

Agenda

Board of Directors

Friday, August 1, 2014

Following CAA Operations Committee Meeting

Kent County Commission Chambers

300 Monroe, NW – Grand Rapids, MI

- | | | |
|----|---|--------------|
| 1. | Call to Order | Birgit Klohs |
| 2. | Minutes of June 6, 2014 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | |
| | i. Amendment to FY 2015 Capital Budget | Action |
| | ii. Application to Liquor Control Commission for Special License | Action |
| | B. Finance Committee | |
| | i. Monthly Financial Reports | |
| | a. Acceptance of Consolidated June 2014 Financial Statements | Action |
| | b. SMG – Van Andel Arena® and DeVos Place® June 2014 Financial Statements | Information |
| 4. | Directors and Officers Insurance Renewal | Action |
| 5. | SMG Report and Facilities Calendars | Information |
| 6. | Public Comment | |
| 7. | Adjournment | |

**Next Meeting Date: Friday, September 5, 2014,
Following the CAA Finance Committee Meeting**

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Friday, June 6, 2014**

1. Call to Order

Steve Heacock, Chairperson, called the meeting to order at 9:15 a.m. Secretary/Treasurer, Richard Winn, recorded the meeting minutes.

Attendance

Members Present: Steve Heacock, Chairperson
Lew Chamberlin
George Heartwell
Birgit Klohs
Charlie Secchia
Floyd Wilson, Jr.
Rick Winn

Members Absent: None

Staff/Others:	Tom Bennett	Experience Grand Rapids
	Scott Gorsline	Grand Rapids Griffins
	Jim Harger	<i>MLive/The Grand Rapids Press</i>
	Andy Kursch	SMG
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Doug Small	Experience Grand Rapids
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jim Watt	SMG
	Richard Wendt	Dickinson Wright
	Robert White	CAA

2. Minutes of Prior Meetings

*Motion by Mr. Heartwell, support by Mr. Winn, to approve the May 2 and May 16, 2014, Minutes.
Motion carried.*

3. Committee Reports

A. Operations Committee

Mr. Chamberlin stated there was nothing new to report since the Committee's meeting earlier today.

B. Finance Committee

i. Acceptance of Consolidated April 2014 Financial Statements

Motion: Mr. Winn, supported by Mr. Chamberlin, moved to accept the Consolidated April 2014 Financial Statements. Motion carried.

4. FY 2015 Operating/Capital Budgets

A. Approval of FY 2015 Consolidated Budget

Motion by Ms. Klohs, support by Mr. Winn, to approve the i) FY 2015 SMG operating budgets for DeVos Place® and Van Andel Arena®; ii) DeVos Place® parking rates, effective July 1, 2014; iii) FY 2015 capital program; and iv) FY 2015 consolidated budget for the Grand Rapids-Kent County Convention/Arena Authority. Motion carried.

5. Approval of FY 2015-2019 DeVos Place® Rate Sheets

Motion by Mr. Heartwell, support by Mr. Winn, to re-approve the FY 2015-2018 DeVos Place® rate sheets and approve the FY 2019 DeVos Place® rate sheets. Motion carried.

6. Resolution Approving and Authorizing Execution of a Parking Operation Agreement with the City of Grand Rapids

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

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") controls the operation of DeVos Place, a performing arts/convention/entertainment facility (the "Convention Center") including 690 parking spaces located in the lower level of the Convention Center (the "Parking Spaces"); and

WHEREAS, the CAA and the City of Grand Rapids (the "City") previously entered into a Parking Operation Agreement dated July 1, 2011, related to the Parking Spaces which expires June 30, 2014; and

WHEREAS, the CAA and the City desire to continue their relationship with respect to the Parking Spaces for a three year term beginning July 1, 2014, and ending June 30, 2017, and have agreed to enter into a new Parking Operation Agreement (the "Agreement") setting forth the terms and conditions for the operation of the Parking Spaces.

RESOLVED:

1. *That the Agreement substantially in the form presented at this meeting with such minor deviations as are not materially adverse to the CAA and approved as to content by the CAA Chairman and as to form by the CAA's counsel is approved.*

2. *That the Chairman of the CAA is authorized and directed to execute the Agreement for and on behalf of the Authority.*

3. *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.

7. SMG Report and Facilities Calendars

Mr. MacKeigan announced that the Griffins home opener is scheduled for October 11. Mr. MacKeigan introduced Andy Kursch, Stage Manager for DeVos Performance Hall. As stage manager, Mr. Kursch

has overall responsibility for stage management and the smooth execution of a production. Mr. Kursch provided an introduction to DeVos Performance Hall. The theater has 2,404 seats – 872 on the main floor; 1,010 in the mid-tier, and 522 in the upper balcony/gallery. There is flexibility to lower a curtain that would mask the upper most tier for small shows. The artists and patrons would be unaware that the curtain was in place. Mr. Kursch pointed to the proscenium, the area of the theater surrounding the stage opening. The proscenium arch is the arch over this area. The proscenium arch is 58' wide x 38' high. Above the stage, there is 78'4" of walking area. Mr. MacKeigan stated that Andy is a huge asset to the SMG team: promoters trust him and he has an outstanding relationship with the arts tenants.

8. Public Comment

None.

9. Adjournment

The meeting adjourned at 9:45 a.m. The date for next CAA Board meeting is **Friday, August 1, 2014**, following the CAA Operations Committee meeting.

Richard A. Winn, Recording Secretary



Van Andel Arena®
DeVos Place®

Memorandum

To: CAA Operations Committee
CAA Board Members

From: Jim Watt, Assistant General Manager

CC: R MacKeigan, C Machuta

Date: July 28, 2014

Re: CAPITAL FY 2014, REQUESTED CARRY TO FY 2015

Attached is my spreadsheet for the final actual FY 2014 Capital and five requested line items to be carried forward to FY 2015 in the amount of \$144,000.

Three of the carry items relate to concrete work. Through a combination of timing, contractor availability, and weather we were unable to get these completed by year end. One has been completed in July, one has begun, and one is due to begin.

