Replacement Projects	563,008.47	1,783,100.00	-1,220,091.53	31.6%
6210 · F&B Repair & Maintenance	0.00	18,333.34	-18,333.34	0.0%
6300 · Utilities Expense				
6301 · Electricity	1,098,365.06	1,129,333.34	-30,968.28	97.3%
6310 · Natural Gas	15,540.52	16,500.00	-959.48	94.2%
6320 · Steam	667,571.56	1,034,825.00	-367,253.44	64.5%
6340 · Water & Sewer	96,524.02	103,125.00	-6,600.98	93.6%
Total 6300 · Utilities Expense	1,878,001.16	2,283,783.34	-405,782.18	82.2%
6500 · DID Assessment	53,175.29	53,139.00	36.29	100.1%
6600 · SMG Incentive Fees	211,249.00			
8000 · Personal Services				
8001 · Employee Wages	59,174.68	60,339.59	-1,164.91	98.1%
8030 · Employee Benefits	21,936.12	19,448.92	2,487.20	112.8%
Total 8000 · Personal Services	81,110.80	79,788.51	1,322.29	101.7%
Total Expense	3,264,709.06	5,002,490.97	-1,737,781.91	65.3%
Net Income	-2,129,489.78	-3,474,073.97	1,344,584.19	61.3%

3:30 PM

07/19/10

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority

Profit & Loss Prev Year Comparison

July 2009 through May 2010

	Jul '09 - May 10	Jul '08 - May 09	\$ Change	% Change
Income				
4500 · Interest on Investments	276,520.73	560,859.79	-284,339.06	-50.7%
4540 · Land Lease	117,701.00	140,681.35	-22,980.35	-16.3%
4545 · Parking Revenues	709,817.92	757,004.75	-47,186.83	-6.2%
4550 · Miscellaneous Revenue	31,179.63	112,293.00	-81,113.37	-72.2%
Total Income	1,135,219.28	1,570,838.89	-435,619.61	-27.7%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	32,943.84	28,322.76	4,621.08	16.3%
6040 · Legal Services	32,384.95	-106,048.04	138,432.99	130.5%
Total 6000 · Professional Services	65,328.79	-77,725.28	143,054.07	184.1%
6060 · Other Contractual Services	111,966.19	149,588.78	-37,622.59	-25.2%
6065 · Pedestrian Safety	76,500.98	72,255.99	4,244.99	5.9%
6068 · Parking Management	141,700.00	186,467.00	-44,767.00	-24.0%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	1,086.66	618.56	468.10	75.7%
6020 · Computer Services	729.00	295.98	433.02	146.3%
6030 · Insurance-Property/Liability	22,903.00	20,673.00	2,230.00	10.8%
6101 · Advertising/Promo/Publicity	8,037.70	1,690.00	6,347.70	375.6%
6110 · Meeting Expense	26,718.64	8,246.73	18,471.91	224.0%
6120 · Supplies	3,843.13	5,450.68	-1,607.55	-29.5%
Total 6100 · Other Supplies & Expenses	63,318.13	36,974.95	26,343.18	71.3%
6160 · Facility Repair and Maintenance	19,350.25	0.00	19,350.25	100.0%
6200 · Capital Replacement Projects	563,008.47	360,889.45	202,119.02	56.0%
6210 · F&B Repair & Maintenance	0.00	12,219.20	-12,219.20	-100.0%
6300 · Utilities Expense				
6301 · Electricity	1,098,365.06	1,109,781.46	-11,416.40	-1.0%
6310 · Natural Gas	15,540.52	22,810.25	-7,269.73	-31.9%
6320 · Steam	667,571.56	665,999.77	1,571.79	0.2%
6340 · Water & Sewer	96,524.02	97,566.24	-1,042.22	-1.1%
Total 6300 · Utilities Expense	1,878,001.16	1,896,157.72	-18,156.56	-1.0%
6500 · DID Assessment	53,175.29	53,138.59	36.70	0.1%
6600 · SMG Incentive Fees	211,249.00	308,100.00	-96,851.00	-31.4%
8000 · Personal Services				
8001 · Employee Wages	59,174.68	61,222.35	-2,047.67	-3.3%
8030 · Employee Benefits	21,936.12	15,224.98	6,711.14	44.1%
Total 8000 · Personal Services	81,110.80	76,447.33	4,663.47	6.1%
Total Expense	3,264,709.06	3,074,513.73	190,195.33	6.2%
Net Income	-2,129,489.78	-1,503,674.84	-625,814.94	-41.6%

3:35 PM

07/19/10

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority

Balance Sheet

As of June 30, 2010

	Jun 30, 10
ASSETS	
Current Assets	
Checking/Savings	
1040 · Cash - Operations - SMG	5,310,756.10
1050 · Operations - Cash	130,979.45
Total Checking/Savings	5,441,735.55
Other Current Assets	
1070 · Kent County - Operating	23,289,142.22
1200 · Accounts Receivable	2,118,099.17
1300 · Prepaid Expenses	204,866.35
1600 · Advances/Deposits Receivable	-2,950,001.07
Total Other Current Assets	22,662,106.67
Total Current Assets	28,103,842.22
Fixed Assets	
Buildings & Structures	
Depreciation	-83,557.38
Original Cost	322,431.00
Total Buildings & Structures	238,873.62
Equip	
Depreciation	-817,407.58
Original Cost	1,063,917.04
Equip - Other	130,251.19
Total Equip	376,760.65
Vehicles	43,914.30
Total Fixed Assets	659,548.57
TOTAL ASSETS	28,763,390.79
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	172,872.20
2005 · Accounts payable - SMG	706,647.17
Total Accounts Payable	879,519.37
Other Current Liabilities	
2200 · Accrued Expenses	876,270.61
2210 · Advance Ticket Sales	3,033,935.73
2220 · Advance deposits	277,635.00
2500 · Deferred facility income	1,233,686.74
Total Other Current Liabilities	5,421,528.08
Total Current Liabilities	6,301,047.45
Total Liabilities	6,301,047.45
Equity	
3000 · Opening Bal Equity	37,035,584.45
3900 · Retained Earnings	-12,256,580.05
Net Income	-2,316,661.06
Total Equity	22,462,343.34
TOTAL LIABILITIES & EQUITY	28,763,390.79

