

Agenda

Board of Directors

Friday, August 2, 2019
Following CAA Finance Committee Meeting
Kent County Commission Chambers
300 Monroe Avenue, NW, Grand Rapids, MI

- | | | |
|----|--|----------------|
| 1. | Call to Order | Steve Heacock |
| 2. | Minutes of June 7, 2019 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | Information |
| | i. Experience Grand Rapids Report | |
| | B. Finance Committee | |
| | i. Consolidated Financial Statement for Period Ending June 30, 2019 | Action |
| | ii. SMG June 2019 Financial Statements – DeVos Place® and Van Andel Arena® | Information |
| 4. | Auto Parking System Periodic Reporting | Information |
| 5. | Application to Liquor Control Commission for Special License | Action |
| 6. | SMG Report and Facilities Calendars | Rich MacKeigan |
| 7. | Public Comment | |
| 8. | CAA Board Member Comments | |
| 9. | Adjournment | |

Next Meeting Date: Friday, October 4, 2019

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
JOINT MEETING OF
BOARD OF DIRECTORS, FINANCE COMMITTEE
AND OPERATIONS COMMITTEE
303 Monroe, NW | Grand Rapids, MI
Friday, June 7, 2019**

Attendance

Members Present: Steve Heacock, Chairperson
Rosalynn Bliss
Lew Chamberlin
Birgit Klohs
Charlie Secchia
Floyd Wilson, Jr.
Richard Winn

Finance Committee: Jill Ferris
Robert Herr
Jay Preston
Marvin Van Nortwick

Operations Committee: Jim Conner
Peter D'Arienzo
Glenn Del Vecchio
Al Jano
Darius Quinn
John Van Fossen

Liaison Committee: Diane Jones
Monica Sparks

**Community
Inclusion Group:** Mercedes Barragan
Omar Cuevas
Connie Dane
Darius Quinn
Adrian Sotelo

Staff/Others:	Chris Anderson	SMG
	Michael Baker	Dept. of Homeland Security
	Kathy Bart	SMG
	Tom Bennett	Experience Grand Rapids
	Wayman Britt	Kent County
	Dave Broekstra	SMG
	Lauren Callahan	SMG
	Hilarie Carpenter	SMG
	Bill Culhane	Progressive AE
	Laura D'Artanay	SMG
	Justin Dawes	<i>Grand Rapids Business Journal</i>
	TJ Frasier	Bluewater Technologies
	Stephanie Gonda	Townsquare Media/Magic 104.9

Tim Gortsema	Grand Rapids Griffins
Sarah Hendley	SMG
Jen Henkel	SMG
Phil Johnson	Townsquare Media/Magic 104.9
Todd Johnson	SMG
Chris Knape	K Corner Consulting
Andy Knight	MKSK
Andy Kursch	SMG
Mike Lloyd	Broadway Grand Rapids
Chris Machuta	SMG
Rich MacKeigan	SMG
Maggie Malone	Grand Rapids Public Schools
Brian McVicar	<i>The Grand Rapids Press/MLive</i>
Sam Olivarez	Bluewater Technologies
Hannah Pigott	SMG
Stan Sacha	IATSE Local 26
Rick Sarata	Townsquare Media/Magic 104.9
Marcus Scott	SMG
Doug Small	Experience Grand Rapids
Ed Spillers/Lee Stephens	Townsquare Media/Magic 104.9
Eddie Tadlock	SMG
Brad Thomas	Progressive AE
Ed Wager	IATSE Local 26
Mark Washington	City of Grand Rapids
Robert White	CAA
Jessica Wood	Dickinson Wright
Paul Ymker	Bluewater Technologies

1. Call to Order

Chairperson, Steve Heacock, called the meeting to order at 8:00 a.m. Secretary/Treasurer, Richard Winn, recorded the meeting minutes. Roundtable introductions followed.

2. Grand Rapids Public Schools' Speedo Green Update

Rich MacKeigan explained that famed opera singer, Ryan Speedo Green, was booked as part of the CIG African American series. Speedo Green had a tough upbringing and today he is a rising star performing major roles at the Met and Europe's most prestigious opera houses. The SMG marketing department worked with GRPS to offer students the opportunity to attend his show.

Maggie Malone, Director of Fine Arts for GRPS, expressed deep appreciation to the CAA Board for the opportunity of GRPS students to participate in this life-changing opportunity. There was representation from 14 schools, grades 7 through 12, and their choir teachers. Maggie explained that the performance touched both students and staff. Speedo Green's family lived in a trailer park and later a bullet-riddled house across the street from drug dealers. His father was absent; his mother was volatile and violent. At the age of 12, Speedo Green was sent to Virginia's juvenile facility of last resort and placed in solitary confinement. Two caring teachers redirected his rage to music. At the age of 24, Ryan won a nationwide competition hosted by New York's Metropolitan Opera, beating out 1,200 talented singers. When you have grown up and have experienced things you don't want people to know about, whether that is poverty or challenges or things that are happening in your family that you don't want to share, you keep that private even though people reach out. Teachers are trying to help and reach these students. Speedo

Green is an amazing human being. He spoke very honestly about his life experiences. He spoke about the power of educators in his life and how they have impacted and helped him along his journey. I would describe his performance as an “informance,” where he would share part of his life story and then actually perform and sing. Those pieces that he related to the kids were opportunities for students to connect with those kids that would not open and allow them afterwards to share with their teachers. Part of this gentleman’s talent and gift is that he has been emotionally so deep that he has such a wealth and a resource of range of emotion for him to share. His talent is undeniable. He filled the room, and I think everyone in that room was changed. Speedo Green is a victor. He has overcome these challenges in his life. Thank you for allowing this performance to be possible for our students and staff.

3. Homeland Security Presentation

At the request of SMG, the U.S. Department of Homeland Security conducted a security review of the Van Andel Arena® and DeVos Place®. SMG began working with Homeland Security following the 2017 bombing at an Ariana Grande concert in Manchester, England, that killed 22 people. Security at the CAA facilities is about average when compared with similar venues. Protective Security Advisor, Michael Baker has been working with Todd Johnson, SMG Director of Operations & Security, to conduct assist visits, game-day security observations, infrastructure security tool (IST) assessments, infrastructure visualization platforms (IVP), and compilation and finalizing of IST reports and dashboard delivery. The IST assessments examined a variety of factors including chemical, HVAC, water, electric, SMS, transportation, IT, POL/NG, and Security/EM. The dashboards included both protective and resilience measurement indexes that covered vulnerabilities and options for consideration. The IVP consisted of 3-D mapping the entire Van Andel Arena®, which was extremely useful to the Secret Service when President Trump recently visited Grand Rapids. Similar mapping is being done at DeVos Place®. More than gun control, vehicle ramming is the number one security issue facing arenas and other areas that attract large crowds for events. Homeland Security is working with SMG to host a simulated active shooter attack at the Van Andel Arena®. The exercise is designed to simulate reality by presenting complex and realistic problems that require critical thinking, rapid problem solving, and effective responses by trained personnel, thereby testing and validating many facets of planning and preparedness. The planning and training process will take three years to complete.

4. Community Inclusion Group Update

Darius Quinn, Chair of the Community Inclusion Group (CIG), presented an update. The CIG was created to guide the CAA in establishing a visible commitment to diversity. Members of the CIG include Mercedes Barragan, Omar Cuevas, Connie Dang, Rosie Del Valle, Kristian Grant, Joe Jones, Denise Lubey, Minnie Morey, Angela Nelson, Evette Pittman, Darius Quinn, and, Adrian Sotelo. The CIG’s vision is to be western Michigan’s premier multi-cultural enjoyment and entertainment venues. Its tagline reads, “Three Premier Venues: Welcoming All.” The CIG’s priorities are to increase community awareness and access to the venues; attract top-level talent to the venues; support supplier diversity development and engagement; and staff investment. The CIG approved new performance measures that include the number of diverse events, attendance + income for diverse events, diversity of SMG staff and subcontractor staff, number of contracts with diverse vendors, and the cultural intelligence of SMG and subcontractor staff. Highlights from 2018/2019 include the creation of two signature programs: Serie Latina 2018 and The Series: Creative Expressions of African American Culture. Both programs included three events. The Serie Latina 2018 shows were Tango y Flamenco Fusion, Mexico In Transit, and Fiesta Caribena. The Series events were Dance Theatre of Harlem; Speedo Green: Sing for Your Life, A Conversation with Daniel Bergner; and Eric Roberson with special guest Jordan Hamilton. Mr. Quinn thanked the CAA for its continuing support.

5. Redesign of Van Andel Plaza

The CAA and DGRI are collaborating on the redesign of the Van Andel Arena® plaza, the service alley to the Arena's east side, and the property perimeter along Ottawa Avenue. MKSK Studios was hired to create the new design. Andy Knight of MKSK attended the meeting to present initial concepts from the partly finished project. Mr. Knight stated that the contouring throughout the project was inspired by Grand Rapids history as Furniture City. Project goals for the plaza include enhanced security to the Arena, opportunities to linger, enhanced queuing for event patrons, greening of the plaza, and service access accommodation. The plaza redesign includes a green performance space with electrical outlets, enhanced visualization of the existing café and an accessible walkway entry garden with available seating. The plaza donor pavers would be salvaged and reused. An upgraded snowmelt system will be included. Lighting fixtures are planned for the plaza and throughout the space. Plans for planters and green space around the property create a canopy containing a variety of trees.

Key goals for the alley include a design that is integrated into the design of the plaza, a design that is informed by the business and property owners, balance the service needs related to drop-offs and trash storage/removal, provide and enhance greening of the pedestrian space, and provide more opportunities to linger. The alley connects the north side of Fulton to Studio Park that is under development. Enhancement of the alley is meant to pull people from Studio Park toward the plaza and further into downtown. The alley will include space for artists and will have string lights overhead. There will be space in the alley to accommodate service and emergency access only. Mr. Knight added that the design anticipates potential future development in the parking lot south of the Arena.

6. Proof of Concept Task Force Report

Rich MacKeigan presented an update. The Task Force is made up of Roger Morgan, Kent County Commissioner; Mark Washington, Grand Rapids City Manager; Tim Kelly, DGRI; Jill Ferris, Finance Committee member; Birgit Klohs, CAA; Floyd Wilson, CAA; and Chair of the Task Force, Doug Small, Experience Grand Rapids.

The Proof of Concept Task Force met for the fourth time on May 21 to continue to gather information about the amphitheater project and begin to develop considerations the Board will need to determine proper locations. With help from Progressive AE and after consulting with Amphitheater owners/operators, the Task Force began developing criteria the Board will need for weighing site selection, including proximity to downtown, captured parking, proximity to floodplain, inclusiveness, sound isolation, economic impact, and ability to use investments in existing infrastructure, such as sewer, water, power, and parking.