The Meeting Room Air Wall project was started and scheduled for completion by year end. However, when the material to be used finally arrived we found it unsuitable for our application. We are working with the architect on a suitable solution.

The last item requested to carry forward is for the completion of the Theater Restroom Renovation. Work on this project was completed in mid-July.

Actual expenditures for FY 2014 Capital came in approximately \$890,000 under budget.

Grand Rapids-Kent County Convention/Arena Authority

Van Andel Arena/DeVos Place

Capital Projects FY 2014

jwatt rev July 11 2014

ACTUAL FINAL CAPITAL FY 2014

Item #	Project	STATUS	Budget	Actual thru 30-Jun	Requested Carry 2015
Carry over projects					
6247	Dock Doors	complete	\$ 160,000.00	\$ 61,911.00	
6249	Chillers rebuild	complete	\$ 90,000.00	\$ 111,396.65	
6248	Theater shell rig	complete	\$ 45,000.00	\$ 72,281.71	
6238	Lighting Controls	complete	\$ 125,000.00	\$ 120,604.76	
DeVos Place					
6256	Meeting room airwall fabric	in process	\$ 50,000.00	\$ 4,750.00	\$ 45,000.00
6257	DVP Sound System controls	completed	\$ 110,000.00	\$ 69,700.00	
6258	Lyon St Dock Concrete	in process	\$ 50,000.00	\$ 35,995.00	\$ 4,000.00
6259	Replace phase 2 sloan valves	completed	\$ 40,000.00	\$ 40,040.00	
6260	HVAC control system upgrade	completed	\$ 30,000.00	\$ 37,451.00	
6261	Exterior concrete	completed	\$ 50,000.00		\$ 50,000.00
6262	Theater spotlights	completed	\$ 60,000.00	\$ 56,999.68	
6263	Theater show sound system	completed	\$ 500,000.00	\$ 497,220.00	
6264	Technology	completed	\$ 25,000.00	\$ 26,719.74	
6265	Grand Gallery drainage	not doing	\$ 50,000.00		
6266	Parking lighting	completed	\$ 94,000.00	\$ 35,946.00	
6278	Restroom Refurb	in process	\$ 75,000.00	\$ 65,411.40	\$ 15,000.00
Van Andel Arena					
6267	Refrigerant R22 replace	complete	\$ 250,000.00	\$ 234,571.00	
6268	Electric room HVAC	complete	\$ 80,000.00	\$ 32,938.00	
6269	Main lobby temp control	complete	\$ 120,000.00	\$ 66,945.00	
6270	Standby hot water unit	complete	\$ 60,000.00	\$ 32,981.00	
6271	Fire alarm panel	complete	\$ 30,000.00	\$ 37,433.00	
6272	South video wall replace	complete	\$ 900,000.00	\$ 694,088.67	
6273	Upgrade HD TV system	PO issued	\$ 25,000.00	\$ 51,200.00	
6274	Concrete repairs		\$ 30,000.00		\$ 30,000.00
6275	Elevator refurbish	complete	\$ 100,000.00	\$ 85,657.20	
6276	Wireless clear-corn shows	complete	\$ 40,000.00	\$ 33,224.50	
6277	main floor F&B opportunity	not doing	\$ 215,000.00		
TOTALS			\$ 3,404,000.00	\$2,505,465.31	\$ 144,000.00
TOTAL ACTUAL PLUS CARRYOVER REQUESTED				\$2,649,465.31	



Memorandum

To: CAA Operations Committee
CAA Board of Directors

From: Rich MacKeigan

Date: July 29, 2014

Re: Application to Liquor Control Commission for Special License

As we move forward with planning the operational aspects of the upcoming International Wine, Beer & 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 go through every 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.

**Grand Rapids-Kent County
Convention/Arena Authority
Consolidated Financial Report
Preliminary Year-End
June 30, 2014**

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**Grand Rapids-Kent County
Convention/Arena Authority
Consolidated Summary Financial Report
Preliminary Year-End
June 30, 2014**

Notes:

Van Andel Arena®

- The Van Andel Arena® FY 2014 budget forecast a current-year “Net Proceeds” decrease of (\$637,807) from prior-year performance. At fiscal year-end, “Net Proceeds” are reported at a decline of (\$921,180), a decline of (\$283,373) from budget.

DeVos Place®

- The DeVos Place® FY 2014 budget forecast a current year “Net Proceeds” decrease of (\$375,027) from prior-year performance. At fiscal year-end, “Net Proceeds” are reported at a decline of (\$94,704), an improvement of \$+280,323 over budget.
- Net parking revenues ended 6.4% ahead of prior year.

Other

- Consulting Services is over budget for the year. This account normally includes the SMG Addendum contract expense. This year’s expenses also include \$4,000 for a restroom study and \$47,153 for a VAA Parking Feasibility Study. The “Supplies/Other” account budget, of \$60,000, includes a Contingent allowance of \$40,000 that will partially cover the overage.

Grand Rapids-Kent County Convention/Arena Authority

Summary by Facility/Other

Fiscal Year Ending June 30, 2014

Preliminary Year-End

	FY 2014		FY 2013
	7/1 - 6/30	Full-Year Estimate	Prior Year
Van Andel Arena			
Operating - Revenues	\$ 4,686,332	\$ 4,732,586	\$5,538,964
- Expenses - Facilities	(3,822,414)	(3,812,495)	(3,632,692)
- Base Management Fees	(168,828)	(169,635)	(165,262)
- Incentive Fee	-	-	(96,020)
Net Operating Income (Loss)	695,090	750,456	1,644,990
Parking	159,144	159,144	145,088
Pedestrian Safety	(78,756)	(83,163)	(93,420)
Net Proceeds (Cost) of VAA	775,478	826,437	1,696,658
DeVos Place Convention Center			
Operating - Revenues	\$5,960,457	5,629,809	5,860,533
- Expenses - Facilities	(6,100,245)	(5,863,862)	(5,617,236)
- Base Management Fees	(168,237)	(168,238)	(165,263)
- Incentive Fee	-	-	(234,505)
Net Operating Loss	(308,025)	(402,291)	(156,471)
Parking	807,768	757,000	758,826
Pedestrian Safety	(45,800)	(48,639)	(53,708)
Net Proceeds (Cost) of DVP	453,943	306,070	548,647
Other			
Revenues	162,652	165,287	201,201
Expenses	(633,576)	(621,139)	(514,214)
Net Other	(470,924)	(455,852)	(313,013)
Total Net Proceeds/Operating	758,497	676,655	1,932,292
Capital Expenditures	(2,505,465)	(2,907,303)	(962,205)
Results Net of Capital Expenditures	<u>\$ (1,746,968)</u>	<u>\$ (2,230,648)</u>	<u>\$ 970,087</u>