3:36 PM

Grand Rapids-Kent County Convention/Arena Authority

07/19/10

Profit & Loss Budget vs. Actual

Accrual Basis

July 2009 through June 2010

	Jul '09 - Jun 10	Budget	\$ Over Budget	% of Budget
Income				
4500 · Interest on Investments	276,520.73	675,000.00	-398,479.27	41.0%
4540 · Land Lease	123,112.00	134,751.00	-11,639.00	91.4%
4545 · Parking Revenues	757,301.92	857,613.00	-100,311.08	88.3%
4550 · Miscellaneous Revenue	95,216.83	0.00	95,216.83	100.0%
Total Income	1,252,151.48	1,667,364.00	-415,212.52	75.1%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	34,867.01	38,000.00	-3,132.99	91.8%
6040 · Legal Services	33,755.60	35,000.00	-1,244.40	96.4%
Total 6000 · Professional Services	68,622.61	73,000.00	-4,377.39	94.0%
6060 · Other Contractual Services	115,591.19	369,000.00	-253,408.81	31.3%
6065 · Pedestrian Safety	85,348.01	96,000.00	-10,651.99	88.9%
6068 · Parking Management	159,141.00	268,651.00	-109,510.00	59.2%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	1,220.66	0.00	1,220.66	100.0%
6020 · Computer Services	729.00	0.00	729.00	100.0%
6030 · Insurance-Property/Liability	22,903.00	22,000.00	903.00	104.1%
6101 · Advertising/Promo/Publicity	8,037.70	0.00	8,037.70	100.0%
6110 · Meeting Expense	27,143.90	10,000.00	17,143.90	271.4%
6120 · Supplies	6,135.24	5,000.00	1,135.24	122.7%
Total 6100 · Other Supplies & Expenses	66,169.50	37,000.00	29,169.50	178.8%
6160 · Facility Repair and Maintenance	19,350.25	10,000.00	9,350.25	193.5%
6200 · Capital Replacement Projects	657,002.54	1,945,200.00	-1,288,197.46	33.8%
6210 · F&B Repair & Maintenance	0.00	20,000.00	-20,000.00	0.0%
6300 · Utilities Expense				
6301 · Electricity	1,229,732.82	1,232,000.00	-2,267.18	99.8%
6310 · Natural Gas	16,042.04	18,000.00	-1,957.96	89.1%
6320 · Steam	699,814.93	1,128,900.00	-429,085.07	62.0%
6340 · Water & Sewer	104,675.29	112,500.00	-7,824.71	93.0%
Total 6300 · Utilities Expense	2,050,265.08	2,491,400.00	-441,134.92	82.3%
6500 · DID Assessment	53,175.29	53,139.00	36.29	100.1%
6600 · SMG Incentive Fees	211,249.00			
8000 · Personal Services				
8001 · Employee Wages	59,072.59	65,825.00	-6,752.41	89.7%
8030 · Employee Benefits	23,825.48	21,217.00	2,608.48	112.3%
Total 8000 · Personal Services	82,898.07	87,042.00	-4,143.93	95.2%
Total Expense	3,568,812.54	5,450,432.00	-1,881,619.46	65.5%
Net Income	-2,316,661.06	-3,783,068.00	1,466,406.94	61.2%

3:37 PM

07/19/10

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss Prev Year Comparison
July 2009 through June 2010

	Jul '09 - Jun 10	Jul '08 - Jun 09	\$ Change	% Change
Income				
4500 · Interest on Investments	276,520.73	678,764.79	-402,244.06	-59.3%
4530 · Facility Operations	0.00	8,960,566.00	-8,960,566.00	-100.0%
4540 · Land Lease	123,112.00	143,860.35	-20,748.35	-14.4%
4545 · Parking Revenues	757,301.92	822,558.55	-65,256.63	-7.9%
4550 · Miscellaneous Revenue	95,216.83	800,148.64	-704,931.81	-88.1%
Total Income	1,252,151.48	11,405,898.33	-10,153,746.85	-89.0%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	34,867.01	28,605.53	6,261.48	21.9%
6040 · Legal Services	33,755.60	50,288.30	-16,532.70	-32.9%
Total 6000 · Professional Services	68,622.61	78,893.83	-10,271.22	-13.0%
6060 · Other Contractual Services	115,591.19	1,807,244.17	-1,691,652.98	-93.6%
6065 · Pedestrian Safety	85,348.01	78,107.55	7,240.46	9.3%
6068 · Parking Management	159,141.00	229,021.00	-69,880.00	-30.5%
6070 · Facility Management Fees	0.00	220,493.00	-220,493.00	-100.0%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	1,220.66	694.07	526.59	75.9%
6020 · Computer Services	729.00	335.97	393.03	117.0%
6030 · Insurance-Property/Liability	22,903.00	20,673.00	2,230.00	10.8%
6101 · Advertising/Promo/Publicity	8,037.70	1,790.00	6,247.70	349.0%
6110 · Meeting Expense	27,143.90	8,421.58	18,722.32	222.3%
6120 · Supplies	6,135.24	257,637.68	-251,502.44	-97.6%
Total 6100 · Other Supplies & Expenses	66,169.50	289,552.30	-223,382.80	-77.2%
6125 · Transfer to Construction Acct	0.00	158,308.50	-158,308.50	-100.0%
6160 · Facility Repair and Maintenance	19,350.25	690,572.00	-671,221.75	-97.2%
6200 · Capital Replacement Projects	657,002.54	218,134.72	438,867.82	201.2%
6210 · F&B Repair & Maintenance	0.00	39,382.20	-39,382.20	-100.0%
6300 · Utilities Expense				
6301 · Electricity	1,229,732.82	1,276,503.48	-46,770.66	-3.7%
6310 · Natural Gas	16,042.04	22,941.11	-6,899.07	-30.1%
6320 · Steam	699,814.93	725,419.09	-25,604.16	-3.5%
6330 · Telephone	0.00	152,548.00	-152,548.00	-100.0%
6340 · Water & Sewer	104,675.29	104,408.08	267.21	0.3%
Total 6300 · Utilities Expense	2,050,265.08	2,281,819.76	-231,554.68	-10.2%
6500 · DID Assessment	53,175.29	53,138.59	36.70	0.1%
6570 · Depreciation Expense	0.00	134,476.61	-134,476.61	-100.0%
6600 · SMG Incentive Fees	211,249.00	308,100.00	-96,851.00	-31.4%
8000 · Personal Services				
8001 · Employee Wages	59,072.59	3,626,972.95	-3,567,900.36	-98.4%
8030 · Employee Benefits	23,825.48	17,425.18	6,400.30	36.7%
Total 8000 · Personal Services	82,898.07	3,644,398.13	-3,561,500.06	-97.7%
Total Expense	3,568,812.54	10,231,642.36	-6,662,829.82	-65.1%
Net Income	-2,316,661.06	1,174,255.97	-3,490,917.03	-297.3%