Since that meeting, Chris Knape has also been working on compiling information about how other communities are financing convention hotels that are being planned, are under construction, or those that were recently completed. Rich MacKeigan is also working to connect Chris with contacts at SMG to gather their market-specific knowledge about convention hotel financing, projections vs. performance and other relevant data. The next Task Force meeting is scheduled for June 24 and will include a presentation by CitiGroup reviewing potential financing options and comparing other similar projects.

7. Minutes of May 3, 2019

Motion by Ms. Bliss, support by Mr. Wilson, to approve the May 3, 2019, Minutes. Motion carried.

8. Committee Reports

A. Operations Committee

i. Experience Grand Rapids Report

Mr. Bennett provided an overview of the CVB's recent bookings, sales activities, site visits, marketing efforts, and major bid presentations. Mr. Bennett reviewed the Starr Report numbers for April 2019. Experience Grand Rapids booked six groups were booked for DeVos Place®, including Amway IBO, International Woodworking Fair, Hemophilia Foundation of Michigan, and Acton Institute.

B. Finance Committee

i. Acceptance of April 2019 Consolidated Financial Statements

Mr. White presented the consolidated financial report for the period ended April 30, 2019. The dashboard showed that 33 concerts generated \$3,515,233 in event revenue, an increase of 56.0% from prior year (23 concerts) of \$2,253,348. Convention/trade show business generated \$1,884,495 in event revenue, an increase of +10.1% from prior year (attendance decreased from 123,217 to 113,134) of \$1,712,041. The budget summary on page 3 shows the financial trends of the buildings for the year. The Van Andel Arena® net proceeds of \$3,806,796 increased by 56.5% from prior year of \$2,432,131. The DeVos Place® net proceeds of \$1,279,315 decreased by (20.6%) from prior year proceeds of \$1,611,969. The CAA trends graph on page 4 shows that actual FY 19 performance has exceeded the budget every month thus far. FY 19 performance dipped below FY 18 actual in January and has trended up since. It is anticipated that FY 19 actual will exceed FY 18 actual and turn out to be the CAA's best year yet.

Motion: Mr. Winn, supported by Ms. Klohs, moved to accept the April 2019 Consolidated Financial Statements. Motion carried.

ii. SMG April 2019 Van Andel Arena® and DeVos Place® Financial Statements

The SMG financial statements were included in the agenda packet as information items.

iii. Parking Rate Survey

The parking rate survey was included in the agenda packet as an information item.

9. FY 2020 Budgets

On May 3rd, the CAA Finance Committee reviewed a preliminary draft of the consolidated Fiscal Year 2020 budget recommendation. It had forecasted revenues totaling \$15,605,233 with an operating/capital budget request of \$18,113,362. The estimated draw on fund balance amounted to \$2,508,129. The FY20 budget recommendation has since been amended as follows:

FY20 Revenues:

Table B - Increase Area #2 estimated revenues by \$18,000 reflecting the net effect of increasing non-event rate from \$10 to \$12.

FY20 Operating Expenses:

Table B-1 - Increase the "Consulting Services" line item by \$500,000 for services to be provided to the Proof of Concept Task Force.

FY20 Capital:

Table B-1 - Eliminate the project titled "Exterior Corrosion Control/Paint" in the amount of \$1,000,000

The net effect, of these recommended changes is to increase forecasted FY20 year end fund balance to \$20.9 million. This budget will take effect on July 1, 2019.

B. DeVos Place® and Van Andel Arena® Operating/Capital Budgets

Mr. Machuta stated that the DeVos Place® and Van Andel Arena® operating/capital budgets remain unchanged from last month.

Motion by Mr. Winn, support by Mr. Wilson, to approve (1) the FY 2020 SMG – DeVos Place® and Van Andel Arena® operating budgets; (2) the FY 2020 SMG capital budget; and the (3) the FY 2020 Consolidated Operating/Capital Budget. Motion carried.

10. DeVos Place® Rate Sheets: 2020-2024

Motion by Mr. Winn, support by Mr. Wilson, to re-approve the FY 2020-FY2023 DeVos Place® rate sheets and approve the FY 2024 DeVos Place® rate sheets. Motion Carried.

11. SMG Report and Facilities Calendars

Mr. MacKeigan stated that all venues continue to be busy and summarized the event calendars.

12. Public Comment

None.

13. Board & Committee Comments

None.

14. Adjournment

The meeting adjourned at 9:40 a.m.

Richard A. Winn, Recording Secretary

**Grand Rapids-Kent County
Convention/Arena Authority
Consolidated Financial Report
Preliminary Year-End, Subject to Audit
June 30, 2019**

Page

Dashboard

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Summary by Facility

Rolling Forecast

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Year-to-Date Comparable

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Trend Analysis

Monthly Net Operating Proceeds - FY18 & FY19

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Significant Notes

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Administrative Accounts

Year-to-Date Comparable

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Capital Projects - Year-End Status

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Financial Dashboard
Year-To-Date (12 Months)
Preliminary Year End, Subject to Audit
June 30, 2019

Van Andel Arena®									
All Events					Concert				
	Prior Year	Budget	Actual		Prior Year	Budget	Actual		
Events	112	94	116		26	27	42		
Attendance	698,700	605,600	822,140		229,813	223,000	386,863		
Event Income	\$ 4,331,398	\$ 3,456,349	\$ 6,012,005		\$ 2,586,891	\$ 2,157,065	\$ 4,395,406		
DeVos Place®									
All Events					Convention/Trade				
	Prior Year	Budget	Actual		Prior Year	Budget	Actual		
Events	523	462	554		158	149	172		
Attendance	702,939	575,605	668,402		141,577	123,850	132,984		
Event Income	\$ 7,116,157	\$ 6,427,176	\$ 7,089,605		\$ 2,187,303	\$ 2,002,086	\$ 2,353,182		
					Prior Year	Budget	Actual		
Operating Income (Loss)					\$ 2,910,442	\$ 1,919,386	\$ 4,960,214		
Capital/Repair/Replacement					(2,618,105)	(6,188,190)	(4,294,340)		
Net - To/(From) on Fund Balance					\$ 292,337	\$ (4,268,804)	\$ 665,874		

*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2018

\$ 23,703,790

Grand Rapids-Kent County Convention/Arena Authority

Summary by Facility/Other

Fiscal Year Ending June 30, 2019

Preliminary Year-End, Subject to Audit

FY 2019					FY 2018
7/1 - 6/30					
	Year-to-Date	Roll	Estimate⁽¹⁾	Budget	Prior Year
Van Andel Arena					
Operating - Revenues	\$ 8,797,609		\$ 8,348,738	\$ 5,847,699	\$ 6,767,205
- Expenses - Facilities	(4,523,497)		(4,439,870)	(4,302,641)	(4,536,357)
- Base Management Fees	(176,440)		(176,440)	(176,440)	(176,440)
- Incentive Fee	(196,210)		(197,943)	(92,319)	(133,957)
Net Operating Income (Loss)	3,901,462		3,534,485	1,276,299	1,920,451
Parking	368,000		383,480	454,000	366,974
Pedestrian Safety	(130,605)		(94,568)	(110,000)	(82,923)
Net Proceeds (Cost) of VAA	4,138,857		3,823,397	1,620,299	2,204,502
DeVos Place Convention Center					
Operating - Revenues	7,306,195		7,053,779	6,519,176	7,192,939
- Expenses - Facilities	(7,107,159)		(6,610,173)	(6,360,926)	(6,803,548)
- Base Management Fees	(176,440)		(176,440)	(176,440)	(176,440)
- Incentive Fee	(151,879)		(154,937)	(260,561)	(218,923)
Net Operating Income (Loss)	(129,283)		112,229	(278,751)	(5,972)
Parking	1,336,967		1,281,500	1,247,069	1,272,941
Pedestrian Safety	(63,017)		(50,000)	(58,100)	(45,050)
Net Proceeds (Cost) of DVP	1,144,667		1,343,729	910,218	1,221,919
Other					
Revenues	651,353		610,273	512,000	397,523
Expenses	(974,663)		(1,072,859)	(1,123,131)	(913,502)
Net Other	(323,310)		(462,586)	(611,131)	(515,979)
Total Net Proceeds/Operating	4,960,214		4,704,540	1,919,386	2,910,442
Capital Expenditures	(4,294,340)		(5,475,212)	(6,188,190)	(2,618,105)
Results Net of Capital Expenditures	\$ 665,874		\$ (770,672)	\$ (4,268,804)	\$ 292,337

Notes:

⁽¹⁾ Year-end estimate provided at May 3rd Board meeting.

⁽²⁾ Includes One-Time Contribution, of \$200,000, to Deferred Compensation Plan.

⁽³⁾ Includes budget amendment to provide for hotel study carryover balance of \$39,513.

⁽⁴⁾ Includes budget amendment to provide for several capital project balances carried over from FY 18. See June 2018 consolidated financial report for details.