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2014

	Annual			Year-To-Date	
	FY 2013 Final	FY 2014 Budget	Percentage Change	FY 2013 7/1 - 6/30	FY 2014 7/1 - 6/30
Van Andel Arena					
Operating - Revenues	\$5,538,964	\$5,023,466	(9.3)	\$5,538,964	\$ 4,686,332
- Expenses - Facilities	(3,632,692)	(3,848,986)	6.0	(3,632,692)	(3,822,414)
- Base Management Fees	(165,262)	(167,741)	1.5	(165,262)	(168,828)
- Incentive Fee	(96,020)	(20,187)	(79.0)	(96,020)	-
Net Operating Income (Loss)	1,644,990	986,552	(40.0)	1,644,990	695,090
Parking	145,088	160,066	10.3	145,088	159,144
Pedestrian Safety	(93,420)	(87,767)	(6.1)	(93,420)	(78,756)
Net Proceeds (Cost) of VAA	1,696,658	1,058,851	(37.6)	1,696,658	775,478
DeVos Place Convention Center					
Operating - Revenues	5,860,533	5,268,030	(10.1)	5,860,533	\$5,960,457
- Expenses - Facilities	(5,617,236)	(5,354,821)	(4.7)	(5,617,236)	(6,100,245)
- Base Management Fees	(165,263)	(167,741)	1.5	(165,263)	(168,237)
- Incentive Fee	(234,505)	(252,262)	7.6	(234,505)	-
Net Operating Loss	(156,471)	(506,794)	(223.9)	(156,471)	(308,025)
Parking	758,826	725,300	(4.4)	758,826	807,768
Pedestrian Safety	(53,708)	(44,886)	(16.4)	(53,708)	(45,800)
Net Proceeds (Cost) of DVP	548,647	173,620	(68.4)	548,647	453,943
Other					
Revenues	201,201	184,300	(8.4)	201,201	162,652
Expenses	(514,214)	(702,843)	36.7	(514,214)	(633,576)
Net Other	(313,013)	(518,543)	(65.7)	(313,013)	162,652
Total Net Proceeds/Operating	1,932,292	713,928		1,932,292	1,392,073
Capital Expenditures	(962,205)	(3,329,000)		(962,205)	(2,505,465)
Results Net of Capital Expenditures	\$ 970,087	\$ (2,615,072)		\$ 970,087	\$ (1,113,392)

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2014

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	94	-	94	96	(2)
ATTENDANCE	510,210	-	510,210	543,200	(32,990)
DIRECT EVENT INCOME	1,096,902	-	1,096,902	1,262,321	(165,419)
ANCILLARY INCOME	1,189,560	-	1,189,560	1,231,195	(41,635)
TOTAL EVENT INCOME	2,286,462	-	2,286,462	2,493,516	(207,054)
TOTAL OTHER INCOME	2,399,870	-	2,399,870	2,529,950	(130,080)
TOTAL INCOME	4,686,332	-	4,686,332	5,023,466	(337,134)
INDIRECT EXPENSES					
EXECUTIVE	207,616	-	207,616	179,481	(28,135)
FINANCE	200,246	-	200,246	228,498	28,252
MARKETING	271,359	-	271,359	321,483	50,124
OPERATIONS	1,632,042	-	1,632,042	1,672,500	40,458
BOX OFFICE	94,482	-	94,482	145,951	51,469
LUXURY SEATING	54,177	-	54,177	93,292	39,115
SKYWALK ADMIN	43,226	-	43,226	19,960	(23,266)
OVERHEAD	1,488,096	-	1,488,096	1,355,562	(132,534)
TOTAL INDIRECT EXP.	3,991,242	-	3,991,244	4,016,727	25,483
NET REVENUE ABOVE EXPENSES	695,090	-	695,088	1,006,739	(311,651)
LESS INCENTIVE FEE	-	-	0	20,187	20,187
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	695,090	-	695,088	986,552	(291,464)

Comments:

June concluded a challenging year for the Arena as concert activity overall fell well below expectations and historical averages. However, during the month, the Arena hosted a very successful sold out Bruno Mars concert and heads into the new fiscal year with 3 additional sold out shows on the books for the 1st quarter.

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED JUNE 30, 2014**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	June Actual	June Budget	June FY 2013
Number of Events	2	3	9
Attendance	14,691	24,000	61,378
Direct Event Income	\$116,761	\$160,096	(\$39,201)
Ancillary Income	41,153	79,678	170,092
Other Event Income	47,246	47,200	47,112
Other Operating Income	107,957	81,444	300,279
Indirect Expenses	(334,954)	(334,730)	(350,772)
Net Income	(\$21,837)	\$33,688	\$127,510

YTD	YTD 2014 Actual	YTD 2014 Budget	YTD 2013 Prior Year
Number of Events	94	96	122
Attendance	510,210	543,200	664,254
Direct Event Income	\$1,096,902	\$1,262,321	\$1,167,726
Ancillary Income	1,189,560	1,231,195	1,593,611
Other Event Income	385,863	465,500	540,116
Other Operating Income	2,014,007	2,064,450	2,237,518
Indirect Expenses	(3,991,242)	(4,016,727)	(3,797,958)
Net Income	\$695,090	\$1,006,739	\$1,741,013

EVENT INCOME

Direct event income fell short of budget, however, consistent with forecasted expectations as less concerts were hosted during the month.