Memorandum

To: CAA Finance Committee
CAA Board Members

From: Susan Waddell, Administrative Manager

Date: July 29, 2010

Re: Insurance Renewal

Convention
Arena
Authority

Steven Heacock,
Chairman
Birgit Klohs
Floyd Wilson, Jr.
Gary McInerney
George Heortwell
Joseph Tomaselli
Lew Chamberlin

The CAA current insurance policy is set to expire on August 23, 2010. Attached is the renewal proposal:

Insurer: Michigan Municipal Risk Management Authority (MMRMA)

2008 Premium:	\$20,623
2009 Expiring premium:	\$22,853
2010 Renewal premium:	\$23,511

<u>Coverages</u>	<u>Limit</u>	<u>Deductible</u>
General liability	\$15,000,000	\$0
D &O / Public Officials	\$15,000,000	\$0
Limited Terrorism Liability	\$5,000,000	\$0
Crime / Faithful Performance	\$1,000,000	\$250
Auto physical damage	ACV	\$250
Auto liability - No-Fault	Per statute	\$0

Action Requested: Approval of insurance renewal proposal.



Van Andel Arena®
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AUDIT PLANNING

GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

JUNE 30, 2010

This presentation was prepared as part of our audit, has consequential limitations, is restricted to those charged with governance and, if appropriate, management, and is not intended and should not be used by anyone other than these specified parties.





Tel: 616-774-7000
Fax: 616-776-3680
www.bdo.com

99 Monroe Avenue NW, Suite 800
Grand Rapids, MI 49503-2654

July 20, 2010

Members of the Finance Committee
Grand Rapids-Kent County Convention/Arena Authority
Grand Rapids, Michigan

Professional standards require us to communicate with you regarding matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. The following documents various matters with respect to the planned scope and timing of the audit of the financial statements of Grand Rapids-Kent County Convention/Arena Authority (the Authority) as of and for the year ending June 30, 2010.

Should you desire further information concerning these matters, we will be happy to meet with you at your convenience.

The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of the Board, Finance Committee and management of the Authority and is not intended and should not be used by anyone other than these specified parties.

Very truly yours,

BDO USA, LLP

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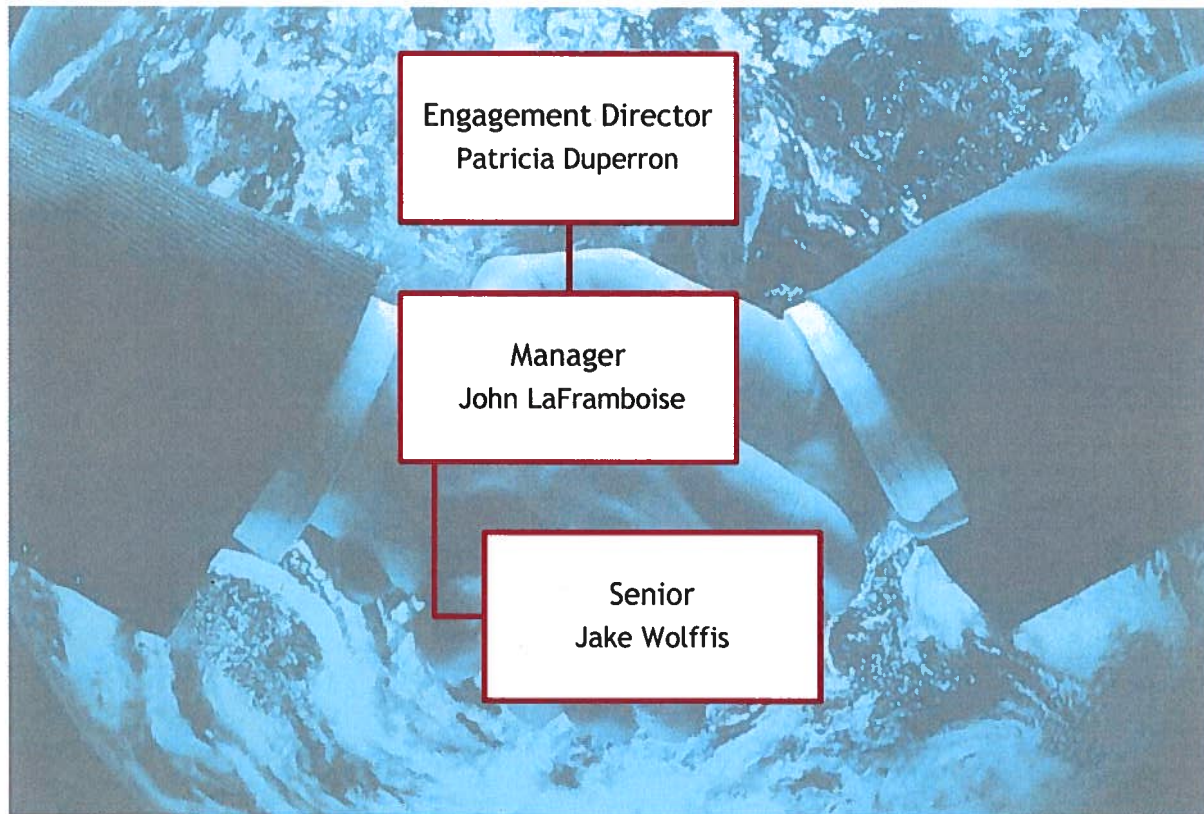
DISCUSSION OUTLINE

	Page
Introduction and Client Service Team	1
Management's Responsibilities	2
Engagement Objectives	3
Audit Strategy - Planned Scope and Timing	4
Overall Audit Timeline	5
Independence Communication	5
Significant Accounting and Reporting Matters	6

INTRODUCTION AND CLIENT SERVICE TEAM

We are pleased to be of service to Grand Rapids-Kent County Convention/Arena Authority (the Authority). The following report describes our plan for the audit of the financial statements of the Authority for the year ending June 30, 2010. This report is designed to provide you with a summary of our overall objectives for the audit, and the nature and scope of the planned audit work.