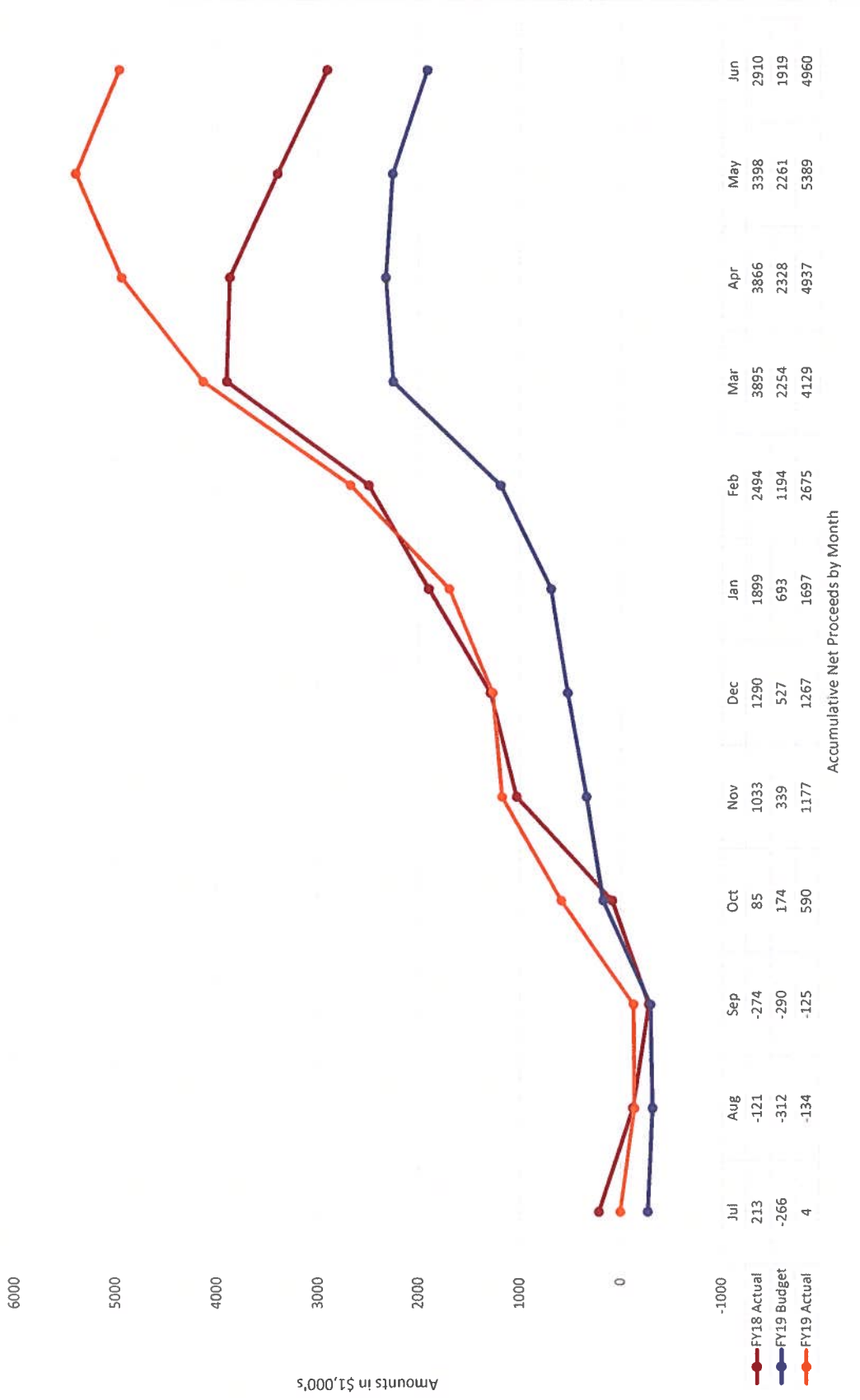
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2019
Preliminary Year-End, Subject to Audit

	Annual			Year-To-Date		
	FY 2018	FY 2019	Percentage	FY 2018	FY 2019	Percentage
	Final	Budget	Change	7/1-6/30	7/1 - 6/30	Change
Van Andel Arena						
Operating - Revenues	\$ 6,767,205	\$ 5,847,699	(13.6)	\$ 6,767,205	\$ 8,797,609	30.0
- Expenses - Facilities	(4,536,357)	(4,302,641)	5.2	(4,536,357)	(4,523,497)	0.3
- Base Management Fees	(176,440)	(176,440)	0.0	(176,440)	(176,440)	0.0
- Incentive Fee	(133,957)	(92,319)	31.1	(133,957)	(196,210)	(46.5)
Net Operating Income (Loss)	1,920,451	1,276,299	(33.5)	1,920,451	3,901,462	103.2
Parking	366,974	454,000	23.7	366,974	368,000	0.2
Pedestrian Safety	(82,923)	(110,000)	(32.7)	(82,923)	(130,605)	(57.5)
Net Proceeds (Cost) of VAA	2,204,502	1,620,299	(26.5)	2,204,502	4,138,857	87.7
DeVos Place Convention Center						
Operating - Revenues	7,192,939	6,519,176	(9.4)	7,192,939	7,306,195	1.6
- Expenses - Facilities	(6,803,548)	(6,360,926)	6.5	(6,803,548)	(7,107,159)	(4.5)
- Base Management Fees	(176,440)	(176,440)	0.0	(176,440)	(176,440)	0.0
- Incentive Fee	(218,923)	(260,561)	(19.0)	(218,923)	(151,879)	30.6
Net Operating Income (Loss)	(5,972)	(278,751)	(4567.6)	(5,972)	(129,283)	(2,063.9)
Parking	1,272,941	1,247,069	(2.0)	1,272,941	1,336,967	5.0
Pedestrian Safety	(45,050)	(58,100)	(29.0)	(45,050)	(63,017)	(39.9)
Net Proceeds (Cost) of DVP	1,221,919	910,218	(25.5)	1,221,919	1,144,667	(6.3)
Other						
Revenues	397,523	512,000	28.8	397,523	651,353 ⁽¹⁾	63.9
Expenses	(913,502)	(1,123,131)	(22.9)	(913,502)	(974,663)	(6.7)
Net Other	(515,979)	(611,131)	(18.4)	(515,979)	(323,310)	37.3
Total Net Proceeds/Operating	2,910,442	1,919,386	(34.1)	2,910,442	4,960,214	70.4
Capital/Repair Expenditures	(2,618,105)	(6,188,190)	(136.4)	(2,618,105)	(4,294,340)	(64.0)
Results Net of Capital Expenditures	\$ 292,337	(4,268,804)	(1,460.2)	\$ 292,337	\$ 665,874	127.8

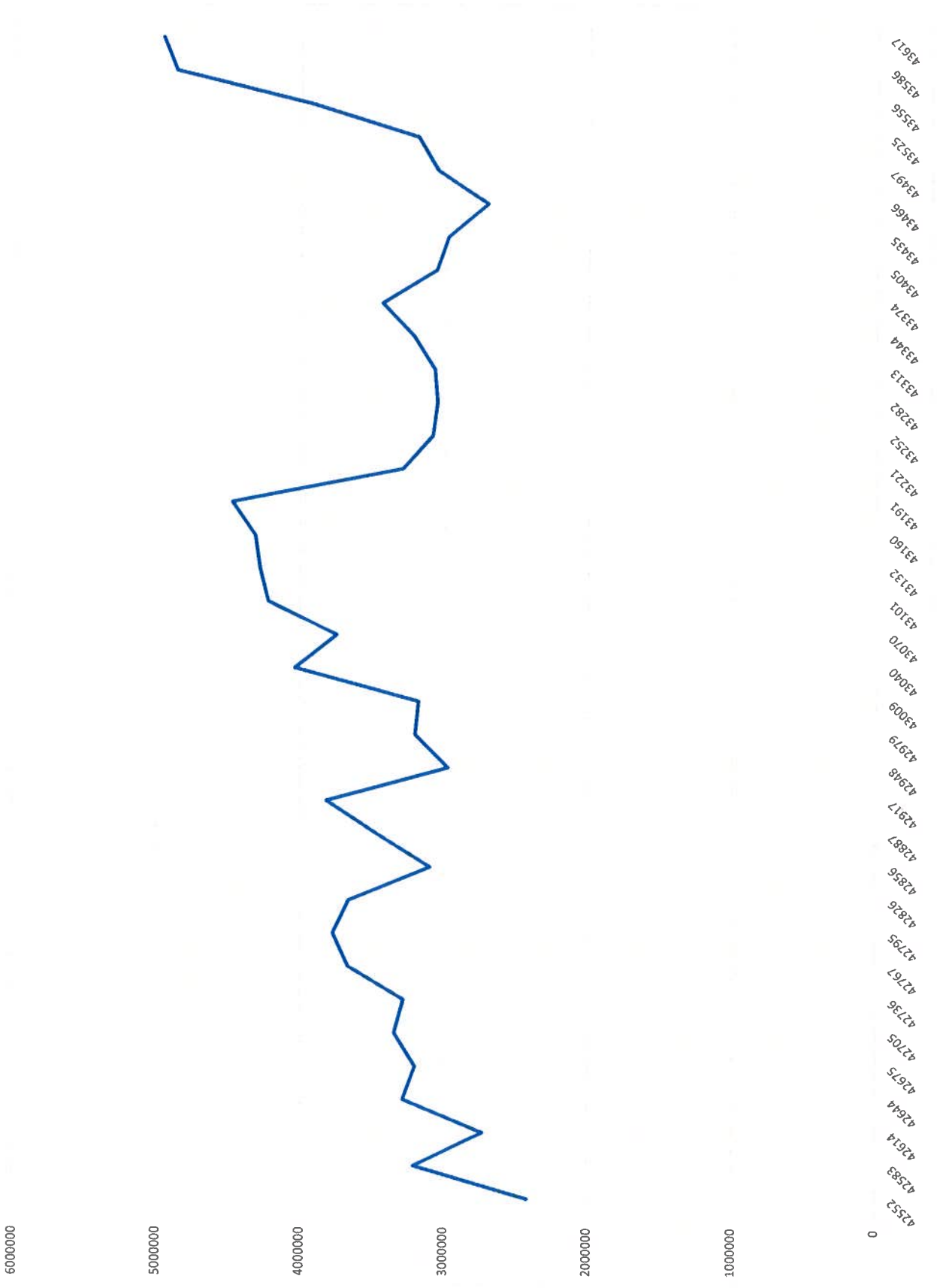
Notes:

⁽¹⁾ Excludes 4/4/19 deposit of \$5M grant proceeds from State of Michigan.

CAA Trends
Monthly Net Operating Proceeds through June 30, 2019



Lagging 12 Months Net Operating Proceeds



Significant Notes

Van Andel Arena®

- Page 1 - Forty-two concerts generated \$4,395,406 in event revenue, an increase of 69.9% from prior year (26 concerts) of \$2,586,891.
- Page 3 - Net proceeds of \$4,138,857 increased by 87.7% from prior year of \$2,204,502.

DeVos Place®

- Page 1 - Convention/trade show business generated \$2,353,182 in event revenue, an increase of +7.6% from prior year (attendance decreased from 141,577 to 132,984) of \$2,187,303.
- Page 3 - Net "proceeds" of \$1,144,667 decreased by (6.3%) from prior year Net Proceeds of \$1,221,919.