ANCILLARY INCOME

Ancillary income fell short of budget on less concerts, however, per cap spending continues to be strong.

INDIRECT EXPENSES

Indirect expenses came in at budgeted levels for the month.

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2014

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	489	-	489	507	(18)
ATTENDANCE	556,827	-	556,827	498,100	58,727
DIRECT EVENT REVENUE	3,029,152	-	3,029,152	2,918,040	111,112
ANCILLARY REVENUE	2,582,434	-	2,582,434	2,105,540	476,894
TOTAL EVENT REVENUE	5,611,586	-	5,611,586	5,023,580	588,006
TOTAL OTHER REVENUE	348,871	-	348,871	244,450	104,421
TOTAL OPERATING REVENUE	5,960,457	-	5,960,457	5,268,030	692,427
INDIRECT EXPENSES					
EXECUTIVE	181,981	-	181,981	189,482	7,501
FINANCE	248,444	-	248,444	253,687	5,243
MARKETING	119,536	-	119,536	111,149	(8,387)
OPERATIONS	1,490,629	-	1,490,629	1,449,354	(41,275)
EVENT SERVICES	1,018,114	-	1,018,114	1,034,281	16,167
BOX OFFICE	130,284	-	130,284	90,712	(39,572)
SALES	369,869	-	369,869	387,351	17,482
OVERHEAD	2,709,625	-	2,709,625	2,006,541	(703,084)
TOTAL OPERATING EXP.	6,268,482	-	6,268,482	5,522,557	(745,925)
NET REVENUE ABOVE EXPENSES	(308,025)	-	(308,025)	(254,527)	(53,498)
INCENTIVE FEE					
				0	(252,261)
NET OPERATING REVENUE OVER OPERATING EXPENSES	(308,025)	-	(308,025)	(506,788)	198,763

Comments:

DeVos Place concludes another successful fiscal year as revenue finished much higher than budget and exceeded last year as well. Expenses came in a higher than budget and prior year overall as utility expense ended the year almost \$600K over budget.

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2014**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	June Actual	June Budget	June FY 2013
Number of Events	37	41	40
Attendance	22,444	19,400	34,268
Direct Event Income	\$157,109	\$148,140	\$211,397
Ancillary Income	277,780	160,581	243,181
Other Event Income	23,222	(22)	37,144
Other Operating Income	1,489	2,674	4,396
Indirect Expenses	(547,825)	(460,230)	(761,821)
Net Income	(\$88,225)	(\$148,857)	(\$265,703)

YTD	YTD 2014 Actual	YTD 2014 Budget	YTD 2013 Prior Year
Number of Events	489	507	514
Attendance	556,827	498,100	587,819
Direct Event Income	\$3,029,152	\$2,918,040	\$3,043,971
Ancillary Income	2,582,434	2,105,540	2,523,209
Other Event Income	317,923	212,450	262,515
Other Operating Income	30,948	32,000	30,837
Indirect Expenses	(6,268,482)	(5,522,562)	(5,782,497)
Net Income	(\$308,025)	(\$254,532)	\$78,035

EVENT INCOME

Direct event income came in consistent with both budget and revised expectations.

ANCILLARY INCOME

Ancillary income far exceed expectations as spending on catering was far higher than anticipated.

INDIRECT EXPENSES

Indirect expenses came in consistent with forecasted expectations for the month. Utility expense appears to have leveled back off to historical averages with hopes the trend continues as we head into the new fiscal year.

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Proceeds Detail
Fiscal Trends for Year Ending June 30, 2014
Preliminary Year-End

	Annual			Year-to-Date		
	FY 2013 Final	FY 2014 Budget	Percentage Change	FY2013 7/1-6/30	FY 2014 7/1-6/30	Percentage Change
Other						
Revenues						
Interest	\$ 92,900	\$ 84,000	(9.6)	\$ 92,900	\$ 80,589	(13.3)
Miscellaneous	108,301	100,300	(7.4)	108,301	82,063	(24.0)
	<u>201,201</u>	<u>184,300</u>	<u>(8.4)</u>	<u>201,201</u>	<u>162,652</u>	<u>(19.2)</u>
Expenses						
Marketing (CVB/Sports)	100,000	125,000	25.0	100,000	125,000	25.0
Diversity Initiative	59,383	125,000	110.5	59,383	123,958	108.7
Wages/Benefits	112,519	114,339	1.6	112,519	118,657	5.5
Professional Services	48,360	61,000	26.1	48,360	57,846	19.6
DID Assessment	38,124	60,000	57.4	38,124	38,990	2.3
Food & Beverage Repairs	33,026	40,000	21.1	33,026	16,290	(50.7)
Consulting Services	35,688	31,004	(13.1)	35,688	82,112	130.0
Landscaping	20,100	30,000	49.3	20,100	16,487	(18.0)
Procurement of Art	17,554	30,000	70.9	17,554	17,869	1.8
Insurance	25,303	26,500	4.7	25,303	23,775	(6.0)
Supplies/Other	24,157	60,000	148.4	24,157	12,592	(47.9)
	<u>514,214</u>	<u>702,843</u>	<u>36.7</u>	<u>514,214</u>	<u>633,576</u>	<u>23.2</u>
Net Proceeds - Operating	<u>\$ (313,013)</u>	<u>\$ (518,543)</u>	<u>(65.7)</u>	<u>\$ (313,013)</u>	<u>\$ (470,924)</u>	<u>(50.4)</u>



VAN ANDEL ARENA

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2014**

*****UNAUDITED STATEMENTS*****

PROUD HOME OF THE GRAND RAPIDS GRIFFINS – 2013 CALDER CUP CHAMPIONS



Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Joe Romano

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



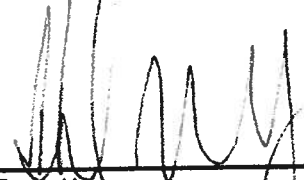
An SMG Managed Facility

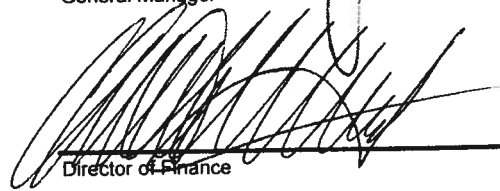
VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2014

