

# Agenda

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## Board of Directors

**Friday | December 5 | 2014**

**Following CAA Operations Committee Meeting**

**Kent County Commission Chambers**

**300 Monroe Avenue, NW | Grand Rapids | MI**

- |    |  |                |
|----|--|----------------|
| 1. | Call to Order and Chairman's Comments  | Steve Heacock  |
| 2. | Area 2 Parking Study Findings – Progressive AE   | Information    |
| 3. | Minutes of November 7, 2014  | Action         |
| 4. | Committee Reports  |                |
|    | A. Operations Committee  |                |
|    | i. Energy Audit and Capital Assessment   | Action         |
|    | B. Finance Committee   |                |
|    | i. Monthly Financial Reports   |                |
|    | a. Acceptance of Consolidated October 2014 Financial Statements  | Action         |
|    | b. SMG – Van Andel Arena® and DeVos Place® October 2014 Financial Statements   | Information    |
|    | ii. SMG Special Purpose Financial Statements as of and for the Years Ended June 30, 2014 and 2013 – Deloitte & Touche, LLP | Action         |
| 5. | Letting of RFP for Possible Area 2 Development   | Action         |
| 6. | Van Andel Arena® Show Fund   | Action         |
| 7. | SMG Report and Facilities Calendars  | Rich MacKeigan |
| 8. | Public Comment   |                |
| 9. | Adjournment  |                |

**Next Meeting Date: Friday, January 16, 2015**  
**After CAA Finance Committee Meeting**



## Process for the

## Van Andel Arena Parking Structure Feasibility Study

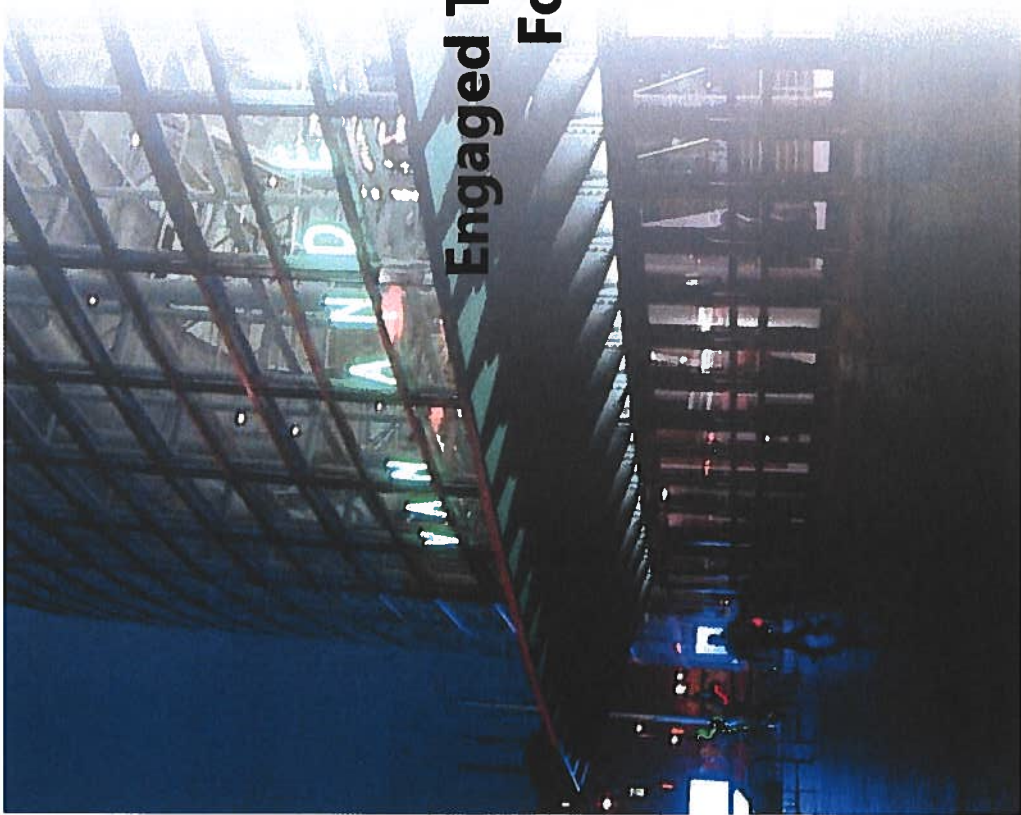
December 5, 2014

progressive|ae

1811 Four Mile NE  
Grand Rapids, MI 49525  
p. 616 . 361 . 2664  
www.progressiveae.com



**WALKER**  
PARKING CONSULTANTS



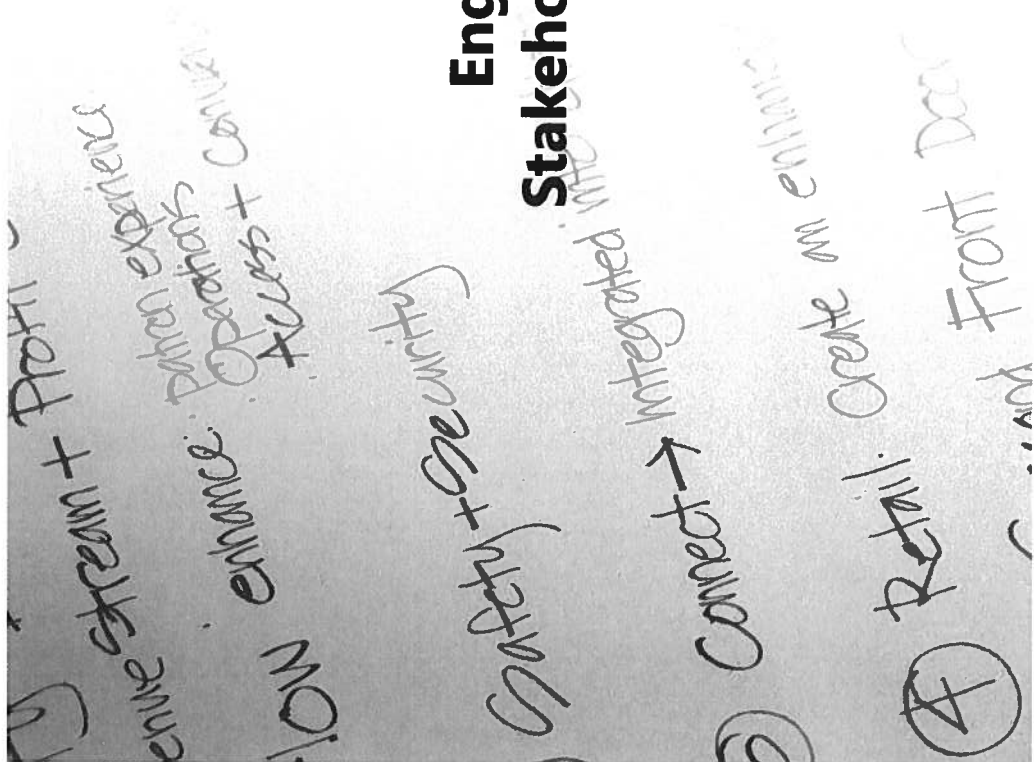
## Engaged Task Force

What should this project accomplish?  
Define success?  
Establish Priorities?  
Create Design Principles.

### Task Force members:

Rick Winn  
Steve Heacock  
Charlie Secchia  
Rich MacKeigan  
Jim Watt  
Todd Johnson

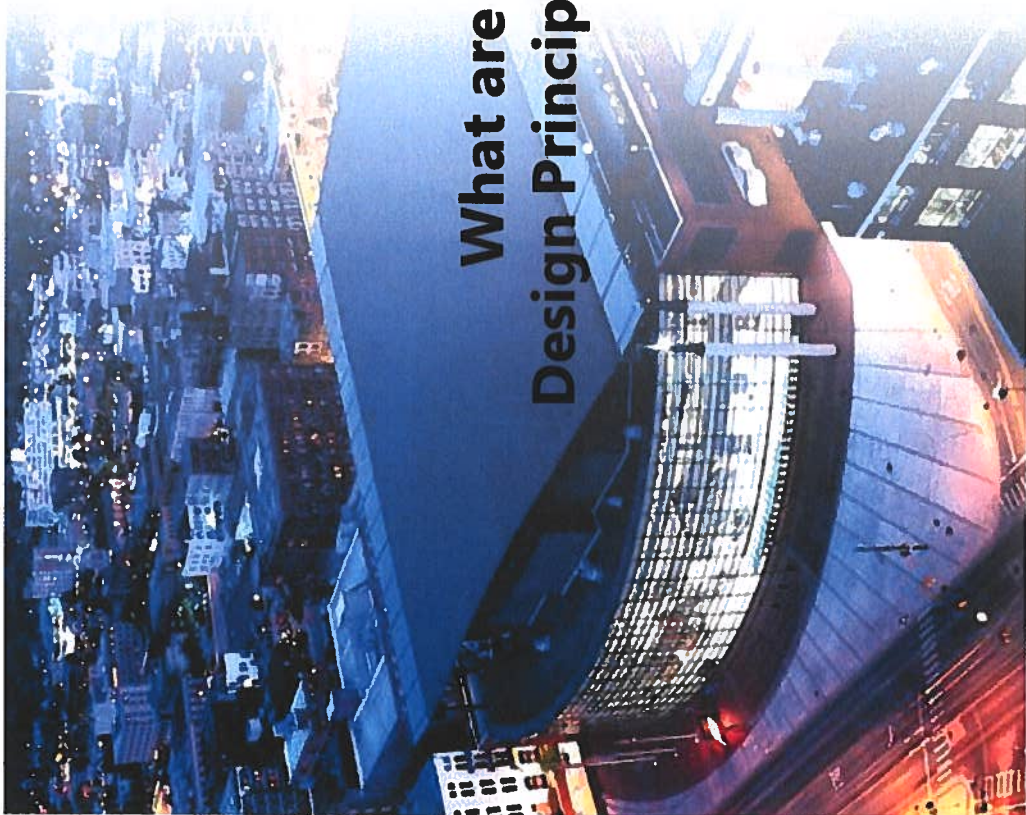




## Engaged Stakeholders

What should this project accomplish?  
Requirements?  
Aspirations?  
Goals.  
Insights

- Grand Rapids Griffins
- Grand Rapids Community Foundation
- Grand Rapids Police Department
- City of Grand Rapids Parking Services
- Barnum and Bailey Circus, Disney on Ice and Motor Cross
- Box Seat Holders/Patrons
- SMG Operations
- Neighbors
- Downtown Grand Rapids Inc. (DGRI)