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Preliminary Year-End, Subject to Audit
Net Other Detail
June 30, 2019

	Annual			Actual	
	FY 2018 Final	FY 2019 Budget	Percentage Change	FY 2018 7/1-6/30	FY 2019 7/1/-6/30
Other					
Revenues					
Interest/Capital Contr.	\$ 282,816	\$ 392,000	38.6	\$ 282,816	\$ 580,124 ⁽³⁾
Miscellaneous	114,707	120,000	4.6	114,707	71,229
	397,523	512,000	28.2	397,523	651,353
Expenses					
Marketing (CVB/Sports)	208,333	200,000	(4.0)	208,333	200,000
Diversity Initiative	60,420	275,000	355.1	60,420	231,339
Wages/Benefits	141,012	140,318	(0.5)	141,012	144,774
Professional Services	86,103	78,000	(9.4)	86,103	69,606
DID Assessment	60,326	58,200	(3.5)	60,326	62,616
Food & Beverage Repairs	-	40,000	100.0+	-	14,095
Consulting Services	73,006	189,513 ⁽¹⁾	159.6	73,006	159,794 ⁽⁴⁾
Landscaping	24,346	25,000	2.7	24,346	26,134
Procurement of Art	13,188	30,000	127.5	13,188	26,904
Insurance	14,713	27,100	84.2	14,713	21,457
Supplies/Other	232,055 ⁽²⁾	60,000	(74.1)	232,055 ⁽²⁾	17,944
	913,502	1,123,131	22.9	913,502	974,663
Net Proceeds - Operating	\$ (515,979)	\$ (611,131)	(18.4)	\$ (515,979)	\$ (323,310)
Notes:					

⁽¹⁾ Includes SMG \$53,225 and \$39,513 for hotel study, and \$96,775 for "destination asset study follow-up work."

⁽²⁾ Includes \$200,000 one-time payment to deferred comp. trust.

⁽³⁾ Excludes 4/4/19 deposit of \$5M grant proceeds from the State of Michigan.

⁽⁴⁾ Includes SMG \$53,225, hotel/amphitheater feasibility studies @ \$87,691, and other @ \$18,878.

Grand Rapids-Kent County Convention/Arena Authority
 Van Andel Arena/DeVos Place
 Capital Budget 2019
 ROLLING FORECAST AS OF June 30, 2019

Item #	Project	Budget	Actual Thru Fourth Quarter	(Over)Under Budget	Estimated Carry to 2020
CARRYOVER					
6200.01	VAA - Arc Flash Analysis	\$ 2,750.00	\$ 6,113.00	\$ (3,363.00)	
6200.04	VAA - Elevator Modernization	\$ 61,308.10	\$ 67,862.30	\$ (6,554.20)	
6200.14	DVP - Landscaping Trees	\$ 130,000.00	\$ 126,600.00	\$ 3,400.00	
6200.15	DVP - Arc Flash Analysis	\$ 27,225.00	\$ 30,765.00	\$ (3,540.00)	
6200.19	DVP - Michigan Dock Door	\$ 799,106.49	\$ 490,250.22	\$ 308,856.27	
6200.22	DVP - Welsh Lobby Exterior	\$ 37,800.00	\$ 37,800.00	\$ -	
VAN ANDEL ARENA					
6200.25	Aisle lighter to LED / ION Board	\$ 80,000.00	\$ 77,973.76	\$ 2,026.24	Done
6200.26	Compressor Rebuilds (3)	\$ 90,000.00	\$ 86,792.70	\$ 3,207.30	Done
6200.27	New Roof Phase 1	\$ 1,000,000.00	\$ 753,008.30	\$ 246,991.70	89,952.00
6200.28	South End Concrete Repair	\$ 70,000.00	\$ 69,865.00	\$ 135.00	Done
6200.29	Food & Beverage	\$ 35,000.00	\$ -	\$ 35,000.00	Done
6200.30	Suite Refresher	\$ 200,000.00	\$ -	\$ 200,000.00	200,000.00
6200.31	Lockeroom Upgrades	\$ 1,000,000.00	\$ 986,118.50	\$ 13,881.50	13,881.50
6200.32	Landscaping	\$ 500,000.00	\$ 59,851.50	\$ 440,148.50	440,148.50
6200.33	Savor - POS System	\$ 200,000.00	\$ 159,875.93	\$ 40,124.07	Done
DE VOS PLACE					
6200.34	Loading dock/ramps/Ehall truss to LED	\$ 60,000.00	\$ 60,037.60	\$ (37.60)	Done
6200.35	Security Office & Lobby Changes/Cameras	\$ 80,000.00	\$ 55,048.25	\$ 24,951.75	4,211.06
6200.36	Airwall Fabric Replacements	\$ 70,000.00	\$ -	\$ 70,000.00	71,485.00
6200.37	Elevator Modernization	\$ 100,000.00	\$ 53,056.00	\$ 46,944.00	53,055.00
6200.38	Camera Additions ***now combined with Security Office 6200.35***	\$ -	\$ -	\$ -	?
6200.39	Snake Light Work	\$ 250,000.00	\$ 19,958.00	\$ 230,042.00	
6200.40	Theater Bathrooms	\$ 620,000.00	\$ 796,011.88	\$ (176,011.88)	Done
6200.41	OSHA Safety Changes	\$ 75,000.00	\$ 20,637.00	\$ 54,363.00	23,426.00
6200.42	Performance Hall LED Lighting	\$ 100,000.00	\$ 109,461.31	\$ (9,461.31)	Done
6200.43	Lyon Street Landscaping	\$ 200,000.00	\$ -	\$ 200,000.00	200,000.00
6200.46	Pump Replacement	\$ -	\$ 36,400.00	\$ (36,400.00)	
BOTH VENUES					
6200.44	New Computers	\$ 150,000.00	\$ 85,772.67	\$ 64,227.33	64,227.33
6200.45	New Phone System	\$ 250,000.00	\$ 105,081.46	\$ 144,918.54	144,918.54
TOTALS		\$ 6,188,189.59	\$ 4,294,340.38	\$ 1,893,849.21	1,305,304.93

Please Note: Actual expenditures does not include \$23,087.50 that was a deposit for an FY20 project budgeted item.

Grand Rapids-Kent County Convention/Arena Authority
Summary of Consolidated Income Statement - By Facility
Fiscal Years 2011 through 2020

July 31, 2019

(In Thousands)

	Prelim. Subject to Audit											
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Est. FY 2019	FY 2019	Rec. FY 2020	Revised FY 2020
VAA - Net Proceeds	\$ 925	\$ 976	\$ 1,793	\$ 532	\$ 1,610	\$ 1,980	\$ 2,865	\$ 2,338	\$ 4,021	\$ 4,335	\$ 1,925	\$ 1,925
DVP - Net Proceeds	125	280	784	445	908	1,625	1,465	1,441	1,499	1,296	1,079	1,079
SMG Incentive Fees	-	-	(331)	-	(344)	(344)	(347)	(353)	(353)	(348)	(360)	(360)
Other-Net Proceeds	(276)	(425)	(313) ⁽¹⁾	(456)	(308)	(565)	(442)	(516)	(463)	(323)	(952)	(952)
Total Net Operating	774	831	1,933	521	1,866	2,696	3,541	2,910	4,704	4,960	1,692	1,692
Capital	(3,416)	(662)	(962)	(2,565)	(1,130)	(2,361)	(2,360)	(2,618)	(5,475)	(4,294)	(3,690)	(4,995) ⁽²⁾
Transfer To/(From) Fund Balance	(2,642)	169	971	(2,044)	736	335	1,181	292	(771)	666	(1,998)	(3,303)
Fund Balance, End of	\$ 22,066	\$ 22,234	\$ 23,204	\$ 21,160	\$ 21,896	\$ 22,230	\$ 23,411	\$ 23,703	\$ 22,932	\$ 24,369	\$ 20,934 *	21,066

NOTES:

(1) Interest - \$322K in FY 2010, and declining further to \$93K in FY 2013.

(2) The June CAA Financial Report, page 8, notes a requested carry-forward appropriation balance of \$1,305,305. This represents the unexpended balances of FY 2019 projects to be completed in FY 2020.

*Excludes the recently-deposited \$5,000,000 state grant proceeds.

Grand Rapids-Kent County Convention/Arena Authority
Reconciliation - FY 19 Preliminary Estimate
Compared to Year-End Actual
(In Thousands)
July 31, 2019

	<u>May Board</u>	<u>Year-End</u>	<u>Variance</u> <u>Dollars</u>	<u>Percentage</u>
VAA Operating Revenues	\$ 8,349	\$ 8,798	\$+499	5.4
DVP Operating Revenues	7,054	7,306	+252	3.6
- Operating Expenses	(6,610)	(7,107)	(497)	(7.5)
All Other Revenue/Expense (Net)	<u>(4,088)</u>	<u>(4,037)</u>	<u>+51</u>	<u>1.2</u>
Total Net Proceeds/Operating	4,705	4,960	+255	5.4
Capital	<u>(5,475)</u>	<u>(4,294)</u>	<u>+1,181</u>	
Net To/From Reserves	(770)	666	+1,436	
Capital Budget Carried Forward to FY 2020	<u>-</u>	<u>(1,305)</u>	<u>(1,305)</u>	
Total Added to Unreserved Fund Balance	<u><u>(770)</u></u>	<u><u>(639)</u></u>	<u><u>+131</u></u>	

Finance Committee Actions Requested:

- (A) Acceptance of the June 2019 Consolidated Financial Statements.
- (B) Authorize an increase in the FY 2020 "Capital" Appropriation of \$1,305,305 representing the total of FY 2019 balances estimated to be expended in FY 2020 to complete the projects.

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR FISCAL YEAR ENDED JUNE 30, 2019

UNAUDITED STATEMENTS

Distribution:

Grand Rapids – KentCounty Convention / Arena Authority
Robert White
Harry Cann
Hope Parkin
Howard Feldman
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2019

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	554	-	554	464	90
ATTENDANCE	668,402	-	668,402	679,555	(11,153)
DIRECT EVENT INCOME	3,428,077	-	3,428,077	3,208,133	219,944
ANCILLARY INCOME	2,896,500	-	2,896,500	2,631,492	265,008
OTHER EVENT INCOME	765,028	-	765,028	587,551	177,477
TOTAL EVENT REVENUE	7,089,605	-	7,089,605	6,427,176	662,429
TOTAL OTHER REVENUE	216,590	-	216,590	92,000	124,590
TOTAL OPERATING REVENUE	7,306,195	-	7,306,195	6,519,176	787,019
INDIRECT EXPENSES					
EXECUTIVE	232,107	-	232,107	242,647	10,540
FINANCE	260,650	-	260,650	292,819	32,169
MARKETING	221,746	-	221,746	220,461	(1,285)
OPERATIONS	1,314,305	-	1,314,305	1,591,984	277,679
EVENT SERVICES	1,811,051	-	1,811,051	1,308,112	(502,939)
BOX OFFICE	294,414	-	294,414	185,972	(108,442)
SALES	493,228	-	493,228	349,855	(143,373)
OVERHEAD	2,656,097	-	2,656,097	2,345,516	(310,581)
TOTAL OPERATING EXP.	7,283,597	-	7,283,598	6,537,366	(746,232)
NET REVENUE ABOVE EXPENSES	22,597	-	22,597	(18,190)	40,787
INCENTIVE FEE		151,879	151,879	260,561	108,682
NET OPERATING REVENUE OVER OPERATING EXPENSES	22,597	(151,879)	(129,282)	(278,751)	149,469

Comments:

DeVos Place concludes another successful fiscal year with overall revenues exceeding expenses yet again. Overall performance fell below forecast as a couple of larger unanticipated maintenance projects were needed to be completed and calendar availability allowed for us to have them completed prior to year end.