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	94	-	94	96	(2)
ATTENDANCE	510,210	-	510,210	543,200	(32,990)
DIRECT EVENT INCOME	1,096,902	-	1,096,902	1,262,321	(165,419)
ANCILLARY INCOME	1,189,560	-	1,189,560	1,231,195	(41,635)
TOTAL EVENT INCOME	2,286,462	-	2,286,462	2,493,516	(207,054)
TOTAL OTHER INCOME	2,399,870	-	2,399,870	2,529,950	(130,080)
TOTAL INCOME	4,686,332	-	4,686,332	5,023,466	(337,134)
INDIRECT EXPENSES					
EXECUTIVE	207,616	-	207,616	179,481	(28,135)
FINANCE	200,246	-	200,246	228,498	28,252
MARKETING	271,359	-	271,359	321,483	50,124
OPERATIONS	1,632,042	-	1,632,042	1,672,500	40,458
BOX OFFICE	94,482	-	94,482	145,951	51,469
LUXURY SEATING	54,177	-	54,177	93,292	39,115
SKYWALK ADMIN	43,226	-	43,226	19,960	(23,266)
OVERHEAD	1,488,096	-	1,488,096	1,355,562	(132,534)
TOTAL INDIRECT EXP.	3,991,242	-	3,991,244	4,016,727	25,483
NET REVENUE ABOVE EXPENSES	695,090	-	695,088	1,006,739	(311,651)
LESS INCENTIVE FEE		-	0	20,187	20,187
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	695,090	-	695,088	986,552	(291,464)

Comments:

June concluded a challenging year for the Arena as concert activity overall fell well below expectations and historical averages. However, during the month, the Arena hosted a very successful sold out Bruno Mars concert and heads into the new fiscal year with 3 additional sold out shows on the books for the 1st quarter.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED JUNE 30, 2014**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	June Actual	June Budget	June FY 2013
Number of Events	2	3	9
Attendance	14,691	24,000	61,378
Direct Event Income	\$116,761	\$160,096	(\$39,201)
Ancillary Income	41,153	79,678	170,092
Other Event Income	47,246	47,200	47,112
Other Operating Income	107,957	81,444	300,279
Indirect Expenses	(334,954)	(334,730)	(350,772)
Net Income	(\$21,837)	\$33,688	\$127,510

YTD	YTD 2014 Actual	YTD 2014 Budget	YTD 2013 Prior Year
Number of Events	94	96	122
Attendance	510,210	543,200	664,254
Direct Event Income	\$1,096,902	\$1,262,321	\$1,167,726
Ancillary Income	1,189,560	1,231,195	1,593,611
Other Event Income	385,863	465,500	540,116
Other Operating Income	2,014,007	2,064,450	2,237,518
Indirect Expenses	(3,991,242)	(4,016,727)	(3,797,958)
Net Income	\$695,090	\$1,006,739	\$1,741,013

EVENT INCOME

Direct event income fell short of budget, however, consistent with forecasted expectations as less concerts were hosted during the month.

ANCILLARY INCOME

Ancillary income fell short of budget on less concerts, however, per cap spending continues to be strong.

INDIRECT EXPENSES

Indirect expenses came in at budgeted levels for the month.

Van Andel Arena
Income Statement
For the Twelve Months Ending June 30, 2014

	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	\$125,216	\$169,322	(\$16,999)	\$40,070	\$1,696,005	\$1,794,603	(98,598)	\$1,905,717
Service Revenue	91,215	119,952	(28,737)	182,336	1,071,249	1,188,515	(117,266)	1,444,869
Service Expenses	(99,670)	(129,178)	29,508	(261,607)	(1,670,352)	(1,720,797)	50,445	(2,182,860)
Total Direct Event Income	116,761	160,096	(43,335)	(39,201)	1,096,902	1,262,321	(165,419)	1,167,726
Ancillary Income								
F&B Concession	28,016	66,462	(38,446)	138,139	1,027,001	1,069,475	(42,474)	1,365,305
F&B Catering	5,580	5,460	120	6,484	97,368	69,078	28,290	106,373
Novelty Sales	7,557	8,256	(699)	24,899	64,389	92,642	(28,253)	120,848
Booth Cleaning	0	(500)	500	345	766	0	766	1,627
Audio Visual	0	0	0	225	36	0	36	408
Other Ancillary	0	0	0	0	0	0	0	(950)
Total Ancillary Income	41,153	79,678	(38,525)	170,092	1,189,560	1,231,195	(41,635)	1,593,611
Other Event Income								
Ticket Rebates(Per Event)	47,246	47,200	46	47,112	385,863	465,500	(79,637)	540,116
Total Other Event Income	47,246	47,200	46	47,112	385,863	465,500	(79,637)	540,116
Total Event Income	205,160	286,974	(81,814)	178,003	2,672,325	2,959,016	(286,691)	3,301,453
Other Operating Income								
Luxury Box Agreements	47,902	48,685	36,003	194,189	1,334,017	1,391,450	(57,433)	1,479,703
Advertising	52,138	52,087	49	101,200	627,501	625,000	2,501	695,200
Other Income	7,919	(19,328)	27,247	4,890	52,489	48,000	4,489	62,615
Total Other Operating Income	107,957	81,444	26,513	300,279	2,014,007	2,064,450	(50,443)	2,237,518
Adjusted Gross Income	313,117	368,418	(55,301)	478,282	4,886,332	5,023,466	(337,134)	5,538,971
Operating Expenses								
Salaries and Wages	140,388	169,313	(28,925)	168,733	1,916,078	2,031,822	(115,744)	1,974,319
Payroll Taxes and Benefits	43,996	47,539	(3,543)	63,146	535,638	570,424	(34,786)	550,831
Labor Allocations to Events	(57,290)	(70,487)	13,197	(106,458)	(819,346)	(845,800)	26,454	(938,685)
Net Salaries and Benefits	127,094	146,365	(19,271)	125,421	1,632,370	1,756,446	(124,076)	1,586,465
Contracted Services	21,188	20,933	255	21,166	220,005	251,141	(31,136)	212,043
General and Administrative	32,645	22,535	10,110	43,487	362,199	270,420	91,779	288,851
Operations	1,876	6,804	(4,928)	12,813	39,024	81,604	(42,580)	44,108
Repair and Maintenance	28,334	21,411	6,923	12,467	218,110	256,998	(38,888)	217,499
Operational Supplies	22,843	15,413	7,430	6,270	193,597	185,000	8,597	224,326
Insurance	12,921	10,256	2,665	(3,697)	143,945	123,017	20,928	140,134
Utilities	74,033	77,030	(2,997)	119,073	1,013,164	924,360	88,804	919,269
SMG Management Fees	14,020	13,983	37	13,772	168,828	167,741	1,087	165,263
Total Operating Expenses	334,954	334,730	224	350,772	3,991,242	4,016,727	(25,485)	3,797,958
Net Income(Loss) From Operations	(21,837)	33,688	(55,525)	127,510	695,090	1,006,739	(311,649)	1,741,013
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(21,837)	33,688	(55,525)	127,510	695,090	1,006,739	(311,649)	1,741,013