## What are our Design Principles?

### Insights about Design Principles

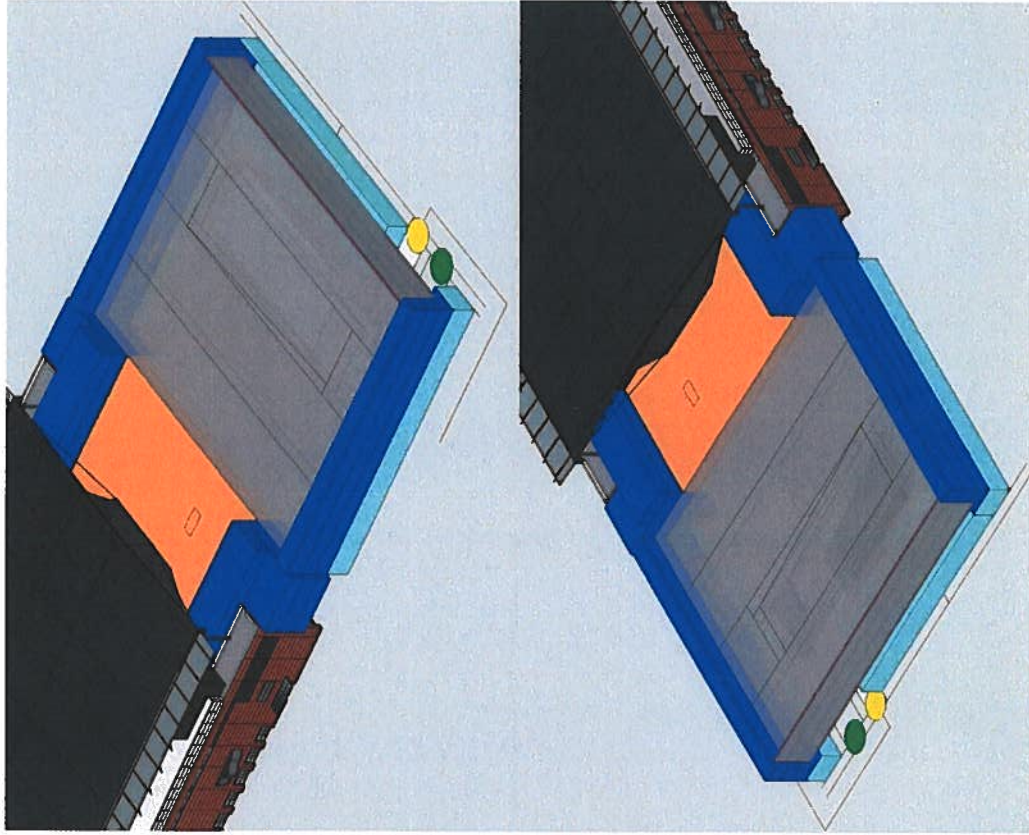
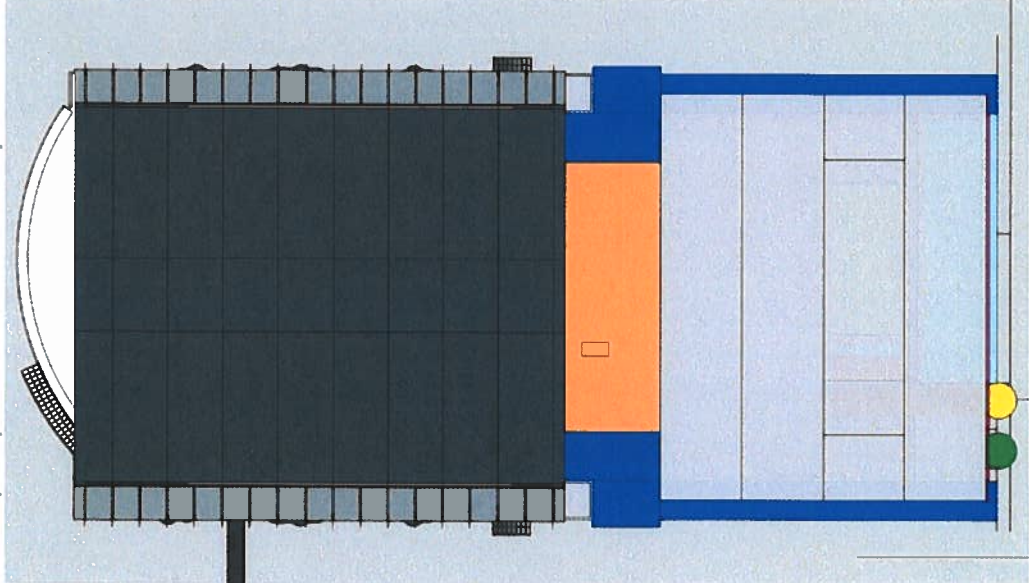
Design Principles are defined as a value-driven, clear set of measurable goals that the client expects the design solution to achieve, and upon which future project decisions will be evaluated. This is accomplished through observation, analysis, participation and dialogue, optimization of opportunities, and evaluating the business case for the client.

- **Ensure ECONOMIC VIABILITY** for the **Arena** with increased revenue and profit generation for the **CAA**.
- **Enhance** the **GUEST EXPERIENCE** with a safe, secure, exciting and energizing atmosphere
- **IMPROVE FLOW** and support **operations**.
- **ENGAGE THE CITY** support the **Arena South District** visioning plans, support pedestrian activity, be an **economic catalyst**, connect to the urban fabric of downtown, and create an **urban buzz**.