General Manager


Assistant General Manager

DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2019

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 2018
Number of Events	52	28	32
Attendance	30,532	21,900	28,748
Direct Event Income	\$236,668	\$153,210	\$196,730
Ancillary Income	238,855	266,112	235,192
Other Event Income	43,604	42,400	41,492
Other Operating Income	3,464	7,666	19,302
Indirect Expenses	(769,827)	(544,780)	(727,867)
Net Income	(\$247,236)	(\$75,392)	(\$235,151)

YTD	YTD 2019 Actual	YTD 2019 Budget	YTD 2018 Prior Year
Number of Events	554	464	523
Attendance	668,402	679,555	702,939
Direct Event Income	\$3,428,077	\$3,208,133	\$3,576,808
Ancillary Income	2,896,500	2,631,492	2,765,584
Other Event Income	765,028	587,551	773,765
Other Operating Income	216,590	92,000	76,781
Indirect Expenses	(7,283,599)	(6,537,366)	(6,979,990)
Net Income	\$22,596	(\$18,190)	\$212,949

EVENT INCOME

Event income came in ahead of budget and consistent with forecast overall.

ANCILLARY INCOME

Ancillary income came in lower than budget, however, consistent with forecast.

INDIRECT EXPENSES

Indirect expenses came in higher than budget and forecast. Due to the revenue success of the fiscal year, additional expenditures in some maintenance areas was approved during a slow stretch in June.

DeVos Place
Income Statement
For the Twelve Months Ended June 30, 2019

	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	\$285,096	\$167,798	\$ 117,298	\$218,403	\$4,043,259	\$ 3,409,999	\$ 633,260	\$3,852,115
Service Revenue	214,896	74,664	140,232	286,587	3,667,220	3,449,600	217,620	3,309,579
Service Expenses	(263,324)	(89,252)	(174,072)	(308,260)	(4,282,402)	(3,651,466)	(630,936)	(3,584,886)
Total Direct Event Income	236,668	153,210	83,458	196,730	3,428,077	3,208,133	219,944	3,576,808
Ancillary Income								
F&B Concession	22,805	9,965	12,840	16,933	305,326	234,972	70,354	299,058
F&B Catering	144,342	147,540	(3,198)	178,508	1,071,581	870,788	200,793	992,391
Novelty Sales	3,432	4,400	(968)	2,990	40,548	42,560	(2,012)	46,323
Booth Cleaning	2,462	8,253	(5,791)	8,638	336,563	328,224	8,339	309,887
Telephone/Long Distance	0	0	-	0	675	2,145	(1,470)	8,771
Electrical Services	(19,290)	19,356	(38,646)	(41,960)	392,579	452,552	(59,973)	350,538
Audio Visual	61,101	58,128	2,973	48,520	381,646	344,509	37,137	392,432
Internet Services	8,668	8,450	218	6,234	138,536	136,635	1,901	123,974
Equipment Rental	15,335	10,020	5,315	15,329	229,046	219,107	9,939	242,210
Total Ancillary Income	238,855	266,112	(27,257)	235,192	2,896,500	2,631,492	265,008	2,765,584
Other Event Income								
Ticket Rebates(Per Event)	43,604	42,400	1,204	41,492	765,028	587,551	177,477	773,765
Total Other Event Income	43,604	42,400	1,204	41,492	765,028	587,551	177,477	773,765
Total Event Income	519,127	461,722	57,405	473,414	7,089,605	6,427,176	662,429	7,116,157
Other Operating Income								
Luxury Box Agreements	942	1,333	(391)	1,071	13,717	16,000	(2,283)	15,285
Advertising	0	5,000	(5,000)	0	0	60,000	(60,000)	26,000
Other Income	2,522	1,333	1,189	18,231	202,873	16,000	186,873	35,496
Total Other Operating Income	3,464	7,666	(4,202)	19,302	216,590	92,000	124,590	76,781
Adjusted Gross Income	522,591	469,388	53,203	492,716	7,306,195	6,519,176	787,019	7,192,938
Operating Expenses								
Salaries and Wages	361,052	336,991	24,061	411,785	4,902,394	4,043,897	858,497	4,663,574
Payroll Taxes and Benefits	212,510	100,348	112,162	104,498	1,367,492	1,204,179	163,313	1,187,040
Labor Allocations to Events	(246,579)	(213,073)	(33,506)	(272,073)	(3,337,417)	(2,556,870)	(780,547)	(3,211,234)
Net Salaries and Benefits	326,983	224,266	102,717	244,210	2,932,469	2,691,206	241,263	2,639,380
Contracted Services	34,584	23,692	10,892	33,620	468,251	284,300	183,951	396,340
General and Administrative	53,631	31,944	21,687	61,242	509,227	383,323	125,904	464,299
Operations	37,334	12,196	25,138	8,389	135,743	146,350	(10,607)	142,696
Repair and Maintenance	130,744	47,100	83,644	201,203	659,102	565,199	93,903	833,001
Operational Supplies	24,377	23,342	1,035	31,564	382,786	280,100	102,686	295,951
Insurance	15,929	21,054	(5,125)	15,107	261,688	252,648	9,040	267,198
Utilities	131,542	146,483	(14,941)	117,829	1,757,893	1,757,800	93	1,764,685
SMG Management Fees	14,703	14,703	-	14,703	176,440	176,440	0	176,440
Total Operating Expenses	769,827	544,780	225,047	727,867	7,283,599	6,537,366	746,233	6,979,990
Net Income(Loss) From Operati	(247,236)	(75,392)	(171,844)	(235,151)	22,596	(18,190)	40,786	212,949
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(247,236)	(75,392)	(171,844)	(235,151)	22,596	(18,190)	40,786	212,949

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Eleven Months Ended May 31, 2019

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	172	149	132,984	123,850	2,353,182	2,002,086
Consumer/Gated Shows	47	43	180,043	149,800	1,299,391	1,203,392
DeVos Performance Hall	181	147	252,496	221,380	1,872,534	1,828,984
Banquets	35	39	30,495	29,655	485,827	457,617
Meetings	78	79	32,490	48,620	863,311	836,309
Other	41	5	39,894	2,300	215,361	98,790
GRAND TOTALS	554	462	668,402	575,605	7,089,605	6,427,176

As Percentage of Overall

Convention/Trade Shows	31.05%	32.25%	19.90%	21.52%	33.19%	31.15%
Consumer/Gated Shows	8.48%	9.31%	26.94%	26.02%	18.33%	18.72%
Devos Performance Hall	32.67%	31.82%	37.78%	38.46%	26.41%	28.46%
Ballroom Exclusive	6.32%	8.44%	4.56%	5.15%	6.85%	7.12%
Meetings	14.08%	17.10%	4.86%	8.45%	12.18%	13.01%
Other	7.40%	1.08%	5.97%	0.40%	3.04%	1.54%

**DeVos Place
Balance Sheet
As of June 30, 2019**

ASSETS

Current Assets

Cash	1,589,261
Account Receivable	1,431,223
Prepaid Expenses	121,065

Total Current Assets		\$3,141,549
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Total Assets

\$3,141,549

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	612,422
Accrued Expenses	480,382
Deferred Income	81,088
Advanced Ticket Sales & Deposits	1,156,652

Total Current Liabilities		\$2,330,544
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Other Liabilities

Equity

Funds Remitted to CAA	(550,961)
Funds Received by CAA	(177,194)
Expenses Paid Direct by CAA	1,566,838
Beginning Balance Equity	(50,275)
Current Year Equity	22,596

Total Equity		\$811,004
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Total Liabilities and Equity

\$3,141,549



SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2019

Current - Under 30 Days	
Food & Beverage	170,165
Ticketing	-
Merchandise	3,432
Decorating	2,462
Audio/Visual	61,101
Van Andel Arena	164,707
Operating	748,911
 Over 30 Days	 221,485
 Over 60 Days	 58,960
 Over 90 Days	
 Total Accounts Receivable	 1,431,223

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2019**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2018 Audited
Net Revenue above Expenses	4,097,672	22,597	4,120,269	2,267,359
Benchmark++			1,050,000	750,000
Excess	4,097,672	22,597	3,070,269	1,517,359

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Audited
Base Fee	176,440	176,440	352,880	352,880
Incentive Fee				
Revenue	8,797,609	7,306,195	16,103,804	13,960,144
Benchmark Revenue	5,150,000	4,550,000	9,700,000	9,700,000
Revenue Excess	3,647,609	2,756,195	6,403,804	4,260,144
Incentive Fee **	201,001	151,879	352,880	352,880
Total SMG Management Fee	377,441	328,319	705,760	705,760

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

++ SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:
 Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.
 Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.
 Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR FISCAL YEAR ENDED JUNE 30, 2019

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

PROUD HOME OF THE GRAND RAPIDS GRIFFINS – TWO TIME CALDER CUPS CHAMPIONS



Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Harry Cann

Hope Parkin

Howard Feldman

Richard MacKeigan

Chris Machuta




An SMG Managed Facility


**VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2019**

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	116	-	116	94	22
ATTENDANCE	832,486	-	832,486	605,600	226,886
DIRECT EVENT INCOME	1,866,059	-	1,866,059	1,092,450	773,609
ANCILLARY INCOME	2,592,010	-	2,592,010	1,488,399	1,103,611
OTHER EVENT INCOME	1,553,936	-	1,553,936	875,500	678,436
TOTAL EVENT INCOME	6,012,005	-	6,012,005	3,456,349	2,555,656
TOTAL OTHER INCOME	2,785,604	-	2,785,604	2,391,350	394,254
TOTAL INCOME	8,797,609	-	8,797,609	5,847,699	2,949,910
INDIRECT EXPENSES					
EXECUTIVE	228,357	-	228,357	221,147	(7,210)
FINANCE	270,934	-	270,934	209,015	(61,919)
MARKETING	318,214	-	318,214	236,778	(81,436)
OPERATIONS	2,110,743	-	2,110,743	2,064,969	(45,774)
BOX OFFICE	154,320	-	154,320	185,073	30,753
LUXURY SEATING	-	-	0	89,920	89,920
SKYWALK ADMIN	58,948	-	58,948	48,100	(10,848)
OVERHEAD	1,558,421	-	1,558,421	1,424,079	(134,342)
TOTAL INDIRECT EXP.	4,699,937	-	4,699,937	4,479,081	(220,856)
NET REVENUE ABOVE EXPENSES	4,097,672	-	4,097,672	1,368,618	2,729,054
LESS INCENTIVE FEE		196,210	196,210	92,319	(103,891)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	4,097,672	(196,210)	3,901,462	1,276,299	2,625,163

Comments:

June concluded the most financially successful fiscal year in the 23 year history of the Arena by quite a large margin.