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Twelve Months Ended June 30, 2014

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	20	20	62,658	57,500	209,239	179,275
Sporting Event	12	13	46,471	57,000	536,474	378,415
Concert	15	21	105,915	181,500	1,186,567	1,808,566
Team Home Games	42	38	266,668	224,200	677,842	547,238
Other	5	4	28,498	23,000	62,204	45,522
GRAND TOTALS	94	96	510,210	543,200	2,672,325	2,959,016

As Percentage of Overall

Family Show	21.28%	20.83%	12.28%	10.59%	7.83%	6.06%
Sporting Event	12.77%	13.54%	9.11%	10.49%	20.08%	12.79%
Concert	15.96%	21.88%	20.76%	33.41%	44.40%	61.12%
Team Home Games	44.68%	39.58%	52.27%	41.27%	25.37%	18.49%
Other	5.32%	4.17%	5.59%	4.23%	2.33%	1.54%

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**Van Andel Arena
Balance Sheet
As of June 30, 2014**

ASSETS

Current Assets		
Cash	4,799,957	
Account Receivable	597,527	
Prepaid Expenses	64,056	
Total Current Assets		\$5,461,540
Total Assets		\$5,461,540

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	58,934	
Accrued Expenses	399,312	
Deferred Income	1,208,155	
Advanced Ticket Sales & Deposits	4,491,576	
Total Current Liabilities		\$6,157,976
Other Liabilities		
Equity		
Funds Remitted to CAA	(3,184,943)	
Expenses Paid Direct by CAA	961,100	
Beginning Balance Equity	832,318	
Current Year Equity	695,089	
Total Equity		(\$696,436)
Total Liabilities and Equity		\$5,461,540

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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2014

Current - Under 30 Days	
Food & Beverage	57,433
Ticketing	188,902
Merchandise	12,340
Permanent Advertising	484,700
DeVos Place	(266,698)
Operating	44,026
 Over 30 Days	 43,324
 Over 60 Days	 33,500
 Over 90 Days	
 Total Accounts Receivable	 597,527

SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2014

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2013 Actual
Net Revenue above Expenses	695,090	(308,025)	387,065	1,743,309
Benchmark ++			750,000	750,000
Excess	695,090	(308,025)	(362,935)	993,309

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	167,741	167,741	335,482	330,525
Incentive Fee				
Revenue	4,686,332	5,960,457	10,646,789	11,289,192
Benchmark Revenue	4,950,000	4,350,000	9,300,000	9,200,000
Revenue Excess	(263,668)	1,610,457	1,346,789	2,089,192
Incentive Fee **	-	-	-	330,525
Total SMG Management Fee	167,741	167,741	335,482	661,050

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

++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2014

UNAUDITED STATEMENTS

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Joe Romano
Gary McAneney
John Szudzik
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2014

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	489	-	489	507	(18)
ATTENDANCE	556,827	-	556,827	498,100	58,727
DIRECT EVENT REVENUE	3,029,152	-	3,029,152	2,918,040	111,112
ANCILLARY REVENUE	2,582,434	-	2,582,434	2,105,540	476,894
TOTAL EVENT REVENUE	5,611,586	-	5,611,586	5,023,580	588,006
TOTAL OTHER REVENUE	348,871	-	348,871	244,450	104,421
TOTAL OPERATING REVENUE	5,960,457	-	5,960,457	5,268,030	692,427
INDIRECT EXPENSES					
EXECUTIVE	181,981	-	181,981	189,482	7,501
FINANCE	248,444	-	248,444	253,687	5,243
MARKETING	119,536	-	119,536	111,149	(8,387)
OPERATIONS	1,490,629	-	1,490,629	1,449,354	(41,275)
EVENT SERVICES	1,018,114	-	1,018,114	1,034,281	16,167
BOX OFFICE	130,284	-	130,284	90,712	(39,572)
SALES	369,869	-	369,869	387,351	17,482
OVERHEAD	2,709,625	-	2,709,625	2,006,541	(703,084)
TOTAL OPERATING EXP.	6,268,482	-	6,268,482	5,522,557	(745,925)
NET REVENUE ABOVE EXPENSES	(308,025)	-	(308,025)	(254,527)	(53,498)
INCENTIVE FEE			0	252,261	(252,261)
NET OPERATING REVENUE OVER OPERATING EXPENSES	(308,025)	-	(308,025)	(506,788)	198,763

Comments:

DeVos Place concludes another successful fiscal year as revenue finished much higher than budget and exceeded last year as well. Expenses came in a higher than budget and prior year overall as utility expense ended the year almost \$600K over budget.