Vision | **Program** | Concept

Arena SOUTH

Concept Option B - Preferred Option



Parking Level

700 PUBLIC SPACES

Circulation

78,790 SF

Commercial Lease

27,304 SF

Leasable Mixed Use

22,924 SF

TRUCK/BUS TRAFFIC

CAR TRAFFIC

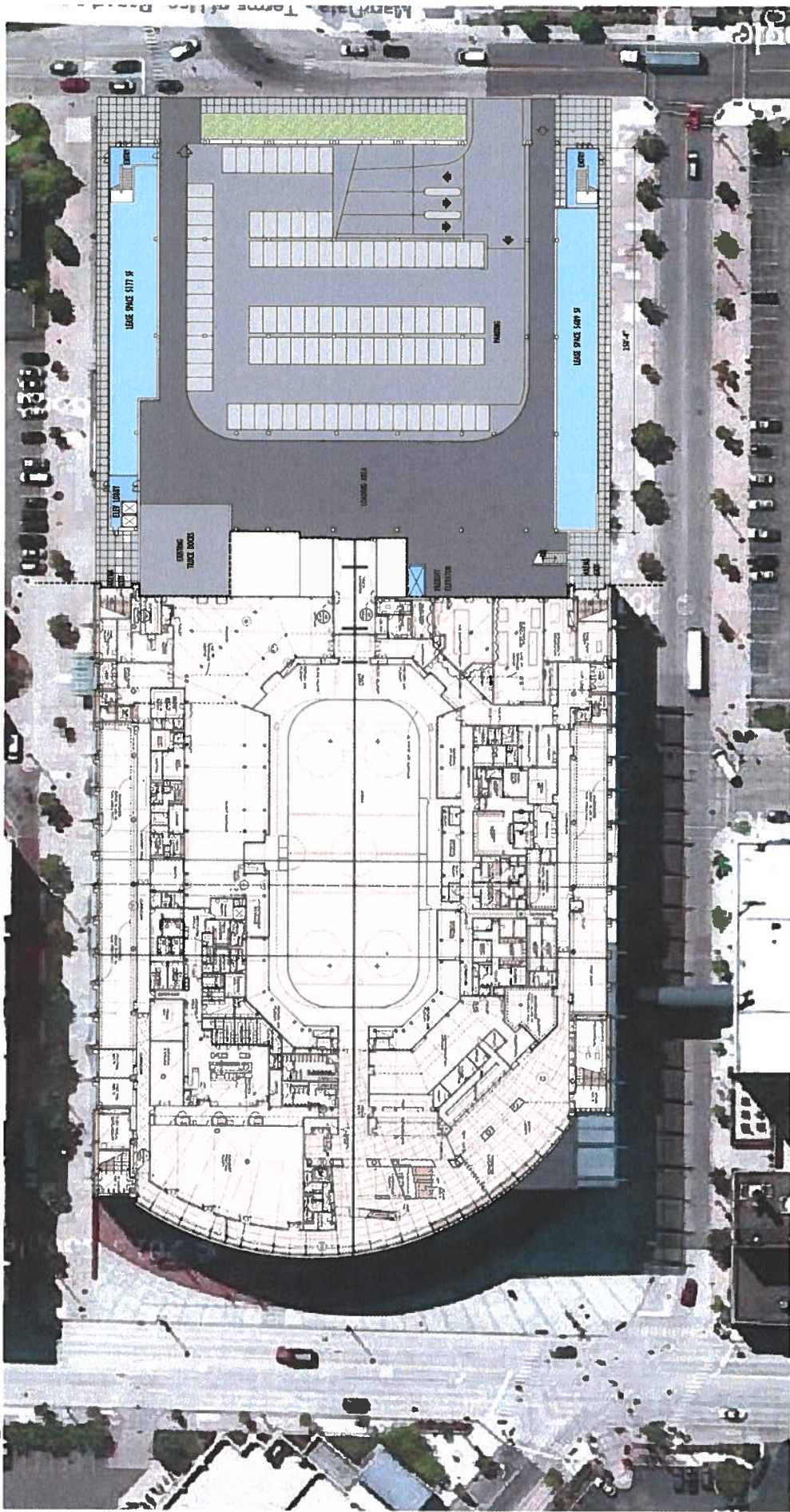


progressive | ae



Vision | Program | **Concept**

**Arena SOUTH**

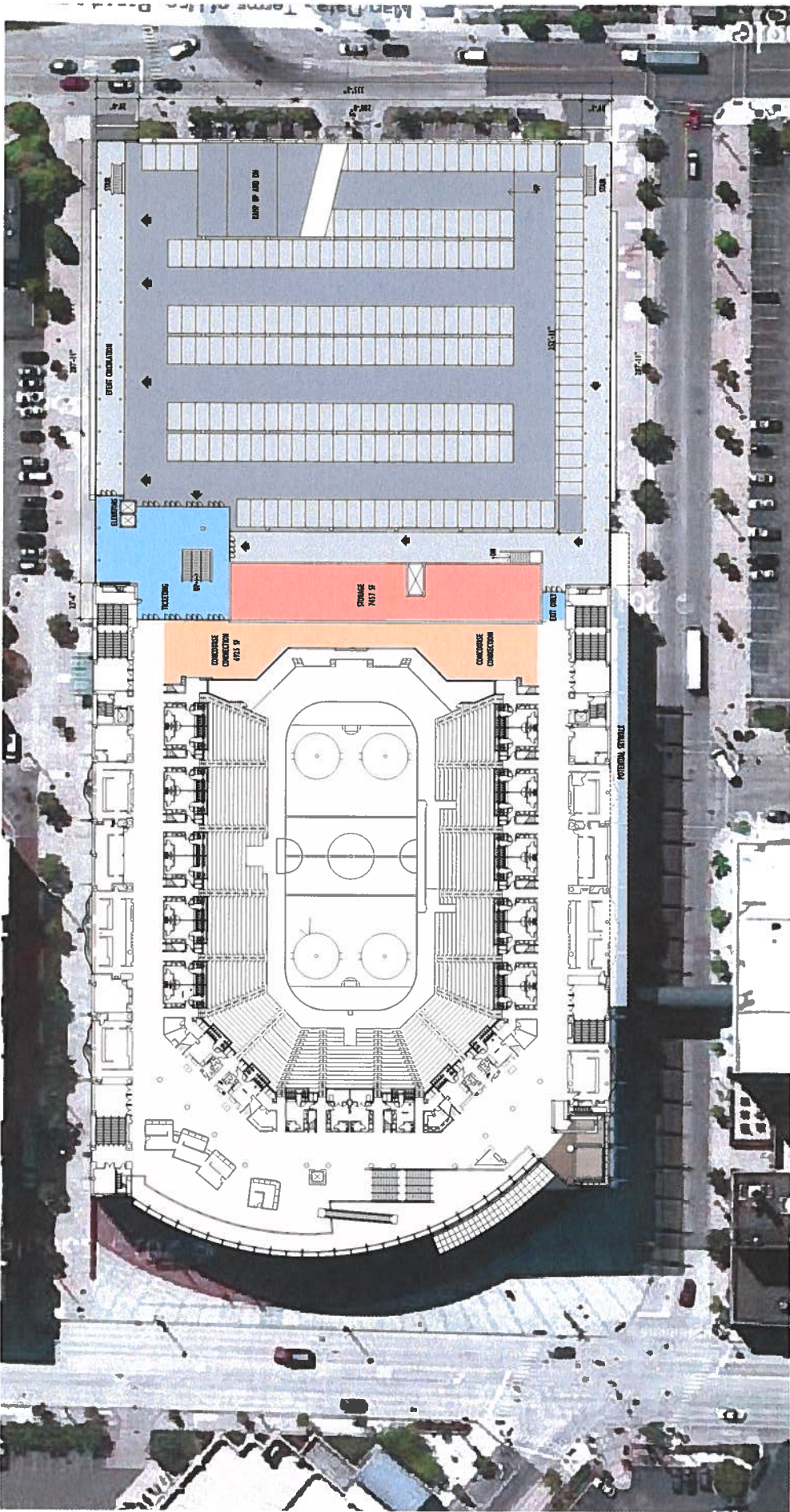




## Vision | Program | Concept

**Arena SOUTH**

### Parking Concourse Level Plan

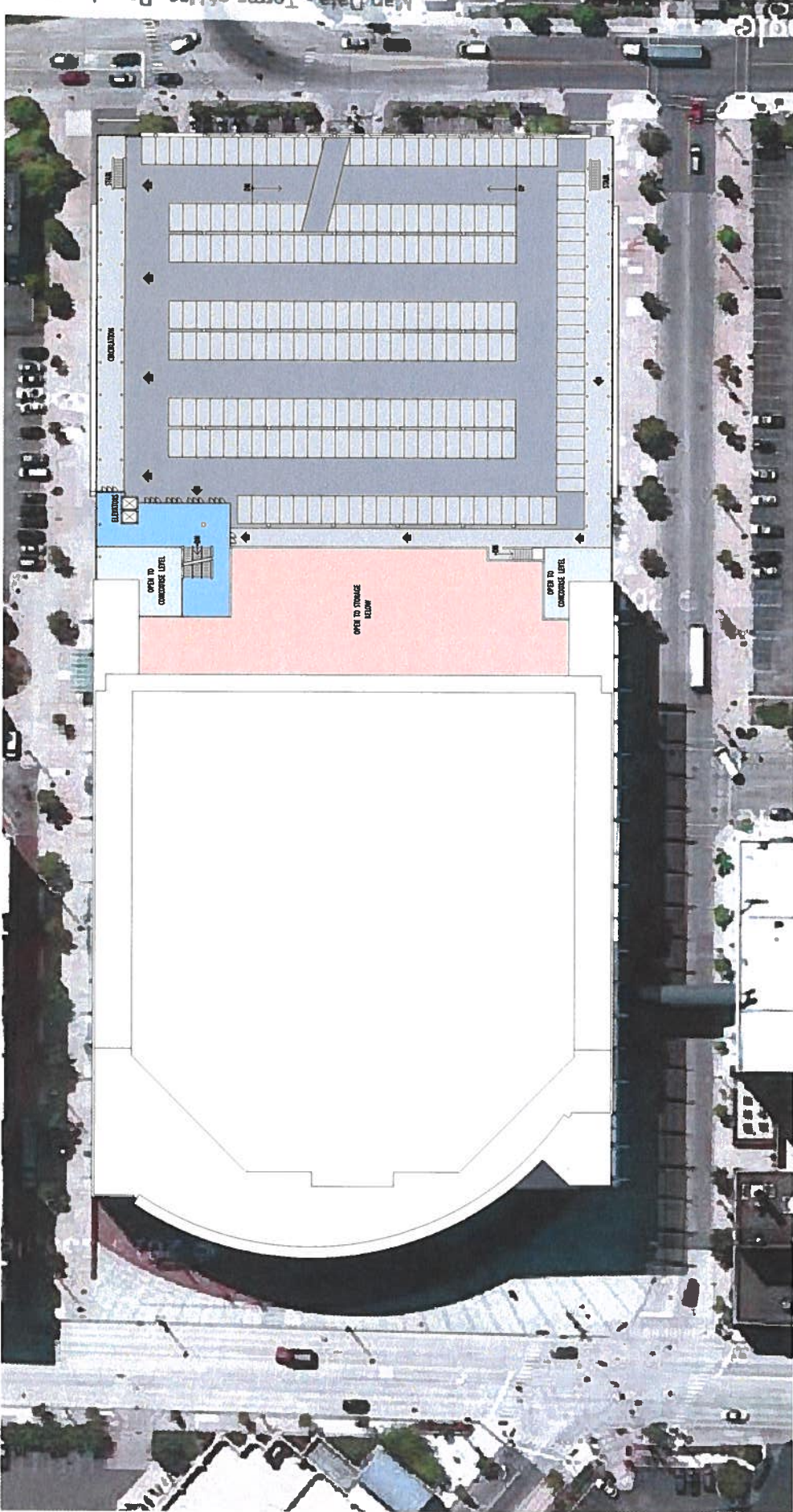




## Vision | Program | **Concept**

Arena SOUTH

### Parking Level 03 Plan

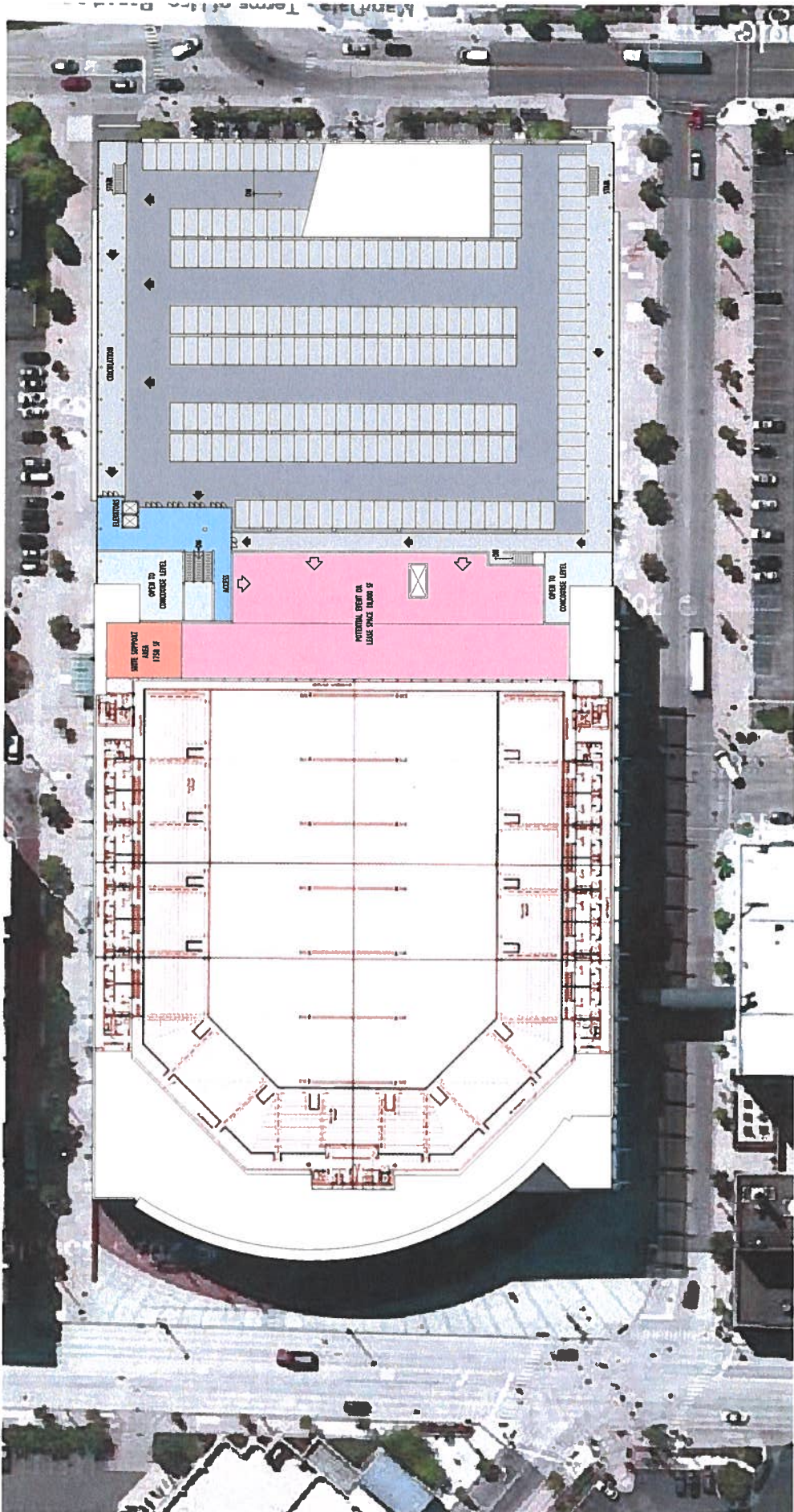




## Vision | Program | Concept

Arena SOUTH

### Parking Level 04 Plan





Vision | Program | **Concept**

Arena SOUTH

Exterior Elevations



West Elevation



East Elevation

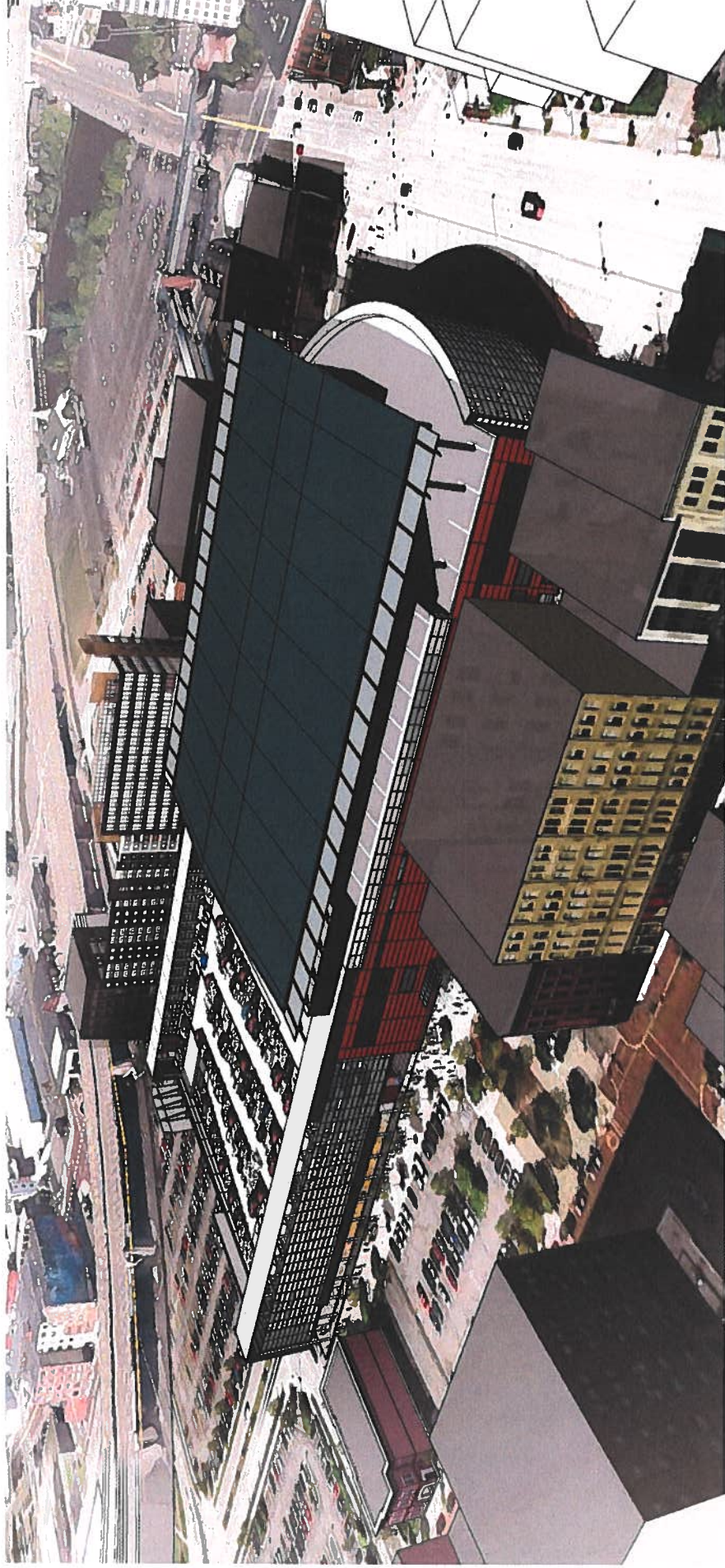
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## Vision | Program | **Concept**

Arena SOUTH

3D View - Looking Southwest





## Vision | Program | **Concept**

Arena SOUTH

3D View - Looking Northwest



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## Vision | Program | Concept

Arena SOUTH

3D View - Looking Northwest





## Vision | Program | **Concept**

Arena SOUTH

3D View - Looking Northeast







**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
JOINT MEETING OF  
BOARD OF DIRECTORS AND COMMITTEES  
Friday, November 7, 2014**

Attendance

|                               |   |  |
|-------------------------------|---|--|
| Members Present:              | Steve Heacock, Chairperson<br>Lew Chamberlin<br>George Heartwell<br>Charlie Secchia<br>Floyd Wilson, Jr.<br>Richard Winn  |  |
| Members Absent:               | Birgit Klohs  |  |
| Finance Committee:            | Joe Jones<br>Jana Wallace   |  |
| Operations Committee:         | Tom Almonte<br>Scott Buhner<br>John Canepa<br>Glenn Del Vecchio<br>John Van Fossen  |  |
| Liaison Committee:            | Rosalynn Bliss<br>Diane Jones   |  |
| Community<br>Inclusion Group: | Chris Arnold<br>Mandy Cech<br>Evette Pittman<br>Darius Quinn<br>Ruben Ramos<br>Lou Solis<br>Jessica Ann Tyson   |  |
| Staff/Others:                 | <div style="display: flex; justify-content: space-between;"> <div> Kathy Bart<br/>Tom Bennett<br/>Henri Boucher<br/>Chris Danner<br/>Jeff Dubin<br/>Tim Gortsema<br/>Mike Guswiler<br/>Jim Harger<br/>Lynne Ike<br/>Todd Johnson<br/>John Kendall<br/>Kathryn Kendall, Ph.D.<br/>Peter Kjome<br/>Kristopher Larson<br/>Rose Littleton<br/>Mike Lloyd </div> <div> SMG<br/>Experience Grand Rapids<br/>ShowSpan, Inc.<br/>Once Broadway Musical<br/>SAVOR<br/>Grand Rapids Griffins<br/>West Michigan Sports Commission<br/><i>The Grand Rapids Press</i>/MLive<br/>SMG<br/>SMG<br/>DK Security<br/>DK Security<br/>Grand Rapids Symphony<br/>Downtown Grand Rapids, Inc.<br/>Staffing, Inc.<br/>Broadway Grand Rapids </div> </div> |  |

|                     |                                      |
|---------------------|--------------------------------------|
| Chris Machuta       | SMG                                  |
| Rich MacKeigan      | SMG                                  |
| Sindia Narber       | DK Security                          |
| Drew Nikodem        | IATSE                                |
| Lee Ann Platschorre | DK Security                          |
| Kyle Post           | SMG                                  |
| Brian Ryks          | Gerald R. Ford International Airport |
| Lauren Saelens      | DK Security                          |
| Eddie Tadlock       | SMG                                  |
| Susan Waddell       | CAA                                  |
| Jim Watt            | SMG                                  |
| Rod Weeber          | SMG                                  |
| Richard Wendt       | Dickinson Wright                     |
| Robert White        | CAA                                  |
| Paul Ymker          | BlueWater Technologies               |

# **1. Call to Order and Chairman's Comments**

Steve Heacock, Chairperson, called the meeting to order at 7:45 a.m. Secretary/Treasurer Richard Winn recorded the meeting minutes. Roundtable introductions followed. Chair Heacock explained that the CAA is a partnership with the City, County, and State. The CAA is governed by a seven-member board: Chair Heacock and Rick Winn are County appointees; Mayor Heartwell and Birgit Klohs are City appointees; Charlie Secchia is a State appointee; and Lew Chamberlin and Floyd Wilson are CAA Board appointees who were proposed by Experience Grand Rapids. The CAA was established by the State of Michigan in 1999 and is a governmental entity created to encourage economic development by owning and operating sports and entertainment facilities. The CAA employs 1.5 employees and has contract with SMG for additional executive-level services.