Our engagement team for this year's audit is listed in the organizational chart below. As a matter of policy at BDO, we attempt to provide continuity of service to our clients to the greatest extent possible.



MANAGEMENT'S RESPONSIBILITIES

- Prepare the financial statements and disclosures in conformity with accounting principles generally accepted in the United States of America.
- Establish and maintain effective internal control over financial reporting and proper accounting records.
- Comply with relevant laws and regulations.
- Select appropriate accounting principles.
- Use reasonable judgments and accounting estimates.
- Make all financial records and related information available to BDO.
- Record material audit adjustments and affirm to BDO that the impact of unrecorded audit adjustments is immaterial.
- Provide BDO with a letter confirming representations made during the audit.

ENGAGEMENT OBJECTIVES

The following documents our objectives with respect to the audit of the financial statements of Grand Rapids-Kent County Convention/Arena Authority as of and for the year ending June 30, 2010.

- Plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud. An audit in accordance with auditing standards generally accepted in the United States of America does not provide absolute assurance relative to or any guarantee of the accuracy of the financial statements and is subject to the inherent risk that errors or fraud, if they exist, may not be detected.
- Professional standards also require that we obtain a sufficient understanding of the Authority's internal control to plan the audit of the financial statements. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
- Communicate to management and the Finance Committee significant deficiencies and material weaknesses identified during our audit.
- Consult regarding accounting and reporting matters as needed throughout the year.
- Work with management toward timely issuance of financial statements.
- Bring our Firm's resources to bear as needed throughout the year.
- Ensure that the Finance Committee is kept appropriately informed of the Authority's financial reporting matters, and comply with professional standards.

AUDIT STRATEGY - PLANNED SCOPE AND TIMING

Overall, our audit strategy involves extensive director involvement in all aspects of the planning and execution of the audit. Our goals include:

- Focus resources on higher risk areas and other areas of concern for management and the Finance Committee.
- Develop and continue to evaluate materiality thresholds throughout the year based upon consideration of qualitative and quantitative factors specific to the Authority.
- Place reliance on internal controls, where appropriate, in determining the degree of detailed testing required.

Our audit strategy includes consideration of:

- Inherent risk within the Authority - i.e., the susceptibility of the financial statements to material error or fraud, before recognizing the effectiveness of the control systems.
- The control environment and the possibility that the control systems and procedures may fail to prevent or detect a material error or fraud.
- Information about systems and the computer environment in which financial records and related systems operate.
- Recent results of operations and significant current year events.

Based upon our initial assessment, our audit will entail a combination of testing controls for reliance and substantive testing. The primary areas of focus in our overall audit effort will include:

- Revenue and receivables
- Cash and investments
- Accrued liabilities and expenses
- Analytical procedures

OVERALL AUDIT TIMELINE

The following represents our anticipated schedule with regard to our audit of the annual financial statements of the Authority:

	June	July	Aug	Sept	Oct	Nov
Planning Meeting With Management	✓					
Understand the Authority's Operations		✓	✓			
Assess Overall Controls		✓	✓			
Develop Audit Plans		✓	✓			
Determine Nature and Extent of Testing			✓	✓		
Tests of Controls				✓	✓	
Substantive Testing (Interim and Final)				✓	✓	
Review of Draft Financial Statements					✓	
Presentation to the Finance Committee						✓

INDEPENDENCE COMMUNICATION

Our engagement letter to you dated June 1, 2010 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the Authority with respect to independence as agreed to by the Authority. Please refer to that letter for further information.

SIGNIFICANT ACCOUNTING AND REPORTING MATTERS

EFFECTIVE FOR YEAR ENDING JUNE 30, 2010

GASB Statement No. 51, *Accounting and Reporting for Intangible Assets*

This pronouncement requires that all intangible assets, excluding goodwill, be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. Examples of assets that may be considered intangible assets include easements, water rights, timber rights, patents, trademarks and computer software. There are special rules for internally generated software.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*

This pronouncement requires that investment derivatives be recognized and measured at fair value, with changes recognized as investment income. Changes in fair value of hedging derivatives are reported as deferred inflows and outflows. Examples of derivatives are interest rate locks or swaps and futures contracts. There is a Plain Language Supplement and an Implementation Guide available.

Memorandum

To: CAA Operations Committee
From: Rich MacKeigan, Executive Director
Date: July 28, 2010
Re: Application to Liquor Control Commission for Special License

Convention
Arena
Authority

As we move forward with planning the operational aspects of the upcoming International Wine & Food Festival, the CAA will need to apply to the Michigan Liquor Control Commission for a Special (24-Hour) On-Premise License. This license allows nonprofit, religious, fraternal, civic, or patriotic organizations to obtain a one-day license to sell alcoholic beverages (beer, wine, and liquor) to the public for on-premise consumption.

Specific requirements for the Special On-Premise License include:

1. Profits from the sale of alcoholic beverages must go to the organization and not to any individual.
2. The chief local law enforcement officer in the governmental unit must approve the request where the event is to be held.
3. No more than 5 licenses are issued to individual organizations each calendar year.
4. Proof of nonprofit status must be provided with the application unless the applicant is a national organization or has obtained previous special licenses.

The license fee is \$25.00 for each separate, consecutive day of the event. This is the same process we went through last year and I am recommending we apply for this license as the cost is minimal, to allow for greater flexibility on the operational side.

Action requested: Approval to submit an application to the Michigan Liquor Control Commission for a Special On-Premise License.