General Manager

Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2014**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	June Actual	June Budget	June FY 2013
Number of Events	37	41	40
Attendance	22,444	19,400	34,268
Direct Event Income	\$157,109	\$148,140	\$211,397
Ancillary Income	277,780	160,581	243,181
Other Event Income	23,222	(22)	37,144
Other Operating Income	1,489	2,674	4,396
Indirect Expenses	(547,825)	(460,230)	(761,821)
Net Income	(\$88,225)	(\$148,857)	(\$265,703)

YTD	YTD 2014 Actual	YTD 2014 Budget	YTD 2013 Prior Year
Number of Events	489	507	514
Attendance	556,827	498,100	587,819
Direct Event Income	\$3,029,152	\$2,918,040	\$3,043,971
Ancillary Income	2,582,434	2,105,540	2,523,209
Other Event Income	317,923	212,450	262,515
Other Operating Income	30,948	32,000	30,837
Indirect Expenses	(6,268,482)	(5,522,562)	(5,782,497)
Net Income	(\$308,025)	(\$254,532)	\$78,035

EVENT INCOME

Direct event income came in consistent with both budget and revised expectations.

ANCILLARY INCOME

Ancillary income far exceed expectations as spending on catering was far higher than anticipated.

INDIRECT EXPENSES

Indirect expenses came in consistent with forecasted expectations for the month. Utility expense appears to have leveled back off to historical averages with hopes the trend continues as we head into the new fiscal year.

DeVos Place
Income Statement
For the Twelve Months Ending June 30, 2014

	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	\$185,173	\$192,480	(\$7,307)	\$221,701	\$3,128,907	\$3,046,900	\$82,007	\$3,169,121
Service Revenue	158,886	299,700	(140,814)	183,777	2,473,605	2,192,440	281,165	2,362,572
Service Expenses	(186,950)	(344,040)	157,090	(194,081)	(2,573,360)	(2,321,300)	(252,060)	(2,487,722)
Total Direct Event Income	157,109	148,140	8,969	211,397	3,029,152	2,918,040	111,112	3,043,971
Ancillary Income								
F&B Concession	18,395	6,424	11,971	18,461	202,342	143,900	58,442	205,814
F&B Catering	159,752	50,597	109,155	152,539	875,185	650,250	224,935	841,766
Novelty Sales	1,543	(20)	1,563	492	8,616	12,000	(3,384)	8,830
Booth Cleaning	11,362	20,634	(9,272)	5,538	315,102	266,390	48,712	297,438
Telephone/Long Distance	0	0	0	0	2,700	0	2,700	3,034
Electrical Services	25,668	36,465	(10,797)	25,924	440,750	432,400	8,350	484,134
Audio Visual	53,313	30,259	23,054	28,704	436,580	346,500	90,080	392,295
Internet Services	(8,043)	8,952	(14,995)	798	103,518	95,500	8,018	111,534
Equipment Rental	13,790	7,270	6,520	10,725	197,641	158,600	39,041	178,364
Total Ancillary Income	277,780	160,581	117,199	243,181	2,682,434	2,105,540	476,894	2,523,209
Other Event Income								
Ticket Rebates(Per Event)	23,222	(22)	23,244	37,144	317,923	212,450	105,473	262,515
Total Other Event Income	23,222	(22)	23,244	37,144	317,923	212,450	105,473	262,515
Total Event Income	458,111	308,699	149,412	491,722	5,929,509	5,236,030	693,479	5,829,695
Other Operating Income								
Luxury Box Agreements	1,341	1,337	4	1,461	16,720	16,000	720	15,465
Other Income	148	1,337	(1,189)	2,935	14,228	16,000	(1,772)	15,372
Total Other Operating Income	1,489	2,674	(1,185)	4,396	30,948	32,000	(1,052)	30,837
Adjusted Gross Income	459,600	311,373	148,227	496,118	5,960,457	5,268,030	692,427	5,860,532
Operating Expenses								
Salaries and Wages	207,866	258,941	(51,075)	263,701	3,108,226	3,107,303	923	3,036,826
Payroll Taxes and Benefits	89,110	74,362	14,748	83,372	997,590	892,344	105,246	938,827
Labor Allocations to Events	(112,836)	(147,869)	35,033	(155,005)	(1,791,608)	(1,774,439)	(17,169)	(1,745,127)
Net Salaries and Benefits	184,140	185,434	(1,294)	192,068	2,314,208	2,225,208	89,000	2,230,526
Contracted Services	26,235	20,723	5,512	25,155	365,857	248,821	117,236	339,038
General and Administrative	25,846	28,113	(2,267)	28,071	343,163	337,323	5,840	340,682
Operations	11,364	9,769	1,595	26,886	96,567	117,250	(20,683)	115,971
Repair and Maintenance	62,858	41,646	21,212	63,049	487,021	499,741	(12,720)	462,862
Operational Supplies	52,629	20,912	31,717	38,550	215,949	250,900	(34,951)	295,812
Insurance	15,434	16,250	(816)	9,355	227,175	194,978	32,197	210,058
Utilities	155,299	123,400	31,899	364,915	2,050,305	1,480,800	569,505	1,622,285
SMG Management Fees	14,020	13,983	37	13,772	168,237	167,741	496	165,263
Total Operating Expenses	547,825	460,230	87,595	761,821	6,268,482	5,522,562	745,920	5,782,497
Net Income(Loss) From Operations	(88,225)	(148,857)	60,632	(265,703)	(308,025)	(254,532)	(53,493)	78,035
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(88,225)	(148,857)	60,632	(265,703)	(308,025)	(254,532)	(53,493)	78,035

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Twelve Months ended June 30, 2014

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	127	120	122,670	120,000	2,271,746	1,974,750
Consumer/Gated Shows	49	53	168,671	135,000	1,106,359	1,088,000
DeVos Performance Hall	140	134	170,804	160,600	1,318,183	979,040
Banquets	38	40	29,344	26,000	387,526	312,240
Meetings	95	110	23,368	38,500	586,850	552,750
Other	40	50	41,970	18,000	258,845	329,250
GRAND TOTALS	489	507	556,827	498,100	5,929,509	5,236,030