The CAA has a \$20 million capital reserve thanks to efficient construction of DeVos Hall, careful stewardship and the funders' foresight. The CAA needs to ensure that these funds last through the useful life of the buildings and certainly through the retirement of the related bonds. Two years ago, the CAA commissioned an economic impact study that found the CAA's economic impact totaled \$350 million in just its first six years of operation. Just for Fiscal Year 2011, the total economic impact from the CAA venues was over \$58.4 million, generating nearly 700 jobs and \$16.6 million in new earnings for households in Kent County. Chair Heacock explained that expansion and renovation of DeVos Place® convention center was funded, in part, with bonds that are repaid with the Kent County hotel/motel tax. Chair Heacock recognized Kent County for continuing to pay the debt service on the bonds from its general fund, when the hotel/motel tax fell short during the recession. The Van Andel Arena® opened in 1996 and is successful beyond expectations. The Arena is rated nationally and worldwide for a mid-size arena (12,100 seats). The Arena has 44 private suites and 2 public suites, banquet rooms, and the Intermission Restaurant operated by SMG Savor. New at DeVos Performance Hall is remodeled women's restroom increasing capacity by 50% and modifications to the theater stage to allow for large Broadway productions.

Chair Heacock concluded his remarks by stating the work of the CAA could not be accomplished without volunteers. He thanked the committee members for their commitment and hard work.



## 2. Business Partner Presentations

### A. BlueWater Technologies

Paul Ymker, Director of Audio Visual Services for BlueWater Technologies, is housed at DeVos Place® convention center and coordinates the AV needs for client events. Founded in 1985, BlueWater is located in three states and has a staff of 184 employees. BlueWater's award winning services include meeting and event tech, audio visual integration, interactive engagements, fixtures, and displays.

**Meeting & Event Technology:** For a Spectrum Health event, BlueWater transformed an ordinary banquet space using projection into a lush conservatory that changed from daytime to nighttime. For the GM Auto Show, BlueWater has provided the technology, programming, and AV logistics, as well as ongoing AV and IT support, for 20 years. For the Transplant Games of America, BlueWater conceptualized the event staging, provided the scenic elements and video equipment and managed production and day-of logistics.

**AV Integration:** Macomb County contracted with BlueWater to consult, design, program, and install AV technology for real-time coloration between multiple agencies. BlueWater maximized customer enjoyment and retention at Buffalo Wild Wings with upgraded technology for sports viewing, music, and gaming.

**Interactive Engagements:** For the NIKE women's marathon, BlueWater enabled participants to update their Facebook status automatically while on the run. At Ford Motor Company, BlueWater designed, programmed, and created content for an avatar-guided interactive display to educate consumers on the features, benefits, and options of each vehicle.

**Fixtures and Displays:** BlueWater owns a 63,000 sq. ft. production and warehouse facility in Mesick, Michigan. The engineering and production teams are highly skilled and experienced in working with all materials and provide a full range of services from design through installation. Curves hired BlueWater to design and built three different "Ikea-like" modular displays and 1,000 fixtures for quick and easy installation for the franchisee program. BlueWater has been fabricating and installing Wells Fargo Bank's in-branch merchandising elements since 2004.

### B. Downtown Grand Rapids, Inc. (DGRI)

Kristopher Larson, President and CEO, explained that DGRI is the singular management body for the staffs and resources of the Downtown Development Authority, Downtown Improvement District, and Monroe North Tax Increment Finance Authority. DGRI's mission is to make Grand Rapids the most admired, emulated, attractive, and well-run city of its size in the nation – with an unsurpassed reputation as a forward-thinking, bright spot to watch for how to do 'downtown.' In its decision-making process, DGRI looks for guidance from three alliances: the alliance for investment advisers on projects related to development programs, planning, economic development and public realm investments; the alliance for livability advises on projects related to cleanliness, beautification, safety, and asset management; and the alliance for vibrancy advises on projects related to marketing, promotions, and events.