General Manager


Assistant General Manager

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2019**

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 2018
Number of Events	7	2	4
Attendance	52,407	16,000	28,377
Direct Event Income	\$273,248	\$58,000	\$76,246
Ancillary Income	122,796	45,900	96,749
Other Event Income	178,125	56,000	58,259
Other Operating Income	243,339	192,062	258,609
Indirect Expenses	(471,693)	(373,256)	(513,324)
Net Income	\$345,815	(\$21,294)	(\$23,461)

YTD	YTD 2019 Actual	YTD 2019 Budget	YTD 2018 Prior Year
Number of Events	116	94	112
Attendance	832,486	605,600	698,700
Direct Event Income	\$1,866,059	\$1,092,450	\$1,352,723
Ancillary Income	2,592,010	1,488,399	1,952,063
Other Event Income	1,553,936	875,500	1,026,612
Other Operating Income	2,785,604	2,391,350	2,435,802
Indirect Expenses	(4,699,937)	(4,479,081)	(4,712,789)
Net Income	\$4,097,672	\$1,368,618	\$2,054,411

EVENT INCOME

Event income came in well ahead of budget and consistent with forecast as 7 concerts were hosted during the month.

ANCILLARY INCOME

Ancillary income came in higher than budget for the month on the strength of more events hosted. Per caps were below concert averages due to the nature of the shows.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month, however, consistent with prior year spending.

Van Andel Arena
Income Statement
For the Twelve Months Ended June 30, 2019

	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	\$303,628	\$60,000	\$243,628	\$170,929	\$2,793,843	\$1,881,450	\$912,393	\$2,569,586
Service Revenue	475,041	144,000	331,041	226,738	4,090,632	2,292,000	1,798,632	2,578,687
Service Expenses	(505,421)	(146,000)	(359,421)	(321,421)	(5,018,416)	(3,081,000)	(1,937,416)	(3,795,550)
Total Direct Event Income	273,248	58,000	215,248	76,246	1,866,059	1,092,450	773,609	1,352,723
Ancillary Income								
F&B Concession	85,776	34,980	50,796	73,037	2,113,838	1,276,864	836,974	1,639,740
F&B Catering	13,226	4,680	8,546	8,946	229,280	118,445	110,835	161,572
Novelty Sales	23,573	6,240	17,333	14,766	247,736	93,090	154,646	138,770
Booth Cleaning	221	0	221	0	1,027	0	1,027	3,087
Audio Visual	0	0	0	0	629	0	629	9,244
Other Ancillary	0	0	0	0	(500)	0	(500)	(350)
Total Ancillary Income	122,796	45,900	76,896	96,749	2,592,010	1,488,399	1,103,611	1,952,063
Other Event Income								
Ticket Rebates(Per Event)	178,125	56,000	122,125	58,259	1,553,936	875,500	678,436	1,026,612
Total Other Event Income	178,125	56,000	122,125	58,259	1,553,936	875,500	678,436	1,026,612
Total Event Income	574,169	159,900	414,269	231,254	6,012,005	3,456,349	2,555,656	4,331,398
Other Operating Income								
Luxury Box Agreements	167,272	135,979	31,293	189,927	1,979,254	1,718,350	260,904	1,701,060
Advertising	56,680	52,083	4,597	40,187	662,945	625,000	37,945	642,518
Other Income	19,387	4,000	15,387	28,495	143,405	48,000	95,405	92,224
Total Other Operating Income	243,339	192,062	51,277	258,609	2,785,604	2,391,350	394,254	2,435,802
Adjusted Gross Income	817,508	351,962	465,546	489,863	8,797,609	5,847,699	2,949,910	6,767,200
Operating Expenses								
Salaries and Wages	236,432	189,190	47,242	229,260	2,588,590	2,270,279	318,311	2,283,180
Payroll Taxes and Benefits	195,044	57,863	137,181	151,697	794,328	694,358	99,970	692,941
Labor Allocations to Events	(169,500)	(90,873)	(78,627)	(113,146)	(1,510,060)	(1,090,475)	(419,585)	(1,158,292)
Net Salaries and Benefits	261,976	156,180	105,796	267,811	1,872,858	1,874,162	(1,304)	1,817,829
Contracted Services	29,827	21,200	8,627	30,307	309,110	254,400	54,710	297,884
General and Administrative	46,492	29,339	17,153	71,058	508,262	352,070	156,192	556,226
Operations	7,271	7,599	(328)	5,580	68,501	91,184	(22,683)	51,811
Repair and Maintenance	36,639	31,049	5,590	24,512	326,253	372,590	(46,337)	388,248
Operational Supplies	18,624	21,808	(3,184)	46,449	279,778	261,700	18,078	285,492
Insurance	15,753	14,161	1,592	12,136	236,230	169,935	66,295	203,444
Utilities	40,408	77,217	(36,809)	40,768	922,505	926,600	(4,095)	935,415
SMG Management Fees	14,703	14,703	0	14,703	176,440	176,440	0	176,440
Total Operating Expenses	471,693	373,256	98,437	513,324	4,699,937	4,479,081	220,856	4,712,789
Net Income(Loss) From Operations	345,815	(21,294)	367,109	(23,461)	4,097,672	1,368,618	2,729,054	2,054,411
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	345,815	(21,294)	367,109	(23,461)	4,097,672	1,368,618	2,729,054	2,054,411

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Eleven Months Ended May 31, 2019

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	9	9	57,917	42,500	268,848	242,412
Sporting Event	7	7	44,004	40,000	547,234	347,456
Concert	42	27	386,863	223,000	4,395,406	2,157,065
Team Home Games	40	38	258,806	235,600	392,526	459,800
Other	18	13	74,550	64,500	407,992	249,625
GRAND TOTALS	116	94	822,140	605,600	6,012,005	3,456,349

As Percentage of Overall

Family Show	7.76%	9.57%	7.04%	7.02%	4.47%	7.01%
Sporting Event	6.03%	7.45%	5.35%	6.61%	9.10%	10.05%
Concert	36.21%	28.72%	47.06%	36.82%	73.11%	62.41%
Team Home Games	34.48%	40.43%	31.48%	38.90%	6.53%	13.30%
Other	15.52%	13.83%	9.07%	10.65%	6.79%	7.22%

**Van Andel Arena
Balance Sheet
As of June 30, 2019**

ASSETS

Current Assets

Cash	9,436,654
Account Receivable	155,247
Prepaid Expenses	45,860

Total Current Assets		\$9,637,761
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Total Assets		\$9,637,761
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	516,345
Accrued Expenses	367,892
Deferred Income	1,011,237
Advanced Ticket Sales & Deposits	7,623,087

Total Current Liabilities		\$9,518,561
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Other Liabilities

Equity

Funds Remitted to CAA	(4,314,210)
Expenses Paid Direct by CAA	775,872
Beginning Balance Equity	(440,135)
Current Year Equity	4,097,674

Total Equity		\$119,200
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Total Liabilities and Equity		\$9,637,761
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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2019

Current - Under 30 Days	
Food & Beverage	-
Ticketing	39,167
Merchandise	29,117
Permanent Advertising	212,816
DeVos Place	(159,970)
Operating	3,219
 Over 30 Days	 18,478
 Over 60 Days	 12,420
 Over 90 Days	
 Total Accounts Receivable	 155,247

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2019**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2018 Audited
Net Revenue above Expenses	4,097,672	22,597	4,120,269	2,267,359
Benchmark++			1,050,000	750,000
Excess	4,097,672	22,597	3,070,269	1,517,359

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Audited
Base Fee	176,440	176,440	352,880	352,880
Incentive Fee				
Revenue	8,797,609	7,306,195	16,103,804	13,960,144
Benchmark Revenue	5,150,000	4,550,000	9,700,000	9,700,000
Revenue Excess	3,647,609	2,756,195	6,403,804	4,260,144
Incentive Fee **	201,001	151,879	352,880	352,880
Total SMG Management Fee	377,441	328,319	705,760	705,760

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

++ SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:

Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.

Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.

Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.

DEVOS PLACE

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED MAY 31, 2019**

Distribution:

Grand Rapids – KentCounty Convention / Arena Authority
Robert White
Harry Cann
Hope Parkin
Howard Feldman
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

**DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2019**

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	502	31	533	464	69
ATTENDANCE	637,870	24,270	662,140	679,555	(17,415)
DIRECT EVENT INCOME	3,191,409	206,215	3,397,624	3,208,133	189,491
ANCILLARY INCOME	2,657,645	299,814	2,957,459	2,631,492	325,967
OTHER EVENT INCOME	721,424	42,400	763,824	587,551	176,273
TOTAL EVENT REVENUE	6,570,477	548,429	7,118,907	6,427,176	691,731
TOTAL OTHER REVENUE	213,126	6,250	219,376	92,000	127,376
TOTAL OPERATING REVENUE	6,783,603	554,679	7,338,283	6,519,176	819,107
INDIRECT EXPENSES					
EXECUTIVE	207,762	28,600	236,362	242,647	6,285
FINANCE	231,262	38,400	269,662	292,819	23,157
MARKETING	188,368	28,349	216,717	220,461	3,744
OPERATIONS	1,077,125	148,430	1,225,555	1,591,984	366,429
EVENT SERVICES	1,644,777	146,320	1,791,097	1,308,112	(482,985)
BOX OFFICE	271,007	22,100	293,107	185,972	(107,135)
SALES	435,099	32,400	467,499	349,855	(117,644)
OVERHEAD	2,458,371	128,600	2,586,971	2,345,516	(241,455)
TOTAL OPERATING EXP.	6,513,770	573,199	7,086,970	6,537,366	(549,604)
NET REVENUE ABOVE EXPENSES	269,832	(18,520)	251,313	(18,190)	269,503
INCENTIVE FEE		156,670	156,670	260,561	103,891
NET OPERATING REVENUE OVER OPERATING EXPENSES	269,832	(175,190)	94,643	(278,751)	373,394

Comments:

DeVos Place continues a strong fiscal year with only one month remaining. Other income shows a large increase for the month of May as the new DAS is now active and the signing bonus was received. It is anticipated that the year shall end above budget and consistent with prior year overall.