Van Andel Arena®
130 West Fulton
Grand Rapids, MI 49503-2601
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Fax 616.742.6197

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Grand Rapids, MI 49503-2233
616.742.6500
Fax 616.742.6590

DATE	EVENT	EC	MOD	ROOM	TIME	FUNCTION
Wed, Jul 28	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Thur, Jul 29	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Fri, Jul 30	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Sat, Jul 31	Available					
Sun, Aug 1	Available					
Mon, Aug 2	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Tue, Aug 3	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Wed, Aug 4	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Thur, Aug 5	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Fri, Aug 6	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Sat, Aug 7	Available					
Sun, Aug 8	Available					
Mon, Aug 9	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Tue, Aug 10	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Wed, Aug 11	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Thur, Aug 12	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Fri, Aug 13	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Sat, Aug 14	Available					
Sun, Aug 15	Available					
Mon, Aug 16	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Tue, Aug 17	Savor	KH		Banquet D	6P-7:30P	TIPS Training
	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Wed, Aug 18	SMG	DG		The Club	12P-2P	Group Sales Luncheon
	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Thur, Aug 19	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Fri, Aug 20	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Sat, Aug 21	Available					
Sun, Aug 22	Available					
Mon, Aug 23	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Tue, Aug 24	Savor	KH		Banquet D	6P-7:30P	TIPS Training
	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Wed, Aug 25	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Thur, Aug 26	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Fri, Aug 27	Rockford Construction	JW		Arena Concourse	7A-5P	Expansion
Sat, Aug 28	Available					
Sun, Aug 29	Available					

DEVOSPLACE

REVISED WEEKLY - 2010

TUES. JULY 27	NHA 2010 UNIVERSITY	Secchia Lobby Ballroom B ROL, Bdmm, GGOL, GG Prefunction Areas ROL, Bdmm, GGOL, GG Ballroom B ROL, Bdmm, GGOL, GG	6:00AM 7:15AM - 8:00AM 8:00AM - 10:00AM 10:00AM - 10:15AM 10:15AM - 12:30PM 12:30PM - 1:15PM 1:15PM - 3:30PM	Client Arrival/Registration Breakfast Meetings Session 1 Break Meetings Session 2 Lunch Meetings Session 3	RC	EST. ATTENDANCE: 480
WED. JULY 28	NHA 2010 UNIVERSITY	Secchia Lobby Ballroom B ROL, Bdmm, GGOL, GG Prefunction Areas ROL, Bdmm, GGOL, GG Ballroom B ROL, Bdmm, GGOL, GG	6:00AM 7:15AM - 8:00AM 8:00AM - 10:00AM 10:00AM - 10:15AM 10:15AM - 12:30PM 12:30PM - 1:15PM 1:15PM - 3:30PM	Client Arrival/Registration Breakfast Meetings Session 1 Break Meetings Session 2 Lunch Meetings Session 3	RC	EST. ATTENDANCE: 480
THUR. JULY 29	NHA 2010 UNIVERSITY	Secchia Lobby Ballroom B ROL, Bdmm, GGOL, GG Prefunction Areas ROL, Bdmm, GGOL, GG Ballroom B ROL, Bdmm, GGOL, GG	6:00AM 7:15AM - 8:00AM 8:00AM - 10:00AM 10:00AM - 10:15AM 10:15AM - 12:30PM 12:30PM - 1:15PM 1:15PM - 3:30PM	Client Arrival/Registration Breakfast Meetings Session 1 Break Meetings Session 2 Lunch Meetings Session 3	RC	EST. ATTENDANCE: 480
FRI. JULY 30	NHA 2010 UNIVERSITY	Secchia Lobby Ballroom B and C Ballrooms D Prefunction Areas ROL, Bdmm & GGOL, GG Ballroom B ROL, Bdmm & GGOL, GG Grand Gallery AB	6:00AM 7:15AM - 8:00AM 8:00AM - 10:00AM 10:00AM - 10:15AM 10:15AM - 12:30PM 12:30PM - 1:15PM 1:15PM - 3:45PM 10:00am 11:00am 12:00pm-3:00pm	Client Arrival/Registration Breakfast Meeting Session 1 Break Meeting Session 2 Lunch Meeting Session 3 Client Arrival Registration Auction	RC JL	EST. ATTENDANCE: 480 EST. ATTENDANCE: 200
SAT. JULY 31	CHRISTIAN MUSIC VIDEO SHOOT - I-61 PROJECT	OUTDOOR WELSH LOBBY STAIRS	10:00AM-2:00PM	VIDEO SHOOT		
SUN. AUG 1	NHA 2010 NEW TEACHER ORIENTATION	Ballroom B Entire Building	8:00am-5:00pm 11:00am-7:00pm	Production Set Up Client Set Up	JL	

G A-F = Grand Gallery Meeting Rooms A-F
GG = Grand Gallery Area
RO A-F = River Overlook A-F

O A-H = Overlook Meeting Rooms A-H
MON A-D = Monroe Meeting Rooms

EH A-C = Exhibit Halls A-C
DV = DeVos Performance Hall
BALL A-D = Ballroom A-D

DEVOS-PLACE

REVISED WEEKLY – 2010

MON. AUG 2	NHA 2010 NEW TEACHER ORIENTATION	Ballroom B Ballroom B GG, GGO, RO, Chase, B Center Ballroom B Ballroom C GG, GGO, RO, Chase, B Center GG, GGO, RO, Chase, B Center GG, GGO, RO, Chase, B Center	6:00am 7:00am-8:00am 8:00am-10:00am 10:00am-10:15am 10:15am-12:15pm 12:15pm-1:15pm 12:15pm-1:15pm 1:15pm-2:15pm 2:15pm-3:45pm 3:45pm-4:00pm 4:00pm-5:00pm 5:00pm	Client Arrival Breakfast General Session Break Grade Level Break Out Lunch NTO Expo Grade Level Break Out Grade Level Break Out Middle School Content Break Grade Level Break Out Middle School Content Sessions Over	JL	EST. ATTENDANCE: 600
TUES. AUG 3	NHA 2010 NEW TEACHER ORIENTATION	Ballroom B GG, GGO, RO, Chase, B Center GG, GGO, RO, Chase, B Center Ballroom B Ballroom C GG, GGO, RO, Chase, B Center GG, GGO, RO, Chase, B Center	6:00am 7:00am-8:00am 8:00am-10:00am 10:00am-10:15am 10:15am-12:15pm 12:15pm-1:15pm 12:15pm-1:15pm 1:15pm-3:15pm 3:15pm-3:30pm 3:30pm-5:00pm 5:00pm	Client Arrival Breakfast Break outs Break Break Outs Lunch NTO Expo Break Outs Break Break Outs Session Over	JL	EST. ATTENDANCE: 600
WED. AUG 4	NHA 2010 NEW TEACHER ORIENTATION	Ballroom B GG, GGO, RO, Chase, B Center GG, GGO, RO, Chase, B Center GG, GGO, RO, Chase, B Center Ballroom B GG, GGO, RO, Chase, B Center GG, GGO, RO, Chase, B Center	6:00am 7:00am-8:00am 8:00am-10:30am 10:30am-10:45am 10:45am-12:15pm 11:00am-12:15pm 12:15pm-1:15pm 1:15pm-3:15pm 2:15pm-3:15pm 3:15pm	Client Arrival Breakfast Grade Level Break Out Middle School Content Break Grade Level Break Out Middle School Content Lunch Break Outs Middle School Content Grade Level Break Out Sessions Over	JL	EST. ATTENDANCE: 600