From 1990 to 2000, Grand Rapids' population increased 64% from 60,000 to almost 100,000; and from 2000 to 2010 increased another 15%. In the past two decades, downtown has seen residential growth of 188%, with 800 units currently under construction. The commercial sector enjoys an 83% occupancy rate. There are 246 merchants, representing retail, food service, personal care, and other services. The diverse mix includes two bridal shops, two beauty salons, a comic book store, a home goods store, florist and food service. Fiscal year 2014 development totals are impressive, as well, and include 534,820 sf

renovated office space, 83415 sf new office space, 254 new market rate residential units, 122 renovated affordable housing units, 206 new affordable housing units, and 105,527 new active use spaces. Current advocacy and planning projects include parklets and Arena south visioning. DGRI also addresses mobility options, parks and open space, and downtown cleanliness/beauty. DGRI's ambassador program assists visitors with many services, including providing directions, umbrella escorts, safety escorts, contact with emergency services, removal of graffiti, and contact with businesses. DGRI's marketing and social media efforts have resulted in two videos that have received 50,000+ views, 5,000+ Facebook 'likes,' 4,00 Twitter followers, and 235 Instagram followers. DGRI has produced events, such as Movies in the Park, with an estimated direct economic impact of \$78,211. Over the past year, there were more than 100 events in downtown Grand Rapids including ArtPrize, 15 runs/walks, 6 music festivals, 10 holiday celebrations, 21 fundraisers, 10 cultural festivals, and 7 sports and auto events.

In the year ahead, DGRI will focus its efforts on greater accessibility, an enlivened public realm, inclusion and gratitude. This will be accomplished through GR Forward, an action plan for downtown, the riverfront, and the next generation. GR Forward has an interactive space at 50 Louis space that is open Thursday-Saturday, 3:00pm-7:00pm, through November 21. DGRI invites the public to become involved to share thoughts and ideas.

### **C. DK Security**

Kathryn Kendall, Ph.D., Executive Vice President, started in 1996 as a first host in the Van Andel Arena® lobby. Dr. Kendall is a forensic psychologist with over 15 years of security services. Dr. Kendall worked her way up to Chief Operating Officer, then Senior Vice President. Her responsibilities include strategic planning, public relations, marketing and business development, documents, and client relations. DK Security was founded in 1995 by retired US Marshal John Kendall and retired FBI agent Robert DuHadway, mainly as an investigations firm. As client needs evolved, DK broadened its services to include event management, uniform security, investigations, armed security, background screening, honorline, loss prevention, alcohol/tobacco compliance, fingerprinting, and security audits. DK Security has three branch locations, employs over 1,300 security personnel, and has annual revenue of \$17+ million. DK's varied clients include hospitals, convention centers, airports, military bases, festivals, banking facilities, construction sites, manufacturing facilities, and colleges/universities.

### **D. Gerald R. Ford International Airport**

Brian Ryks, AAE, Executive Director, landed here in July 2012. The Airport's vision is to be West Michigan's commercial service airport of choice. Values include safety, security, customer satisfaction collaboration, and continuous improvement. The Airport's mission is to provide safe, security, environmentally sensitive, economically self-sustaining and globally infused air transportation facilities responsive to regional needs. The Airport board includes three CAA members: Steve Heacock, Birgit Klohs, and Floyd Wilson, Jr. In 2009, a new close-in covered parking structure was built at a cost of \$137 million, and included additional short- and long-term parking spaces, ramps-to-terminal roadway canopy, pedestrian sky bridges, roadway and utility improvements, vehicle entrance plaza, improved rental car facilities, and an intermodal transit station. New concessions that include local flavor have been constructed for Bell's brewing and *Grand Rapids Magazine*. GFIA is one of 100 that offer TSA pre-check, hearing loop, valet parking, and therapy dog program. GFIA boats 110 daily passenger flights to/from 24 non-stop destinations. In 2013, GFIA served 2,237,979 passengers, an increase of 4.8% over 2012. Southwest Airlines landed in August 2013 and has direct flights to over 40 airports. The Southwest effect has lowered quarterly airfares from \$455 to \$427. Additional airlines to fly in/out of GFIA include AirTran, New American/USAIR Service, and United.

New airport concourse improvements will include sky lights, column chadding, and a terrazzo floor. Also planned are consolidate checkpoint and marketplace, Gerald R. Ford memorial display area, and a new



public observation deck. Airports across the globe are evaluated via passengers' views on 34 service indicators including cleanliness, parking, courtesy of staff, concessions, and security screening. GRIA is ranked Top Five Best Airports in the World by size, 2-5 million passengers.

**E. Staffing, Inc.**

Rose Littleton, Regional Events Manager, stated that Staffing, Inc. is the 4<sup>th</sup> largest privately-held employer in West Michigan. For over 25 years, Staffing has been managing and employing associates. Its primary mission is to create strong, personal partnerships with its temporary employees and customers. This allows Staffing to improve the communities in which its customers operate. Under this model, Staffing has grown significantly and has expanded into other HR services. Today, Staffing has six divisions that support its position as the only full-service human resource outsourcing organization based in the West Michigan market.

Staffing provides professional hospitality staffing to premiere caterers, event planners, hotels, restaurants, university, and event venues in West Michigan. Staffing delivers trained, courteous, reliable service staff to small and large scale events. Staffing provides extending training with an emphasis in customer service. Prior to working an event, Staffing employees are given an orientation with specific requirements for each position and client customer service knowledge. Staff become more than their positions, they become ambassadors of the building.

Staffing perks include scheduling software that allows staff to view their schedule at any time with a smart phone or computer, a client portal with real-time access to information, and training videos. Staffing customers include concert halls, arena complexes, banquet centers, cultural and fine art venues, golf courses, university events, baseball stadiums, and convention centers. Staffing is active in the community to which it belongs. Employees at Staffing choose community organizations to support, such as Habitat for Humanity, Big Brothers and Big Sisters, Gilda's Club Grand Rapids, Vicky's Pet Connection, and the Sandy Hook organization. Staffing believes that helping and caring are not limited to a 9-5 schedule.

**3. Minutes of Prior Meetings**

*Motion by Mr. Heartwell, support by Mr. Winn, to approve the October 3, 2014, Minutes. Motion carried.*

**4. Committee Reports**

**A. Operations Committee**

Mr. Chamberlin stated there was nothing new to report since the October meeting.

Mr. Tom Bennett of Experience Grand Rapids provided an overview of the CVB's recent sales activities, marketing efforts, and major bid presentations. Last month, sales staff booked four groups totaling 5,800 attendees and 3,800 room nights. The State Games of America will be coming to town in the summer of 2017, bringing 5,000 additional athletes.

**B. Finance Committee**

**i. Monthly Financial Reports**

**a. Acceptance of Consolidated September 2014 Financial Statements**

Mr. White reviewed the year-to-date financial dashboard for the period ended September 30, 2014. Last September, there were nine Arena events and this year there were 13 events, five of which were concerts. Last September, event income totaled \$146,077 and this year event income amounted to \$682,926. At DeVos Place®, 72 events occurred last September and 96 occurred this year. Event income last September equaled \$646,080 and this year event income amounted to \$835,978. Consolidated operating income last September totaled (\$995,742) and this year equaled (\$342,621).

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

**b. SMG Van Andel Arena® and DeVos Place® September 2014 Financial Statements**

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

**5. SMG Report and Facilities Calendars**

Mr. MacKeigan introduced Chris Benevento, Savor Regional Vice President. Mr. Benevento praised the Van Andel Arena® as one of Savor's top accounts, which is used as a benchmark for other venues. Mr. Benevento expressed his appreciation to the CAA Board for the support given to Savor.

Mr. MacKeigan introduced Chris Danner, Stage Manager for the Broadway show "Once." Formerly, with SMG as box office manager, Mr. Danner has been the company manager for several national tours including 9 to 5, Legally Blonde, The Color Purple, The Addams Family, Annie, My Fair Lady, Blue Man Group, and many others. Mr. Danner is pleased to be back in town and calls GR home. He stated that the new changes to the DeVos Performance Hall stage will allow large shows, such as Wicked, Lion King, and Phantom of the Opera, to play in Grand Rapids. Mr. Danner added that it is imperative for the arts organizations to work together to provide a united front. Many places are offering tax incentives for shows to play in their city. Chair Heacock offered his congratulations and added that Once is a phenomenal show.

**Public Comment**

None.

**7. Board Member Comments**

None.

**8. Adjournment**

The meeting adjourned at 9:30 a.m.

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Richard A. Winn, Recording Secretary





Van Andel Arena<sup>®</sup> /  
DeVos Place

# MEMORANDUM

To: CAA Operations Committee  
CAA Board of Directors

From: Richard MacKeigan – Regional General Manager

Date: November 13, 2014

Re: Energy Audit and Capital Assessment

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I am requesting approval to amend the FY 2015 budget to include a \$50,000 line item for “Energy Audit and Capital Assessment.” An energy assessment study would evaluate potential energy alternatives and develop a long term energy plan.

Specifically, the study will:

- Develop in-depth review of existing infrastructure and operating objectives
- Profile electric and thermal energy load including daily usage and peak demand
- Analyze energy costs, long-term supply contracts, and pricing trends
- Analyze energy efficiency work that has been completed and assess potential future reduction
- Evaluate onsite conditions and viability of connecting into the complexes’ electrical and thermal grids
- Recommend conceptualized energy efficiency options

This study is also being done by the downtown Amway properties.

The study would be led by Progressive AE, working together with Spart Sustainable Partners.

Should you have any questions, please contact me at your convenience. Thank you for your consideration.

**ACTION REQUESTED:** Amend the FY 2015 budget to include a \$50,000 line item for “Energy Audit and Capital Assessment.”

**Grand Rapids-Kent County  
Convention/Arena Authority  
Consolidated Financial Report  
October 31, 2014**

|   |           |
|---|-----------|
| Dashboard   | Page<br>1 |
| Summary by Facility                               |           |
| Rolling Forecast (1 <sup>st</sup> Fiscal Quarter) | 2         |
| Year-to-Date Comparable                           | 3         |
| Significant Notes                                 | 4         |
| Van Andel Arena®                                  |           |
| Rolling Forecast (1 <sup>st</sup> Fiscal Quarter) | 5         |
| Year-to-Date Comparable                           | 6         |
| DeVos Place®                                      |           |
| Rolling Forecast (1 <sup>st</sup> Fiscal Quarter) | 7         |
| Year-to-Date Comparable                           | 8         |
| Administrative Accounts                           |           |
| Year-to-Date Comparable                           | 9         |



**Financial Dashboard**  
**Year-To-Date (4 Months)**  
**October 31, 2014**

**Van Andel Arena®**

**All Events**

| Events       | Prior Year |  | Budget     |  | Actual     |  | Prior Year |  | Budget     |  | Actual     |  |
|--------------|------------|--|------------|--|------------|--|------------|--|------------|--|------------|--|
|              | 14         |  | 24         |  | 20         |  | 2          |  | 7          |  | 6          |  |
| Attendance   | 58,006     |  | 133,500    |  | 113,240    |  | 11,257     |  | 59,500     |  | 60,369     |  |
| Event Income | \$ 309,859 |  | \$ 771,331 |  | \$ 865,579 |  | 118,575    |  | \$ 520,261 |  | \$ 697,072 |  |