General Manager


Assistant General Manager

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2019**

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

MONTH	May Actual	May Budget	May FY 2018
Number of Events	48	29	38
Attendance	62,815	27,240	48,064
Direct Event Income	\$283,037	\$144,489	\$300,672
Ancillary Income	295,277	102,308	221,703
Other Event Income	55,308	49,800	38,959
Other Operating Income	179,311	7,666	3,614
Indirect Expenses	(706,952)	(544,780)	(656,573)
Net Income	<u>\$105,981</u>	<u>(\$240,517)</u>	<u>(\$91,625)</u>

YTD	YTD 2019 Actual	YTD 2019 Budget	YTD 2018 Prior Year
Number of Events	502	434	491
Attendance	575,055	553,705	674,191
Direct Event Income	\$3,191,409	\$3,054,923	\$3,380,078
Ancillary Income	2,657,646	2,365,382	2,530,392
Other Event Income	721,424	545,151	732,273
Other Operating Income	213,126	84,326	57,479
Indirect Expenses	(6,513,771)	(5,992,580)	(6,252,121)
Net Income	<u>\$269,834</u>	<u>\$57,202</u>	<u>\$448,102</u>

EVENT INCOME

Event income came in well ahead of budget for the month on more events hosted than anticipated.

ANCILLARY INCOME

Ancillary income came in well ahead of budget on strong catering revenue coupled with the higher than anticipated number of events hosted.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month.

DeVos Place
Income Statement
For the Eleven Months Ended May 31, 2019

	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	\$341,269	\$139,925	\$ 201,344	\$340,303	\$3,758,163	\$ 3,242,201	\$ 515,962	\$3,633,712
Service Revenue	459,842	298,098	161,744	278,199	3,452,324	3,374,936	77,388	3,022,992
Service Expenses	(518,074)	(293,534)	(224,540)	(317,830)	(4,019,078)	(3,562,214)	(456,864)	(3,276,626)
Total Direct Event Income	283,037	144,489	138,548	300,672	3,191,409	3,054,923	136,486	3,380,078
Ancillary Income								
F&B Concession	13,651	9,789	3,862	13,503	282,522	225,007	57,515	282,125
F&B Catering	150,316	43,460	106,856	112,725	927,239	723,248	203,991	813,883
Novelty Sales	6,817	4,400	2,417	1,982	37,116	38,160	(1,044)	43,333
Booth Cleaning	22,919	4,617	18,302	11,743	334,101	319,971	14,130	301,250
Telephone/Long Distance	0	0	-	0	675	2,145	(1,470)	8,771
Electrical Services	26,945	6,812	20,133	15,964	411,869	433,196	(21,327)	392,498
Audio Visual	33,541	15,416	18,125	31,164	320,545	286,381	34,164	343,911
Internet Services	17,818	3,398	14,420	18,039	129,868	128,185	1,683	117,740
Equipment Rental	23,270	14,416	8,854	16,583	213,711	209,089	4,622	226,881
Total Ancillary Income	295,277	102,308	192,969	221,703	2,657,646	2,365,382	292,264	2,530,392
Other Event Income								
Ticket Rebates(Per Event)	55,308	49,800	5,508	38,959	721,424	545,151	176,273	732,273
Total Other Event Income	55,308	49,800	5,508	38,959	721,424	545,151	176,273	732,273
Total Event Income	633,622	296,597	337,025	561,334	6,570,479	5,965,456	605,023	6,642,743
Other Operating Income								
Luxury Box Agreements	942	1,333	(391)	1,071	12,775	14,663	(1,888)	14,214
Advertising	0	5,000	(5,000)	1,000	0	55,000	(55,000)	26,000
Other Income	178,369	1,333	177,036	1,543	200,351	14,663	185,688	17,265
Total Other Operating Income	179,311	7,666	171,645	3,614	213,126	84,326	128,800	57,479
Adjusted Gross Income	812,933	304,263	508,670	564,948	6,783,605	6,049,782	733,823	6,700,222
Operating Expenses								
Salaries and Wages	432,936	336,991	95,945	372,750	4,541,342	3,706,901	834,441	4,251,789
Payroll Taxes and Benefits	244,398	100,348	144,050	182,471	1,154,982	1,103,828	51,154	1,082,541
Labor Allocations to Events	(325,347)	(213,073)	(112,274)	(268,646)	(3,090,838)	(2,343,803)	(747,035)	(2,939,162)
Net Salaries and Benefits	351,987	224,266	127,721	286,575	2,605,486	2,466,926	138,560	2,395,168
Contracted Services	42,009	23,692	18,317	35,077	433,667	260,612	173,055	362,720
General and Administrative	37,636	31,944	5,692	50,022	455,596	351,384	104,212	403,057
Operations	5,635	12,196	(6,561)	28,110	98,409	134,156	(35,747)	134,308
Repair and Maintenance	57,003	47,100	9,903	50,568	528,358	518,100	10,258	631,797
Operational Supplies	38,998	23,342	15,656	33,683	358,409	256,762	101,647	264,387
Insurance	23,677	21,054	2,623	22,782	245,758	231,594	14,164	252,091
Utilities	135,304	146,483	(11,179)	135,053	1,626,351	1,611,313	15,038	1,646,856
SMG Management Fees	14,703	14,703	-	14,703	161,737	161,733	4	161,737
Total Operating Expenses	706,952	544,780	162,172	656,573	6,513,771	5,992,580	521,191	6,252,121
Net Income(Loss) From Operati	105,981	(240,517)	346,498	(91,625)	269,834	57,202	212,632	448,102
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	105,981	(240,517)	346,498	(91,625)	269,834	57,202	212,632	448,102

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Eleven Months Ended May 31, 2019

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	154	141	122,494	122,050	2,154,717	1,855,982
Consumer/Gated Shows	47	43	180,043	149,800	1,299,391	1,203,392
DeVos Performance Hall	171	137	236,109	206,380	1,745,635	1,704,184
Banquets	34	36	29,265	27,555	450,097	421,821
Meetings	70	72	30,140	45,620	719,399	681,289
Other	26	5	39,819	2,300	201,241	98,790
GRAND TOTALS	502	434	637,870	553,705	6,570,479	5,965,456

As Percentage of Overall

Convention/Trade Shows	30.68%	32.49%	19.20%	22.04%	32.79%	31.11%
Consumer/Gated Shows	9.36%	9.91%	28.23%	27.05%	19.78%	20.17%
Devos Performance Hall	34.06%	31.57%	37.02%	37.27%	26.57%	28.57%
Ballroom Exclusive	6.77%	8.29%	4.59%	4.98%	6.85%	7.07%
Meetings	13.94%	16.59%	4.73%	8.24%	10.95%	11.42%
Other	5.18%	1.15%	6.24%	0.42%	3.06%	1.66%

**DeVos Place
Balance Sheet
As of May 31, 2019**

ASSETS

Current Assets

Cash	1,482,309
Account Receivable	1,358,259
Prepaid Expenses	131,885

Total Current Assets

\$2,972,453

Total Assets

\$2,972,453
=====

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	267,112
Accrued Expenses	328,268
Deferred Income	97,371
Advanced Ticket Sales & Deposits	1,335,373

Total Current Liabilities

\$2,028,124

Other Liabilities

Equity

Funds Remitted to CAA	(550,961)
Funds Received by CAA	(177,194)
Expenses Paid Direct by CAA	1,452,926
Beginning Balance Equity	(50,275)
Current Year Equity	269,833

Total Equity

\$944,329

Total Liabilities and Equity

\$2,972,453
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of May 31, 2019

Current - Under 30 Days	
Food & Beverage	157,535
Ticketing	2,112
Merchandise	1,686
Decorating	22,919
Audio/Visual	33,619
Van Andel Arena	228,874
Operating	687,574
 Over 30 Days	 185,960
 Over 60 Days	 37,980
 Over 90 Days	
 Total Accounts Receivable	 1,358,259

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2019**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2018 Audited
Net Revenue above Expenses	3,934,780	251,313	4,186,093	2,267,359
Benchmark++			1,050,000	750,000
Excess	3,934,780	251,313	3,136,093	1,517,359

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Audited
Base Fee	176,440	176,440	352,880	352,880
Incentive Fee				
Revenue	8,641,986	7,338,283	15,980,269	13,960,144
Benchmark Revenue	5,150,000	4,550,000	9,700,000	9,700,000
Revenue Excess	3,491,986	2,788,283	6,280,269	4,260,144
Incentive Fee **	196,210	156,670	352,880	352,880
Total SMG Management Fee	372,650	333,110	705,760	705,760

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

++ SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:

Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.

Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.

Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE PERIOD ENDED MAY 31, 2019

PROUD HOME OF THE GRAND RAPIDS GRIFFINS – TWO TIME CALDER CUPS CHAMPIONS



Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Harry Cann

Hope Parkin

Howard Feldman

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

**VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2019**

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	109	6	115	94	21
ATTENDANCE	780,079	45,500	825,579	605,600	219,979
DIRECT EVENT INCOME	1,574,025	187,875	1,761,900	1,092,450	669,450
ANCILLARY INCOME	2,469,215	114,363	2,583,578	1,488,399	1,095,179
OTHER EVENT INCOME	1,375,812	159,250	1,535,062	875,500	659,562
TOTAL EVENT INCOME	<u>5,419,052</u>	<u>461,488</u>	<u>5,880,540</u>	<u>3,456,349</u>	<u>2,424,191</u>
TOTAL OTHER INCOME	2,542,266	219,180	2,761,446	2,391,350	370,096
TOTAL INCOME	<u>7,961,318</u>	<u>680,668</u>	<u>8,641,986</u>	<u>5,847,699</u>	<u>2,794,287</u>
INDIRECT EXPENSES					
EXECUTIVE	206,046	25,550	231,596	221,147	(10,449)
FINANCE	223,504	15,332	238,836	209,015	(29,821)
MARKETING	276,025	17,900	293,925	236,778	(57,147)
OPERATIONS	1,858,658	278,410	2,137,068	2,064,969	(72,099)
BOX OFFICE	136,255	22,420	158,675	185,073	26,398
LUXURY SEATING	-	-	0	89,920	89,920
SKYWALK ADMIN	55,944	6,850	62,794	48,100	(14,694)
OVERHEAD	1,471,812	112,500	1,584,312	1,424,079	(160,233)
TOTAL INDIRECT EXP.	<u>4,228,245</u>	<u>478,962</u>	<u>4,707,206</u>	<u>4,479,081</u>	<u>(228,125)</u>
NET REVENUE ABOVE EXPENSES	<u>3,733,073</u>	<u>201,706</u>	<u>3,934,780</u>	<u>1,368,618</u>	<u>2,566,162</u>
LESS INCENTIVE FEE		196,210	196,210	92,319	(103,891)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	<u>3,733,073</u>	<u>5,496</u>	<u>3,738,570</u>	<u>1,276,299</u>	<u>2,462,271</u>

Comments:

May continues a historically strong fiscal year for the Arena with June looking to complete the year around \$4 million in excess revenues above expenses.