G A-F = Grand Gallery Meeting Rooms A-F
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O A-H = Overlook Meeting Rooms A-H
 MON A-D = Monroe Meeting Rooms

EH A-C = Exhibit Halls A-C
 DV = DeVos Performance Hall
 BALL A-D = Ballroom A-D

DEVOSPLACE

REVISED WEEKLY – 2010

THUR. AUG 5	NHA 2010 NEW TEACHER ORIENTATION	Ballroom B GG, GGO, RO, Chase, B Center	6:00am 7:00am-8:00am 8:00am-10:00am	Client Arrival Breakfast K-5 Content Rotation Middle School Content K-5 Break Middle School Break K-5 Content Rotation Middle School Content	JL	EST. ATTENDANCE: 600
		GG, GGO, RO, Chase, B Center	10:00am-10:15am 10:15am-10:30am	Special Education Breakout		
		GG, GGO, RO, Chase, B Center	10:30am-12:15pm	Lunch NTO Expo K-5 Content Rotation		
		GG, GGO, RO, Chase, B Center	10:45am-12:15pm	Middle School Content K-5 Break Grade Level Break Out Middle School Break Middle School Content Sessions Over		
		Ballroom B Ballroom C GG, GGO, RO, Chase, B Center	12:15pm-1:15pm 12:15pm-1:15pm 1:15pm-3:15pm			
		GG, GGO, RO, Chase, B Center	1:15pm-3:45pm 3:15pm-3:30pm			
		GG, GGO, RO, Chase, B Center	3:30pm-5:00pm 3:45pm-4:00pm			
		GG, GGO, RO, Chase, B Center	4:00pm-5:00pm 5:00pm			
FRI. AUG 6	NHA 2010 NEW TEACHER ORIENTATION	Ballroom B Ballroom B GG, GGO, RO, Chase, B Center	6:00am 7:00am-8:00am 7:15am-9:15am 9:15am-10:15am	Client Arrival Breakfast General Session Grade Level Break Outs Middle School Content Break Keynote Address Bag Lunch All Sessions Over Load Out Production Load Out	JL	EST. ATTENDANCE: 600
		Ballroom B	10:15am-10:30am 10:30am-12:15pm 12:15pm 12:00pm-5:00pm 12:00pm-5:00pm	SETUP SETUP MEETING	DA	
	HUNT FOR A CURE'S CAMOFLAUGE BALL	BALL A BALL B	8:00AM-11:59PM 12:00PM-11:59P			
	ARMANDO MONTELONGO SEMINAR	MON A-D	8:00AM-11:59PM			
SAT. AUG 7	HUNT FOR A CURE'S CAMOFLAUGE BALL	BALL A-B	8:00AM-11:59PM	DINNER	DA	EST. ATTENDANCE:
	ARMANDO MONTELONGO SEMINAR	MON A-D	8:00AM-11:59PM	MEETING		
SUN. AUG 8	ARMANDO MONTELONGO SEMINAR	MON A-D	8:00AM-11:59PM	MEETING		
MON. AUG 9	DARK					

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RO A-F = River Overlook A-F

EH A-C = Exhibit Halls A-C
DV = DeVos Performance Hall
BALL A-D = Ballroom A-D

DEVOS-PLACE

REVISED WEEKLY - 2010

TUES. AUG 10	SUBARU BLUETOOTH/NAVI TRAINING	BALL D	8:00AM-11:59PM	MEETING	DA	EST. ATTENDANCE:
WED. AUG 11	DARK					
THUR. AUG 12	HUB INTERNATIONAL	RO AB	8:00AM-11:59PM	MEETING	DA	EST. ATTENDANCE:
FRI. AUG 13	CITY OF GRAND RAPIDS CITY MANAGERS MEETING	Monroe Room B	8:00AM 8:30AM - 11:00AM	Client Arrival Meeting	RC	EST. ATTENDANCE:
SAT. AUG 14	DARK					
SUN. AUG 15	DARK					
MON. AUG 16	DARK					
TUES. AUG 17	DARK					
WED. AUG 18	DARK					
THUR. AUG 19	DARK					
FRI. AUG 20	IT WORKS MARKETING					
SAT. AUG 21	IT WORKS MARKETING	BALL AB	8:00AM-11:59PM	LUNCH	JL	
	PORSCHE CLUB OF AMERICA - WESTERN MI REGION BANQUET	BALL C	8:00AM-11:59PM	DINNER	RC	
	STORESONLINE INTERNATIONAL MEETING	MON A-D	6:30AM-6:00PM	MEETING	JL	
SUN. AUG 22	DARK					
MON. AUG 23	SPARTAN STORES FRESH FOOD SHOW	EH A-C	8:00AM-11:59PM	SETUP	DA	

G A-F = Grand Gallery Meeting Rooms A-F

GG = Grand Gallery Area

RO A-F = River Overlook A-F

O A-H = Overlook Meeting Rooms A-H

MON A-D = Monroe Meeting Rooms

EH A-C = Exhibit Halls A-C

DV = DeVos Performance Hall

BALL A-D = Ballroom A-D

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

COVERAGE OVERVIEW

Member: Grand Rapids/ Kent Convention Authority **Member No:** 38320
Date of Original Membership: August 23, 2006
Overview Dates: August 23, 2010 to August 23, 2011
Member Representative: Phil VanDyke **Telephone #:** (616) 632-7670
Regional Risk Manager: Ibex Insurance Agency **Telephone #:** (248) 538-0470

A. Introduction

The Michigan Municipal Risk Management Authority (hereinafter "MMRMA") is created by authority granted by the laws of the State of Michigan to provide risk financing and risk management services to eligible Michigan local governments. MMRMA is a separate legal and administrative entity as permitted by Michigan laws. Grand Rapids/ Kent Convention Authority (hereinafter "Member") is eligible to be a Member of MMRMA. Grand Rapids/ Kent Convention Authority agrees to be a Member of MMRMA and to avail itself of the benefits of membership.

Grand Rapids/ Kent Convention Authority is aware of and agrees that it will be bound by all of the provisions of the Joint Powers Agreement, Coverage Documents, MMRMA rules, regulations, and administrative procedures.