**DeVos Place®**

**All Events**

| Events       | Prior Year   |  | Budget       |  | Actual       |  | Prior Year |  | Budget     |  | Actual     |  |
|--------------|--------------|--|--------------|--|--------------|--|------------|--|------------|--|------------|--|
|              | 137          |  | 131          |  | 151          |  | 36         |  | 41         |  | 52         |  |
| Attendance   | 82,843       |  | 100,720      |  | 107,558      |  | 33,520     |  | 39,360     |  | 43,425     |  |
| Event Income | \$ 1,264,445 |  | \$ 1,342,131 |  | \$ 1,437,039 |  | \$ 664,816 |  | \$ 636,156 |  | \$ 676,799 |  |

**Consolidated - 4 Months**

| Operating Income            |  | Prior Year     |  | Budget       |  | Actual       |  |
|-----------------------------|--|----------------|--|--------------|--|--------------|--|
| Capital/Repair/Replacement  |  | \$ (861,799)   |  | \$ (559,442) |  | \$ (322,912) |  |
| Net - Drawn on Fund Balance |  | (1,759,437)    |  | (293,009)    |  | (293,009)    |  |
|                             |  | \$ (2,621,236) |  | \$ (852,451) |  | \$ (615,921) |  |





**Grand Rapids-Kent County Convention/Arena Authority**  
**Budget Summary by Facility/Other**  
**Financial Trends for Year Ending June 30, 2015**

|  | Annual                |                     |                      | Year-To-Date           |                        |                      |
|--|-----------------------|---------------------|----------------------|------------------------|------------------------|----------------------|
|  | FY 2014<br>Final      | FY 2015<br>Budget   | Percentage<br>Change | FY 2014<br>7/1 - 10/31 | FY 2015<br>7/1 - 10/31 | Percentage<br>Change |
| <b>Van Andel Arena</b>                     |                       |                     |                      |                        |                        |                      |
| Operating - Revenues                       | \$ 4,723,213          | \$ 4,874,215        | 3.2                  | \$923,597              | \$ 1,647,801           | 78.4                 |
| - Expenses - Facilities                    | (4,108,045)           | (3,952,793)         | 3.8                  | (1,171,096)            | (1,341,217)            | (14.5)               |
| - Base Management Fees                     | (168,237)             | (170,257)           | 1.2                  | (56,079)               | (57,257)               | (2.1)                |
| - Incentive Fee                            | -                     | -                   | -                    | -                      | -                      | -                    |
| Net Operating Income (Loss)                | 446,931               | 751,165             | 64.4                 | (303,578)              | 249,327                | 182.1                |
| Parking                                    | 159,144               | 159,144             | 0.0                  | 53,048                 | 53,048                 | 0.0                  |
| Pedestrian Safety                          | (78,756)              | (87,654)            | 11.3                 | (7,904)                | (12,764)               | (61.5)               |
| <b>Net Proceeds (Cost) of VAA</b>          | <b>527,319</b>        | <b>822,655</b>      | <b>56.0</b>          | <b>(258,434)</b>       | <b>289,611</b>         | <b>212.1</b>         |
| <b>DeVos Place Convention Center</b>       |                       |                     |                      |                        |                        |                      |
| Operating - Revenues                       | 5,960,459             | 5,705,942           | (4.3)                | 1,277,163              | 1,451,453              | 13.6                 |
| - Expenses - Facilities                    | (6,131,467)           | (5,835,554)         | 4.8                  | (1,785,856)            | (1,930,528)            | (8.1)                |
| - Base Management Fees                     | (168,237)             | (170,257)           | 1.2                  | (55,335)               | (57,257)               | (3.5)                |
| - Incentive Fee                            | -                     | -                   | -                    | -                      | -                      | -                    |
| Net Operating Loss                         | (339,245)             | (299,869)           | 11.6                 | (564,028)              | (536,332)              | 4.9                  |
| Parking                                    | 807,768               | 816,000             | 1.0                  | 123,250                | 86,403                 | (29.9)               |
| Pedestrian Safety                          | (45,800)              | (51,265)            | 11.9                 | (2,024)                | (3,349)                | (65.5)               |
| <b>Net Proceeds (Cost) of DVP</b>          | <b>422,723</b>        | <b>464,866</b>      | <b>10.0</b>          | <b>(442,802)</b>       | <b>(453,278)</b>       | <b>(2.4)</b>         |
| <b>Other</b>                               |                       |                     |                      |                        |                        |                      |
| Revenues                                   | 162,652               | 170,000             | 4.5                  | 22,218                 | 59,935                 | 169.8                |
| Expenses                                   | (633,576)             | (751,516)           | (18.6)               | (182,781)              | (219,180)              | (19.9)               |
| <b>Net Other</b>                           | <b>(470,924)</b>      | <b>(581,516)</b>    | <b>(23.5)</b>        | <b>(160,563)</b>       | <b>(159,245)</b>       | <b>0.8</b>           |
| <b>Total Net Proceeds/Operating</b>        | <b>479,118</b>        | <b>706,005</b>      |                      | <b>(861,799)</b>       | <b>(322,912)</b>       |                      |
| Capital Expenditures                       | (2,505,465)           | (1,534,000)         |                      | (1,759,437)            | (293,009)              |                      |
| <b>Results Net of Capital Expenditures</b> | <b>\$ (2,026,347)</b> | <b>\$ (827,995)</b> |                      | <b>\$ (2,621,236)</b>  | <b>\$ (615,921)</b>    |                      |

## Significant Notes

### Van Andel Arena®

- Page 1 – Six concerts generated \$697,072 in Event Revenue versus two concerts in the first four months of the prior fiscal year
- Page 2 - 1<sup>st</sup> Quarter Rolling Forecast – increase “Net Proceeds” by \$103K for the full fiscal year

### DeVos Place®

- Page 1 – “All Events,” budgeted at 131 (100,720 attendance), came in at 151 (107,558 attendance)
- Page 2 – 1<sup>st</sup> Quarter Rolling Forecast – increase “Net Proceeds” by \$84K for the full fiscal year
- Page 3 – DeVos Place® Parking – City financial reporting problems; Auto Parking Services working to resolve software problem

### Other

- No significant budget variance trends

### Capital

- Page 2 – 1<sup>st</sup> Quarter Rolling Forecast – project spending to come in \$329K under budget. VAA wi-fi and DVP electronic signage projects to be completed at significant savings. DVP – air plenum drainage project (\$55K budget) cancelled



VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2015

|  | YTD       | ROLL      | TOTAL<br>FYE | BUDGET<br>FYE | VARIANCE |
|--|-----------|-----------|--------------|---------------|----------|
| NO. EVENTS                                 | 20        | 78        | 98           | 100           | (2)      |
| ATTENDANCE                                 | 113,240   | 441,658   | 554,898      | 576,000       | (21,102) |
| DIRECT EVENT INCOME                        | 279,927   | 895,507   | 1,175,434    | 1,126,581     | 48,853   |
| ANCILLARY INCOME                           | 366,060   | 892,823   | 1,258,883    | 1,234,509     | 24,374   |
| TOTAL EVENT INCOME                         | 645,987   | 1,788,330 | 2,434,317    | 2,361,090     | 73,227   |
| TOTAL OTHER INCOME                         | 1,001,814 | 1,541,053 | 2,542,867    | 2,513,125     | 29,742   |
| TOTAL INCOME                               | 1,647,801 | 3,329,383 | 4,977,184    | 4,874,215     | 102,969  |
| INDIRECT EXPENSES                          |           |           |              |               |          |
| EXECUTIVE                                  | 75,130    | 104,351   | 179,481      | 179,481       | -        |
| FINANCE                                    | 69,198    | 170,208   | 239,406      | 239,406       | -        |
| MARKETING                                  | 82,599    | 199,246   | 281,845      | 281,845       | -        |
| OPERATIONS                                 | 644,898   | 1,041,548 | 1,686,446    | 1,686,446     | -        |
| BOX OFFICE                                 | 33,788    | 114,505   | 148,293      | 148,293       | -        |
| LUXURY SEATING                             | 19,953    | 76,281    | 96,234       | 96,234        | -        |
| SKYWALK ADMIN                              | 10,592    | 9,368     | 19,960       | 19,960        | -        |
| OVERHEAD                                   | 462,317   | 1,009,068 | 1,471,385    | 1,471,385     | -        |
| TOTAL INDIRECT EXP.                        | 1,398,474 | 2,724,575 | 4,123,050    | 4,123,050     | -        |
| NET REVENUE ABOVE EXPENSES                 | 249,327   | 604,808   | 854,134      | 751,165       | 102,969  |
| LESS INCENTIVE FEE                         |           | -         | 0            | -             | -        |
| NET REVENUE ABOVE EXPENSES AFTER INCENTIVE | 249,327   | 604,808   | 854,134      | 751,165       | 102,969  |

Comments:

The arena performed at budgeted levels for the month in overall revenue as the success of the Eric Church concert helped offset higher than anticipated service expenses.

**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED OCTOBER 31, 2014**

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

| <b>MONTH</b>           | <b>October<br/>Actual</b> | <b>October<br/>Budget</b> | <b>October<br/>FY 2014</b> |
|------------------------|---------------------------|---------------------------|----------------------------|
|                        | <b>7</b>                  | <b>9</b>                  | <b>5</b>                   |
| Number of Events       |                           |                           |                            |
| Attendance             | 42,842                    | 50,500                    | 28,439                     |
| Direct Event Income    | \$15,962                  | \$41,073                  | \$75,890                   |
| Ancillary Income       | 126,774                   | 72,834                    | 55,542                     |
| Other Event Income     | 39,920                    | 20,100                    | 32,349                     |
| Other Operating Income | 164,046                   | 146,375                   | 159,007                    |
| Indirect Expenses      | (406,800)                 | (345,065)                 | (306,782)                  |
| Net Income             | <b>(\$60,098)</b>         | <b>(\$64,683)</b>         | <b>\$16,006</b>            |

| <b>YTD</b>             | <b>YTD 2015<br/>Actual</b> | <b>YTD 2015<br/>Budget</b> | <b>YTD 2014<br/>Prior Year</b> |
|------------------------|----------------------------|----------------------------|--------------------------------|
|                        | <b>20</b>                  | <b>24</b>                  | <b>14</b>                      |
| Number of Events       |                            |                            |                                |
| Attendance             | 113,240                    | 133,500                    | 58,006                         |
| Direct Event Income    | \$279,927                  | \$312,785                  | \$132,567                      |
| Ancillary Income       | 366,060                    | 307,846                    | 129,420                        |
| Other Event Income     | 219,592                    | 150,700                    | 47,872                         |
| Other Operating Income | 782,222                    | 667,889                    | 613,738                        |
| Indirect Expenses      | (1,398,474)                | (1,380,260)                | (1,227,175)                    |
| Net Income             | <b>\$249,327</b>           | <b>\$58,960</b>            | <b>(\$303,578)</b>             |

**EVENT INCOME**

Event income came in under budget for the month as season start expenses for the Griffins, coupled with an under accrual for late September expenses, led to higher than anticipated expenses for the month.