As Percentage of Overall

Convention/Trade Shows	25.97%	23.67%	22.03%	24.09%	38.31%	37.71%
Consumer/Gated Shows	10.02%	10.45%	30.29%	27.10%	18.66%	20.78%
Devos Performance Hall	28.63%	26.43%	30.67%	32.24%	22.23%	18.70%
Ballroom Exclusive	7.77%	7.89%	5.27%	5.22%	6.54%	5.96%
Meetings	19.43%	21.70%	4.20%	7.73%	9.90%	10.56%
Other	8.18%	9.86%	7.54%	3.61%	4.37%	6.29%

**DeVos Place
Balance Sheet
As of June 30, 2014**

ASSETS

Current Assets

Cash	830,405
Account Receivable	1,078,560
Prepaid Expenses	67,335

Total Current Assets

\$1,976,299

Total Assets

\$1,976,299

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	122,068
Accrued Expenses	417,623
Deferred Income	69,087
Advanced Ticket Sales & Deposits	665,990

Total Current Liabilities

\$1,274,768

Other Liabilities

Equity

Funds Remitted to CAA	(2,442,073)
Expenses Paid Direct by CAA	1,890,805
Beginning Balance Equity	1,560,825
Current Year Equity	(308,025)

Total Equity

\$701,532

Total Liabilities and Equity

\$1,976,299

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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2014

Current - Under 30 Days	
Food & Beverage	178,147
Ticketing	1,080
Merchandise	-
Decorating	11,362
Audio/Visual	53,313
Van Andel Arena	266,697
Operating	347,243
 Over 30 Days	 214,784
 Over 60 Days	 5,934
 Over 90 Days	
 Total Accounts Receivable	 1,078,560

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2014**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2013 Actual
Net Revenue above Expenses	695,090	(308,025)	387,065	1,743,309
Benchmark ++			750,000	750,000
Excess	695,090	(308,025)	(362,935)	993,309

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	167,741	167,741	335,482	330,525
Incentive Fee				
Revenue	4,686,332	5,960,457	10,646,789	11,289,192
Benchmark Revenue	4,950,000	4,350,000	9,300,000	9,200,000
Revenue Excess	(263,668)	1,610,457	1,346,789	2,089,192
Incentive Fee **	-	-	-	330,525
Total SMG Management Fee	167,741	167,741	335,482	661,050

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

++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.

Grand Rapids-Kent County Convention/Arena Authority
SMG Contract
Comparison of FY 2014 Budget to Actual
Significant Variances
July 28, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
DeVos Place®			
Revenues	\$ 5,268,030	\$ 5,960,457 ⁽¹⁾	
Expenses	<u>(5,522,562)</u>	<u>(6,268,482) ⁽²⁾</u>	
Net	<u>\$ (254,532)</u>	<u>\$ (308,025)</u>	\$ (53,493)
Van Andel Arena®			
Revenues	\$ 5,023,466	\$ 4,686,332 ⁽³⁾	
Expenses	<u>(4,016,727)</u>	<u>(3,991,242)</u>	
Net	<u>\$ 1,006,739</u>	<u>\$ 695,090</u>	(311,649)
SMG-Incentive Fee	<u>\$ 272,449</u>	<u>\$ -</u>	272,449
All Other Operating			
Revenues	\$ 1,069,666	\$ 1,129,564	
Expenses	<u>(835,496)</u>	<u>(758,132)</u>	
	<u>\$ 234,170</u>	<u>\$ 371,432</u>	137,262
Capital	<u>\$ (3,329,000)</u>	<u>\$ (2,505,465)</u>	<u>823,535 ⁽⁴⁾</u>
Total Variance from Budget			<u>\$ 868,104</u>

Notes:

- (1) Revenues Up \$690,000 (+13.1%) over budget.
- (2) Utilities actual at \$569,505 over budget.
- (3) 15 concerts (21 budgeted). Event income actual at (\$621,999) under budget.
- (4) \$144,000 of project balances carried forward to FY 2015 budget.



Financial Dashboard June 30, 2014

Van Andel Arena®					
All Types			Concert		
	Budget	Actual	Budget	Actual	
Events	96	94	21	15	↓
Attendance	543,000	510,210	181,500	105,915	↓
Event Income	\$ 2,959,016	\$ 2,672,325	\$ 1,808,566	\$ 1,146,567	↓

DeVos Place®					
All Types			Convention/Trade		
	Budget	Actual	Budget	Actual	
Events	507	489	120	127	↑
Attendance	498,100	556,827	120,000	122,670	↑
Event Income	\$ 5,236,030	\$ 5,929,509	\$ 1,974,750	\$ 2,271,746	↑

Consolidated			
	Budget	Actual	
Operating Income	\$ 713,928	\$ 758,497	↑
Capital/Repair/Replacement	(3,329,000)	(2,505,465)	↑
Net - Drawn on Fund Balance	\$ (2,615,072)	\$ (1,746,968)	↑



Memorandum

To: CAA Board Members

From: Susan Waddell, Administrative Manager

Date: July 24, 2014

Re: Directors' & Officers' Insurance Renewal

Convention

Arena

Authority

Steve Heacock,

Chairperson

Lew Chamberlin

Hon. George K. Heartwell

Birgit M. Klohs

Charlie Secchia

Floyd Wilson, Jr.

Richard A. Winn

The CAA current insurance policy is set to expire on August 23, 2014. Below is a summary of the renewal proposal:

Insurer: Michigan Municipal Risk Management Authority (MMRMA)

2014 Expiring premium: \$19,401

2015 Renewal premium: \$18,500

Total Change - \$ 901

% Change (+ -) -4.6%

<u>Summary of Coverages</u>	<u>Limit</u>	<u>Deductible</u>
General liability	\$15,000,000	\$0
D &O / Public Officials	\$15,000,000	\$0
Terrorism Liability	\$5,000,000	\$0
Faithful Performance	Per Statute	\$0
Auto liability - No-Fault	Per Statute	\$0
Buildings & Personal Property	\$1,010,000	\$0
Fine Art	\$1,000,000	\$0
Blanket Employee Fidelity	\$1,000,000	\$0
Data Breach & Privacy Liability	\$1,000,000	\$25,000

Action Requested: Approve insurance renewal proposal.



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DEVOS PLACE

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