This Coverage Overview summarizes certain obligations of MMRMA and the Member. Except for specific coverage limits, attached addenda, and the Member's Self Insured Retention (SIR) and deductibles contained in this Coverage Overview, the provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulations, and administrative procedures shall prevail in any dispute. The Member agrees that any dispute between the Member and MMRMA will be resolved in the manner stated in the Joint Powers Agreement and MMRMA rules.

B. Member Obligation - Deductibles and Self Insured Retentions

Grand Rapids/ Kent Convention Authority is responsible to pay all costs, including damages, indemnification, and allocated loss adjustment expenses for each occurrence that is within the Member's Self Insured Retention (hereinafter the "SIR"). Grand Rapids/ Kent Convention Authority's SIR and deductibles are as follows:

Table I
Member Deductibles and Self Insured Retentions

COVERAGE	DEDUCTIBLE	SELF INSURED RETENTION
Liability	None	State Pool Member
Vehicle Physical Damage	\$250 / Vehicle	N/A
Property and Crime	\$250 / Occurrence	State Pool Member
Sewage System Overflow	N/A	N/A

The Member must satisfy all deductibles before any payments are made from the Member's SIR or by MMRMA.

The **Grand Rapids/ Kent Convention Authority** is afforded all coverages provided by MMRMA, except as listed below:

1. Sewage System Overflow
- 2.
- 3.
- 4.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the Member's SIR. The Member's SIR and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the Member's SIR and the Limits of Coverage stated in the Coverage Overview.

Grand Rapids/ Kent Convention Authority agrees to maintain, at all times, on account with MMRMA, sufficient funds to pay its SIR obligations. The Member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the Member's SIR.

C. MMRMA Obligations - Payments and Limits of Coverage

After the Member's SIR and deductibles have been satisfied, MMRMA will be responsible for paying all remaining costs, including damages, indemnification, and allocated loss adjustment expenses to the Limits of Coverage stated in Table II. The Limits of Coverage include the Member's SIR payments.

The most MMRMA will pay, under any circumstances, which includes payments from the Member's SIR, per occurrence, is shown in the Limits of Coverage column in Table II. The Limits of Coverage includes allocated loss adjustment expenses.

TABLE II
Limits of Coverage

Liability and Motor Vehicle Physical Damage	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Liability	15,000,000	N/A	N/A	N/A
2 Judicial Tenure	100,000	N/A	N/A	N/A
3 Sewage Systems Overflows	0	N/A	0	N/A
4 Volunteer Medical Payments	25,000	N/A	N/A	N/A
5 First Aid	2,000	N/A	N/A	N/A
6 Vehicle Physical Damage	1,500,000	N/A	N/A	N/A
7 Uninsured/Underinsured Motorist Coverage (per person)	100,000	N/A	N/A	N/A
Uninsured/Underinsured Motorist Coverage	250,000	N/A	N/A	N/A
8 Michigan No-Fault	Per Statute	N/A	N/A	N/A
9 Terrorism	5,000,000	N/A	N/A	5,000,000

Property and Crime	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Buildings and Personal Property	1,010,609	300,000,000	N/A	N/A
2 Personal Property in Transit	1,000,000	N/A	N/A	N/A
3 Unreported Property	5,000,000	N/A	N/A	N/A
4 Member's Newly Acquired or Constructed Property	5,000,000	N/A	N/A	N/A
5 Fine Arts	1,000,000	N/A	N/A	N/A
6 Debris Removal (25% of insured direct loss plus)	25,000	N/A	N/A	N/A
7 Money and Securities	1,000,000	N/A	N/A	N/A
8 Accounts Receivable	1,000,000	N/A	N/A	N/A
9 Fire Protection Vehicles, Emergency Vehicles, and Mobile Equipment (Per Unit)	0	10,000,000	N/A	N/A
10 Fire and Emergency Vehicle Rental (12 week limit)	0	N/A	N/A	N/A
11 Structures Other Than a Building	5,000,000	N/A	N/A	N/A
12 Storm or Sanitary Sewer Back-Up	1,000,000	N/A	N/A	N/A
13 Marine Property	250,000	N/A	N/A	N/A
14 Other Covered Property	10,000	N/A	N/A	N/A
15 Income and Extra Expense	1,000,000	N/A	N/A	N/A
16 Blanket Employee Fidelity	1,000,000	N/A	N/A	N/A
17 Earthquake	5,000,000	N/A	5,000,000	100,000,000
18 Flood	5,000,000	N/A	5,000,000	100,000,000
19 Terrorism	50,000,000	50,000,000	N/A	N/A

D. Contribution for MMRMA Participation

Grand Rapids/ Kent Convention Authority

Period: August 23, 2010 to August 23, 2011

Coverages per Member Coverage Overview: \$ 23,511

TOTAL ANNUAL CONTRIBUTIONS: \$ 23,511

E. List of Addenda

1. Sewer Exclusion
2. Limited Liability Coverage for Terrorism
3. Limited Property Coverage for Terrorism

Accepted by:

Grand Rapids/ Kent Convention Authority

MMRMA

Member Representative



MMRMA Representative

Date

7-28-10

Date

ADDENDUM

SEWAGE EXCLUSION

This Addendum Modifies the Liability and Motor Vehicle Physical Damage Coverage Document

A. Definitions

Section 4 of the Liability and Motor Vehicle Physical Damage Coverage Document is amended to include the following definition:

16. SEWAGE

means any human or animal bodily fluids or solids. Sewage also means any toxins or bacteria including, by way of illustration but not limitation, e coli. Sewage also means any microbes or viruses including, by way of illustration but not limitation, Hepatitis A or B, HIV, and other AIDS viruses. Sewage also means any pathogens, carcinogens, diseased or disease-carrying organism, spores, chemicals, fertilizers or any other elements of sewage including, by way of illustration but not limitation, combined sewage overflow, groundwater, rainwater, debris, sewer gases, vapors, odors, liquids, or solids. Sewage also means any sewage effluent of every kind, nature, and description, and/or any other gases, liquids, solids, or components of sewage which may be contained in solution, whether fully treated, partially treated, or untreated.