**ANCILLARY INCOME**

Ancillary income came in ahead of budget overall as the Eric Church concert set a new record as the highest grossing single show in Arena history.

**INDIRECT EXPENSES**

Indirect expenses came in higher than budget for the month, however, are running consistent with budget overall for the fiscal year.

DE VOS PLACE  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2015

|   | YTD Actual     | Roll           | TOTAL<br>FYE   | BUDGET<br>FYE  | VARIANCE   |
|---|----------------|----------------|----------------|----------------|------------|
| NO. EVENTS ATTENDANCE                         | 151<br>107,558 | 359<br>397,742 | 510<br>505,300 | 507<br>498,100 | 3<br>7,200 |
| DIRECT EVENT REVENUE                          | 683,037        | 2,297,468      | 2,980,505      | 2,961,450      | 19,055     |
| ANCILLARY REVENUE                             | 693,095        | 1,772,749      | 2,465,844      | 2,424,042      | 41,802     |
| TOTAL EVENT REVENUE                           | 1,376,132      | 4,070,217      | 5,446,349      | 5,385,492      | 60,857     |
| TOTAL OTHER REVENUE                           | 75,321         | 267,779        | 343,100        | 320,450        | 22,650     |
| TOTAL OPERATING REVENUE                       | 1,451,453      | 4,337,996      | 5,789,449      | 5,705,942      | 83,507     |
| INDIRECT EXPENSES                             |                |                |                |                |            |
| EXECUTIVE                                     | 60,127         | 133,972        | 194,099        | 194,099        | -          |
| FINANCE                                       | 82,323         | 169,212        | 251,535        | 251,535        | -          |
| MARKETING                                     | 34,158         | 78,542         | 112,700        | 112,700        | -          |
| OPERATIONS                                    | 581,147        | 977,437        | 1,558,584      | 1,558,584      | -          |
| EVENT SERVICES                                | 332,555        | 735,312        | 1,067,867      | 1,067,867      | -          |
| BOX OFFICE                                    | 48,139         | 42,573         | 90,712         | 90,712         | -          |
| SALES   | 132,736        | 267,633        | 400,369        | 400,369        | -          |
| OVERHEAD                                      | 716,599        | 1,613,346      | 2,329,945      | 2,329,945      | -          |
| TOTAL OPERATING EXP.                          | 1,987,785      | 4,018,027      | 6,005,811      | 6,005,811      | -          |
| NET REVENUE ABOVE EXPENSES                    | (536,332)      | 319,969        | (216,362)      | (299,869)      | 83,507     |
| INCENTIVE FEE                                 |                |                | 0              |                | -          |
| NET OPERATING REVENUE OVER OPERATING EXPENSES | (536,332)      | 319,969        | (216,362)      | (299,869)      | 83,507     |

Comments:

DeVos Place continues to trend ahead of budget in revenue and overall is consistent with expenses year to date. The next 4-5 months, and how utilities come in overall, will most likely be the determining factor in whether or not budget will be met



DE VOS PLACE  
FINANCIAL STATEMENT HIGHLIGHTS  
FISCAL YEAR ENDING JUNE 30, 2015

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

| MONTH                  | October<br>Actual | October<br>Budget | October<br>FY 2014 |
|------------------------|-------------------|-------------------|--------------------|
| Number of Events       | 55                | 55                | 65                 |
| Attendance             | 42,574            | 40,440            | 43,514             |
| Direct Event Income    | \$260,796         | \$228,778         | \$308,959          |
| Ancillary Income       | 299,445           | 214,064           | 291,546            |
| Other Event Income     | 40,822            | 21,212            | 17,862             |
| Other Operating Income | 6,103             | 2,666             | 5,095              |
| Indirect Expenses      | (561,631)         | (500,484)         | (536,550)          |
| Net Income             | \$45,535          | (\$33,764)        | \$86,912           |

| YTD                    | YTD 2015<br>Actual | YTD 2015<br>Budget | YTD 2014<br>Prior Year |
|------------------------|--------------------|--------------------|------------------------|
| Number of Events       | 151                | 131                | 137                    |
| Attendance             | 107,558            | 100,720            | 82,943                 |
| Direct Event Income    | \$683,037          | \$627,389          | \$583,385              |
| Ancillary Income       | 693,095            | 661,820            | 621,481                |
| Other Event Income     | 60,907             | 52,922             | 59,579                 |
| Other Operating Income | 14,414             | 10,664             | 12,718                 |
| Indirect Expenses      | (1,987,785)        | (2,001,936)        | (1,841,191)            |
| Net Income             | (\$536,332)        | (\$649,141)        | (\$564,028)            |

EVENT INCOME

Direct event income came in a little ahead of budget for the month on the strength of multiple events more than one specific event.

ANCILLARY INCOME

Ancillary income came in ahead of budget overall as spending in most areas exceeded budget

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month, however, consistent with year to date expectations

**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative Accounts**

**Net Proceeds Detail**

**Fiscal Trends for Year Ending June 30, 2015**

|                                 | Annual              |                     |                      | Year-to-Date        |                       |                      |
|---------------------------------|---------------------|---------------------|----------------------|---------------------|-----------------------|----------------------|
|                                 | FY 2014<br>Final    | FY 2015<br>Budget   | Percentage<br>Change | FY2014<br>7/1-10/31 | FY 2015<br>7/1-10/31  | Percentage<br>Change |
| <b>Other</b>                    |                     |                     |                      |                     |                       |                      |
| <b>Revenues</b>                 |                     |                     |                      |                     |                       |                      |
| Interest                        | \$ 80,589           | \$ 80,000           | (0.7)                | \$ 20,178           | \$ 22,802             | 13.0                 |
| Miscellaneous                   | 82,063              | 90,000              | 9.7                  | 2,040               | 37,133 <sup>(1)</sup> | +100.0               |
|                                 | <u>162,652</u>      | <u>170,000</u>      | <u>4.5</u>           | <u>22,218</u>       | <u>59,935</u>         | <u>169.8</u>         |
| <b>Expenses</b>                 |                     |                     |                      |                     |                       |                      |
| Marketing (CVB/Sports)          | 125,000             | 125,000             | -                    | 50,000              | 50,000                | -                    |
| Diversity Initiative            | 123,958             | 125,000             | 0.8                  | 9,950               | 11,746                | 18.1                 |
| Wages/Benefits                  | 118,657             | 114,956             | (3.1)                | 33,700              | 35,067                | 4.1                  |
| Marketing Campaign              | -                   | 75,000              | 100.0                | -                   | -                     | -                    |
| Professional Services           | 57,846              | 56,000              | (3.2)                | 6,328               | 10,424                | 64.7                 |
| DID Assessment                  | 38,990              | 40,000              | 2.6                  | 38,990              | 39,720                | 1.9                  |
| Food & Beverage Repairs         | 16,290              | 40,000              | 145.5                | 3,554               | -                     | (100.0)              |
| Consulting Services             | 82,112              | 31,060              | (62.2)               | -                   | 7,928                 | +100.0               |
| Landscaping                     | 16,487              | 30,000              | 82.0                 | 9,268               | 3,831                 | (58.7)               |
| Procurement of Art              | 17,869              | 30,000              | 67.9                 | 9,561               | 8,097                 | (15.3)               |
| Insurance                       | 23,775              | 24,500              | 3.0                  | 19,401              | 18,500                | (4.6)                |
| Supplies/Other                  | 12,592              | 60,000              | 376.5                | 2,029               | 33,867 <sup>(1)</sup> | +100.0               |
|                                 | <u>633,576</u>      | <u>751,516</u>      | <u>18.6</u>          | <u>182,781</u>      | <u>219,180</u>        | <u>19.9</u>          |
| <b>Net Proceeds - Operating</b> | <u>\$ (470,924)</u> | <u>\$ (581,516)</u> | <u>(23.4)</u>        | <u>\$ (160,563)</u> | <u>\$ (159,245)</u>   | <u>0.8</u>           |

Notes:

<sup>(1)</sup> Includes \$31,471 of expense and grant reimbursements for the HUD grant infrastructure study.



## VAN ANDEL ARENA

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED OCTOBER 31, 2014**

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



**Distribution:**

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



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*An SMG Managed Facility*

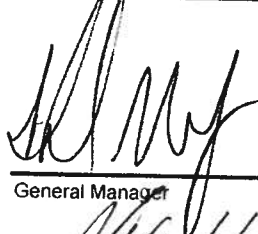


VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2015

|  | YTD       | ROLL      | TOTAL<br>FYE | BUDGET<br>FYE | VARIANCE |
|--|-----------|-----------|--------------|---------------|----------|
| NO. EVENTS                                 | 20        | 78        | 98           | 100           | (2)      |
| ATTENDANCE                                 | 113,240   | 441,658   | 554,898      | 576,000       | (21,102) |
| DIRECT EVENT INCOME                        | 279,927   | 895,507   | 1,175,434    | 1,126,581     | 48,853   |
| ANCILLARY INCOME                           | 366,060   | 892,823   | 1,258,883    | 1,234,509     | 24,374   |
| TOTAL EVENT INCOME                         | 645,987   | 1,788,330 | 2,434,317    | 2,361,090     | 73,227   |
| TOTAL OTHER INCOME                         | 1,001,814 | 1,541,053 | 2,542,867    | 2,513,125     | 29,742   |
| TOTAL INCOME                               | 1,647,801 | 3,329,383 | 4,977,184    | 4,874,215     | 102,969  |
| INDIRECT EXPENSES                          |           |           |              |               |          |
| EXECUTIVE                                  | 75,130    | 104,351   | 179,481      | 179,481       | -        |
| FINANCE                                    | 69,198    | 170,208   | 239,406      | 239,406       | -        |
| MARKETING                                  | 82,599    | 199,246   | 281,845      | 281,845       | -        |
| OPERATIONS                                 | 644,898   | 1,041,548 | 1,686,446    | 1,686,446     | -        |
| BOX OFFICE                                 | 33,788    | 114,505   | 148,293      | 148,293       | -        |
| LUXURY SEATING                             | 19,953    | 76,281    | 96,234       | 96,234        | -        |
| SKYWALK ADMIN                              | 10,592    | 9,368     | 19,960       | 19,960        | -        |
| OVERHEAD                                   | 462,317   | 1,009,068 | 1,471,385    | 1,471,385     | -        |
| TOTAL INDIRECT EXP.                        | 1,398,474 | 2,724,575 | 4,123,050    | 4,123,050     | -        |
| NET REVENUE ABOVE EXPENSES                 | 249,327   | 604,808   | 854,134      | 751,165       | 102,969  |
| LESS INCENTIVE FEE                         | -         | -         | 0            | -             | -        |
| NET REVENUE ABOVE EXPENSES AFTER INCENTIVE | 249,327   | 604,808   | 854,134      | 751,165       | 102,969  |

Comments:

The arena performed at budgeted levels for the month in overall revenue as the success of the Eric Church concert helped offset higher than anticipated service expenses.