General Manager


Assistant General Manager

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2019**

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

MONTH	May Actual	May Budget	May FY 2018
Number of Events	11	9	3
Attendance	57,205	37,000	12,721
Direct Event Income	\$6,925	\$121,250	\$38,047
Ancillary Income	182,501	86,220	55,865
Other Event Income	198,448	56,000	64,801
Other Operating Income	233,573	192,062	173,269
Indirect Expenses	(484,915)	(373,256)	(434,968)
Net Income	<u>\$136,532</u>	<u>\$82,276</u>	<u>(\$102,986)</u>

YTD	YTD 2019 Actual	YTD 2019 Budget	YTD 2018 Prior Year
Number of Events	109	92	108
Attendance	780,078	589,600	670,323
Direct Event Income	\$1,574,025	\$1,034,450	\$1,276,478
Ancillary Income	2,469,215	1,442,499	1,855,314
Other Event Income	1,375,812	819,500	968,353
Other Operating Income	2,542,266	2,199,282	2,177,193
Indirect Expenses	(4,228,245)	(4,105,816)	(4,199,465)
Net Income	<u>\$3,733,073</u>	<u>\$1,389,915</u>	<u>\$2,077,873</u>

EVENT INCOME

Direct event income fell below budget for the month as sales for The Who and Cirque were below expectations. Other events hosted during the month performed very well.

ANCILLARY INCOME

Ancillary income came in strong as per caps continue to be above average.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month, however, consistent with prior year and revised forecast.

Van Andel Arena
Income Statement
For the Ten Months Ended April 30, 2019

	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	\$146,179	\$178,250	(\$32,071)	\$74,303	\$2,490,215	\$1,821,450	\$668,765	\$2,398,658
Service Revenue	474,887	194,000	280,887	152,400	3,615,591	2,148,000	1,467,591	2,351,949
Service Expenses	(614,141)	(251,000)	(363,141)	(188,656)	(4,531,781)	(2,935,000)	(1,596,781)	(3,474,129)
Total Direct Event Income	6,925	121,250	(114,325)	38,047	1,574,025	1,034,450	539,575	1,276,478
Ancillary Income								
F&B Concession	139,998	73,935	66,063	44,935	2,028,063	1,241,884	786,179	1,566,703
F&B Catering	17,522	6,045	11,477	3,920	216,054	113,765	102,289	152,626
Novelty Sales	24,731	6,240	18,491	7,010	224,163	86,850	137,313	124,004
Booth Cleaning	171	0	171	0	806	0	806	3,087
Audio Visual	79	0	79	0	629	0	629	9,244
Other Ancillary	0	0	0	0	(500)	0	(500)	(350)
Total Ancillary Income	182,501	86,220	96,281	55,865	2,469,215	1,442,499	1,026,716	1,855,314
Other Event Income								
Ticket Rebates(Per Event)	198,448	56,000	142,448	64,801	1,375,812	819,500	556,312	968,353
Total Other Event Income	198,448	56,000	142,448	64,801	1,375,812	819,500	556,312	968,353
Total Event Income	387,874	263,470	124,404	158,713	5,419,052	3,296,449	2,122,603	4,100,145
Other Operating Income								
Luxury Box Agreements	171,089	135,979	35,110	109,445	1,811,983	1,582,369	229,614	1,511,133
Advertising	56,680	52,083	4,597	56,680	606,265	572,913	33,352	602,331
Other Income	5,804	4,000	1,804	7,144	124,018	44,000	80,018	63,729
Total Other Operating Income	233,573	192,062	41,511	173,269	2,542,266	2,199,282	342,984	2,177,193
Adjusted Gross Income	621,447	455,532	165,915	331,982	7,961,318	5,495,731	2,465,587	6,277,338
Operating Expenses								
Salaries and Wages	253,419	189,190	64,229	156,219	2,352,158	2,081,090	271,068	2,053,920
Payroll Taxes and Benefits	184,348	57,863	126,485	105,989	599,284	636,493	(37,209)	541,244
Labor Allocations to Events	(178,480)	(90,873)	(87,607)	(40,343)	(1,340,560)	(999,603)	(340,957)	(1,045,146)
Net Salaries and Benefits	259,287	156,180	103,107	221,865	1,610,882	1,717,980	(107,098)	1,550,018
Contracted Services	23,787	21,200	2,587	29,451	279,283	233,200	46,083	267,577
General and Administrative	37,905	29,339	8,566	35,259	461,770	322,729	139,041	485,167
Operations	5,052	7,599	(2,547)	2,792	61,230	83,589	(22,359)	46,232
Repair and Maintenance	22,673	31,049	(8,376)	34,823	289,615	341,539	(51,924)	363,735
Operational Supplies	38,061	21,808	16,253	28,941	261,154	239,888	21,266	239,043
Insurance	16,713	14,161	2,552	6,033	220,477	155,771	64,706	191,309
Utilities	66,734	77,217	(10,483)	61,101	882,097	849,387	32,710	894,647
SMG Management Fees	14,703	14,703	0	14,703	161,737	161,733	4	161,737
Total Operating Expenses	484,915	373,256	111,659	434,968	4,228,245	4,105,816	122,429	4,199,465
Net Income(Loss) From Operations	136,532	82,276	54,256	(102,986)	3,733,073	1,389,915	2,343,158	2,077,873
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	136,532	82,276	54,256	(102,986)	3,733,073	1,389,915	2,343,158	2,077,873

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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Eleven Months Ended May 31, 2019

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	9	9	57,917	42,500	268,848	242,412
Sporting Event	7	7	44,004	40,000	547,232	347,456
Concert	37	25	343,717	207,000	3,901,506	1,997,165
Team Home Games	40	38	258,806	235,600	392,526	459,800
Other	16	13	75,635	64,500	308,940	249,625
GRAND TOTALS	109	92	780,079	589,600	5,419,052	3,296,449

As Percentage of Overall

Family Show	8.26%	9.78%	7.42%	7.21%	4.96%	7.35%
Sporting Event	6.42%	7.61%	5.64%	6.78%	10.10%	10.54%
Concert	33.94%	27.17%	44.06%	35.11%	72.00%	60.59%
Team Home Games	36.70%	41.30%	33.18%	39.96%	7.24%	13.95%
Other	14.68%	14.13%	9.70%	10.94%	5.70%	7.57%

**Van Andel Arena
Balance Sheet
As of May 31, 2019**

ASSETS

Current Assets

Cash	14,060,303
Account Receivable	1,013,598
Prepaid Expenses	23,173

Total Current Assets

\$15,097,073

Total Assets

\$15,097,073

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	2,132,496
Accrued Expenses	296,987
Deferred Income	1,516,601
Advanced Ticket Sales & Deposits	10,606,510

Total Current Liabilities

\$14,552,594

Other Liabilities

Equity

Funds Remitted to CAA	(3,497,485)
Expenses Paid Direct by CAA	749,027
Beginning Balance Equity	(440,135)
Current Year Equity	3,733,073

Total Equity

\$544,480

Total Liabilities and Equity

\$15,097,073

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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of May 31, 2019

Current - Under 30 Days	
Food & Beverage	261,848
Ticketing	27,449
Merchandise	31,505
Permanent Advertising	661,315
DeVos Place	(218,874)
Operating	163,025
 Over 30 Days	 54,590
 Over 60 Days	 32,740
 Over 90 Days	
 Total Accounts Receivable	 1,013,598

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2019**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2018 Audited
Net Revenue above Expenses	3,934,780	251,313	4,186,093	2,267,359
Benchmark++			1,050,000	750,000
Excess	3,934,780	251,313	3,136,093	1,517,359

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Audited
Base Fee	176,440	176,440	352,880	352,880
Incentive Fee				
Revenue	8,641,986	7,338,283	15,980,269	13,960,144
Benchmark Revenue	5,150,000	4,550,000	9,700,000	9,700,000
Revenue Excess	3,491,986	2,788,283	6,280,269	4,260,144
Incentive Fee **	196,210	156,670	352,880	352,880
Total SMG Management Fee	372,650	333,110	705,760	705,760

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

++ SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:

Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.

Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.

Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



Memorandum

To: Richard A. Winn, Finance Committee Chairperson
CAA Board

From: Robert White

Subject: Auto Parking System Periodic Reporting

Date: July 29, 2019

The previously (6/9/17) adopted "Parking Operation Agreement" requires the City-Auto Parking System to provide a quarterly report regarding City/County utilization of discounted DeVos Place® monthly parking passes. The content of this fourth quarter (FY19) periodic report includes the following information:

A) "... the number of current City and County passes outstanding ..."

The City currently holds 124 monthly passes.

The County currently holds 152 monthly passes.

B) "... the increase and/or decrease in such City and County passes since the prior report ..."

The City decreased the number of passes out by 3 between 4/1/19 and 6/30/19.

The County decreased the number of passes out by 11 between 4/1/19 and 6/30/19.

C) "... a calculation of the difference between the then current market rate for monthly passes for the Parking Spaces and the then current rate for monthly passes by the City and County."

The current (public) monthly pass rate is \$154, while the discounted City/County rate is \$66.25.

The City currently holds 124 passes with a total annualized discount of \$130,572.

The County currently holds 152 passes with a total annualized discount of \$160,056.

Attached with this correspondence is a copy of the quarterly report from City-Auto Parking System.

Cc: Richard MacKeigan

Account	Previous End of Quarter Space Count Q2 FY19	Total Spaces End of Q3 FY 19	Space Count Change	Current Monthly Market Rate Price Difference EOQ*	Monthly Price Difference Variance, Prev Quarter
17 th Circuit Court	25	24	-1	\$2,193.75	(\$87.75)
KC Facilities Management	138	128	-10	\$12,109.50	(\$877.50)
City of GR	127	124	-3	\$11,144.25	(\$263.25)
Total	290	276	-14	\$25,447.50	(\$1,228.50)

*Current Market Rate is \$154 monthly, City/County Contractual Rate is \$66.25 monthly, effective 7/1/2018.



Memorandum

To: CAA Board of Directors

From: Rich MacKeigan

Date: August 2, 2019

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 Special (24-Hour) On-Premise Licenses. These licenses allow 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. The dates for the Wine, Beer & Food Festival this year are Thursday-Saturday, November 21-23, 2019.

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 Special On-Premise Licenses.