B. Exclusion

Section 2 of the Liability and Motor Vehicle Physical Damage Coverage Document is amended to include the following exclusion:

- T. the actual, alleged, or threatened discharge, dispersal, release, seepage, migration or escape of water, groundwater, rainwater, sewage, solids, liquids or waste:**
- (a) at or from any real or personal property the Member owns, rents, or occupies;**
 - (b) at or from any site or location used by or for the member, or others, for transporting, handling, storage, disposal, processing, or treatment;**
 - (c) which at any time are transported, handled, stored, treated, disposed of or processed by or from the Member or any person or organization for whom the Member may be legally responsible;**
 - (d) from sewers, drains, or sumps into, on or upon any person or property of any other party including, by way of illustration but not limitation, structures, buildings, residences, and basements.**

ADDENDUM
Limited Liability Coverage for Terrorism

This Addendum Modifies the Liability and Motor Vehicle Physical Damage Coverage Document

A. Limited Liability Terrorism Coverage, Procedures, Exclusions.

1. Limited Liability Coverage for Terrorism shall be a separate and distinct coverage from any other coverage provided to the Members by MMRMA.
2. The definitions in Section 4 of the Liability and Motor Vehicle Physical Damage Coverage Document shall apply to Limited Liability Coverage for Terrorism.
3. The Member Duties, Responsibilities, Other Conditions stated in Section 5 of the Liability and Motor Vehicle Physical Damage Coverage Document shall apply to Limited Liability Coverage for Terrorism.
4. The deductibles and retention for liability, if any, stated in the Coverage Overview shall apply to Limited Liability Coverage for Terrorism in the same manner as they apply to any other liability coverage. Terrorism is the only subject of coverage included in this Addendum.

B. Definitions

For the purposes of this Addendum, Terrorism shall mean an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

C. Limitations of Coverage

1. MMRMA will pay for any loss as defined in Sections 1 and 2 of the Liability and Motor Vehicle Physical Damage Coverage Document, caused by terrorism, the actual loss up to a \$5,000,000 limit.
2. Terrorism payments are further limited by a \$5,000,000 terrorism aggregate loss limit. If covered losses by all Members exceed said aggregate loss limit, the most MMRMA will pay is the aggregate loss limit. The aggregate loss limit shall apply for all losses occurring in a July 1 - June 30 calendar year. Each Member will share in said aggregate loss limit in the same percentage that the Member's covered loss is of the total covered losses of all Members.
3. This coverage excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in any way connected with any of the following, regardless of any other cause or event contributing concurrently or in any sequence to the loss:

- a. Any act of bio-terrorism; or
- b. Any act of nuclear terrorism; or
- c. Any act of chemical terrorism; or
- d. Any act designed to release germs that cause epidemical disease.

For the purpose of this Addendum, an act of bio-terrorism, nuclear terrorism, chemical terrorism and/or designed to release germs that cause epidemical disease shall mean an act, including but not limited to the use of force or violence and/or the threat thereof, involving or resulting in the release of biological or chemical agents or nuclear materials or germs, by an person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), apparently committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Addendum also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a), (b), (c) and/or (d) above.

ADDENDUM

Exclusion of Certified Acts and Other Acts of Terrorism With Limited Property Terrorism Coverage

This Addendum Modifies the Property and Crime Coverage Document

A. Limited Property Terrorism Coverage and Procedures.

1. Limited Property Terrorism Coverage shall be a separate and distinct coverage from any other coverage provided to the Members by MMRMA. The provisions of this addendum shall be controlling.
2. The definitions in Section 9 of the Property and Crime Coverage Document shall apply to Limited Property Terrorism Coverage.
3. The Member's Duties, and Other Procedures Relating to a Property, Income or Extra Expense Claim stated in Section 6 of the Property and Crime Coverage Document shall apply to Limited Property Terrorism Coverage.
4. The deductibles and retention for property and crime, if any, stated in the Coverage Overview shall apply to Limited Property Terrorism Coverage in the same manner as they apply to any other property coverage.

B. Definitions

1. "Certified Act of Terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the Federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:
 - a. The act resulted in aggregate losses in excess of \$5 million; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. "Other Act of Terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure:

- a. That is committed by an individual or individuals and appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion; and
- b. That is not certified as a terrorist act pursuant to the Federal Terrorism Risk Insurance Act of 2002.

C. Exclusion of Certified Acts and Other Acts of Terrorism

Except as provided under Section D of this Addendum, MMRMA will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism" or an "other act of terrorism". Such loss or damage is excluded regardless of any other cause of event that contributes concurrently or in any sequence to the loss.

D. Limited Property Terrorism Coverage and Exclusions

Limited Property Terrorism Coverage is extended to include direct physical loss or damage caused by or resulting from a "Certified Act of Terrorism" or an "Other Act of Terrorism," but only as described and limited in provisions 1. through 4. below:

1. This Limited Property Terrorism Coverage does not apply to any "Certified Act of Terrorism" or "Other Act of Terrorism" when one or both of the following are attributed to such act:
 - a. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 - b. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.
2. The exclusion of "Certified Acts of Terrorism" and "other Acts of Terrorism" in Section C of this Addendum does not apply to this Limited Property terrorism Coverage. But all other exclusions and all limitations applicable to the Property and Crime Coverage Document, including but not limited to the War and Military Action exclusion and the Nuclear Hazard exclusion, apply to loss or damage under this Limited Property Terrorism Coverage.
3. Regardless of the number of locations, items or types of property or coverages involved, the most MMRMA will pay, per occurrence, under this Limited Property Terrorism Coverage for all loss or damage

caused by or resulting from all incidents of "certified acts of terrorism" or "other acts of terrorism" is \$50,000,000. Multiple incidents of "certified acts of terrorism" and "other acts of terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one occurrence under this Limited Property Terrorism Coverage. This limit is part of, and does not increase the Limits of Coverage stated in the Coverage Overview.

s_pcv
07/28/10

Michigan Municipal Risk Management Authority
PROPERTY LIST REPORT

PAGE 1

Grand Rapids/ Kent Convention Authority

PERIOD: 08/23/2010
EFFECTIVE: 08/23/2010

Member Totals:	Real Value	+	Pers Value	=	Grand Total
	0		10,609		10,609

LOC NO.	LOCATION/DESCRIPTION	REAL VALUE	PERSONAL VALUE	TOTAL VALUE
1	Convention Arena	0	10,609	10,609

Number of entries: 1

GrandRap
10 Vehicle

7/28/2010

<u>#</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Vin #</u>	<u>Use</u>
1	2006	Ford	Pickup	B72510	T
2	2004	Chevrolet	Pickup	201537	T