  
General Manager

  
Director of Finance

**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED OCTOBER 31, 2014**

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

**MONTH**

|                        | October<br>Actual | October<br>Budget | October<br>FY 2014 |
|------------------------|-------------------|-------------------|--------------------|
| Number of Events       | 7                 | 9                 | 5                  |
| Attendance             | 42,842            | 50,500            | 28,439             |
| Direct Event Income    | \$15,962          | \$41,073          | \$75,890           |
| Ancillary Income       | 126,774           | 72,834            | 55,542             |
| Other Event Income     | 39,920            | 20,100            | 32,349             |
| Other Operating Income | 164,046           | 146,375           | 159,007            |
| Indirect Expenses      | (406,800)         | (345,065)         | (306,782)          |
| Net Income             | (\$60,098)        | (\$64,683)        | \$16,006           |

**YTD**

|                        | YTD 2015<br>Actual | YTD 2015<br>Budget | YTD 2014<br>Prior Year |
|------------------------|--------------------|--------------------|------------------------|
| Number of Events       | 20                 | 24                 | 14                     |
| Attendance             | 113,240            | 133,500            | 58,006                 |
| Direct Event Income    | \$279,927          | \$312,785          | \$132,567              |
| Ancillary Income       | 366,060            | 307,846            | 129,420                |
| Other Event Income     | 219,592            | 150,700            | 47,872                 |
| Other Operating Income | 782,222            | 667,889            | 613,738                |
| Indirect Expenses      | (1,398,474)        | (1,380,260)        | (1,227,175)            |
| Net Income             | \$249,327          | \$58,960           | (\$303,578)            |

**EVENT INCOME**

Event income came in under budget for the month as season start expenses for the Griffins, coupled with an under accrual for late September expenses, led to higher than anticipated expenses for the month.

**ANCILLARY INCOME**

Ancillary income came in ahead of budget overall as the Eric Church concert set a new record as the highest grossing single show in Arena history.

**INDIRECT EXPENSES**

Indirect expenses came in higher than budget for the month, however, are running consistent with budget overall for the fiscal year.

**Van Andel Arena**  
**Income Statement**  
**For the Four Months Ending October 31, 2014**

|   | Current Month<br>Actual | Current Month<br>Budget | Variance        | Current Month<br>Prior Year | Year to Date<br>Actual | Year to Date<br>Budget | Variance        | Year to Date<br>Prior Year |
|---|-------------------------|-------------------------|-----------------|-----------------------------|------------------------|------------------------|-----------------|----------------------------|
| <b>Event Income</b>                     |                         |                         |                 |                             |                        |                        |                 |                            |
| <b>Direct Event Income</b>              |                         |                         |                 |                             |                        |                        |                 |                            |
| Rental Income                           | \$98,669                | \$106,737               | (8,068)         | \$110,026                   | \$323,649              | \$412,159              | (88,510)        | \$246,556                  |
| Service Revenue                         | 142,584                 | 50,886                  | 91,698          | 85,638                      | 684,578                | 346,092                | 338,486         | 124,724                    |
| Service Expenses                        | (225,291)               | (79,050)                | (146,241)       | (119,774)                   | (728,300)              | (445,466)              | (282,834)       | (238,713)                  |
| <b>Total Direct Event Income</b>        | <b>15,962</b>           | <b>78,573</b>           | <b>(62,611)</b> | <b>75,890</b>               | <b>279,927</b>         | <b>312,785</b>         | <b>(32,858)</b> | <b>132,567</b>             |
| <b>Ancillary Income</b>                 |                         |                         |                 |                             |                        |                        |                 |                            |
| F&B Concession                          | 115,574                 | 86,810                  | 28,764          | 44,195                      | 304,957                | 264,675                | 40,282          | 112,308                    |
| F&B Catering                            | 8,558                   | 3,996                   | 4,562           | 8,691                       | 25,170                 | 14,445                 | 10,725          | 10,901                     |
| Novelty Sales                           | 1,852                   | 3,618                   | (1,766)         | 2,656                       | 35,143                 | 28,726                 | 6,417           | 6,211                      |
| Booth Cleaning                          | 644                     | 0                       | 644             | 0                           | 644                    | 0                      | 644             | 0                          |
| Audio Visual                            | 146                     | 0                       | 146             | 0                           | 146                    | 0                      | 146             | 0                          |
| <b>Total Ancillary Income</b>           | <b>126,774</b>          | <b>94,424</b>           | <b>32,350</b>   | <b>55,542</b>               | <b>366,060</b>         | <b>307,846</b>         | <b>58,214</b>   | <b>129,420</b>             |
| <b>Other Event Income</b>               |                         |                         |                 |                             |                        |                        |                 |                            |
| Ticket Rebates(Per Event)               | 39,920                  | 20,100                  | 19,820          | 32,349                      | 219,592                | 150,700                | 68,892          | 47,872                     |
| <b>Total Other Event Income</b>         | <b>39,920</b>           | <b>20,100</b>           | <b>19,820</b>   | <b>32,349</b>               | <b>219,592</b>         | <b>150,700</b>         | <b>68,892</b>   | <b>47,872</b>              |
| <b>Total Event Income</b>               | <b>182,656</b>          | <b>193,097</b>          | <b>(10,441)</b> | <b>163,781</b>              | <b>865,579</b>         | <b>771,331</b>         | <b>94,248</b>   | <b>309,859</b>             |
| <b>Other Operating Income</b>           |                         |                         |                 |                             |                        |                        |                 |                            |
| Luxury Box Agreements                   | 117,675                 | 101,347                 | 16,328          | 103,388                     | 570,505                | 443,553                | 126,952         | 387,564                    |
| Advertising                             | 42,734                  | 52,083                  | (9,349)         | 52,136                      | 189,742                | 208,336                | (18,594)        | 210,409                    |
| Other Income                            | 3,637                   | 4,000                   | (363)           | 3,483                       | 21,975                 | 16,000                 | 5,975           | 15,765                     |
| <b>Total Other Operating Income</b>     | <b>164,046</b>          | <b>157,430</b>          | <b>6,616</b>    | <b>159,007</b>              | <b>782,222</b>         | <b>667,889</b>         | <b>114,333</b>  | <b>613,738</b>             |
| <b>Adjusted Gross Income</b>            | <b>346,702</b>          | <b>350,527</b>          | <b>(3,825)</b>  | <b>322,788</b>              | <b>1,647,801</b>       | <b>1,439,220</b>       | <b>208,581</b>  | <b>923,597</b>             |
| <b>Operating Expenses</b>               |                         |                         |                 |                             |                        |                        |                 |                            |
| Salaries and Wages                      | 231,826                 | 168,573                 | 63,253          | 158,868                     | 817,812                | 674,292                | 143,520         | 561,587                    |
| Payroll Taxes and Benefits              | 50,756                  | 49,120                  | 1,636           | 36,592                      | 217,858                | 196,480                | 21,378          | 123,362                    |
| Labor Allocations to Events             | (96,218)                | (69,893)                | (26,325)        | (67,923)                    | (451,176)              | (279,572)              | (171,604)       | (155,668)                  |
| <b>Net Salaries and Benefits</b>        | <b>186,364</b>          | <b>147,800</b>          | <b>38,564</b>   | <b>127,537</b>              | <b>584,494</b>         | <b>591,200</b>         | <b>(6,706)</b>  | <b>529,281</b>             |
| Contracted Services                     | 18,585                  | 20,928                  | (2,343)         | 12,637                      | 75,314                 | 83,712                 | (8,398)         | 71,844                     |
| General and Administrative              | 39,414                  | 25,218                  | 14,196          | 23,698                      | 137,318                | 100,872                | 36,446          | 118,363                    |
| Operations                              | 5,357                   | 4,118                   | 1,239           | 2,519                       | 24,695                 | 16,472                 | 8,223           | 6,833                      |
| Repair and Maintenance                  | 33,148                  | 20,675                  | 12,473          | 29,367                      | 117,778                | 82,700                 | 35,078          | 89,202                     |
| Operational Supplies                    | 22,526                  | 15,415                  | 7,111           | 12,787                      | 77,367                 | 61,660                 | 15,707          | 62,531                     |
| Insurance                               | 10,776                  | 10,727                  | 49              | 7,647                       | 36,031                 | 42,908                 | (6,877)         | 20,887                     |
| Utilities                               | 76,316                  | 85,996                  | (9,680)         | 76,570                      | 288,220                | 343,984                | (55,764)        | 272,155                    |
| SMG Management Fees                     | 14,314                  | 14,188                  | 126             | 14,020                      | 57,257                 | 56,752                 | 505             | 56,079                     |
| <b>Total Operating Expenses</b>         | <b>406,800</b>          | <b>345,065</b>          | <b>61,735</b>   | <b>306,782</b>              | <b>1,398,474</b>       | <b>1,380,260</b>       | <b>18,214</b>   | <b>1,227,175</b>           |
| <b>Net Income(Loss) From Operations</b> | <b>(60,098)</b>         | <b>5,462</b>            | <b>(65,560)</b> | <b>16,006</b>               | <b>249,327</b>         | <b>58,960</b>          | <b>190,367</b>  | <b>(303,578)</b>           |
| <b>Other Non-Operating Expenses</b>     |                         |                         |                 |                             |                        |                        |                 |                            |
| <b>Adjusted Net Income(Loss)</b>        | <b>(60,098)</b>         | <b>5,462</b>            | <b>(65,560)</b> | <b>16,006</b>               | <b>249,327</b>         | <b>58,960</b>          | <b>190,367</b>  | <b>(303,578)</b>           |



**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary**  
**For the Four Months Ended October 31, 2014**

| Event Type      | Events/Days |        | Attendance |         | Total Event Income |         |
|-----------------|-------------|--------|------------|---------|--------------------|---------|
|                 | Actual      | Budget | Actual     | Budget  | Actual             | Budget  |
| Family Show     | 8           | 7      | 21,218     | 22,000  | 44,718             | 47,396  |
| Sporting Event  |             | 2      |            | 10,000  |                    | 84,900  |
| Concert         | 6           | 7      | 60,369     | 59,500  | 697,072            | 520,261 |
| Team Home Games | 4           | 4      | 20,133     | 24,000  | 53,709             | 59,684  |
| Other           | 2           | 4      | 11,520     | 18,000  | 70,081             | 59,090  |
| GRAND TOTALS    | 20          | 24     | 113,240    | 133,500 | 865,579            | 771,331 |

As Percentage of Overall

|                 |        |        |        |        |        |        |
|-----------------|--------|--------|--------|--------|--------|--------|
| Family Show     | 40.00% | 29.17% | 18.74% | 16.48% | 5.17%  | 6.14%  |
| Sporting Event  | 0.00%  | 8.33%  | 0.00%  | 7.49%  | 0.00%  | 11.01% |
| Concert         | 30.00% | 29.17% | 53.31% | 44.57% | 80.53% | 67.45% |
| Team Home Games | 20.00% | 16.67% | 17.78% | 17.98% | 6.20%  | 7.74%  |
| Other           | 10.00% | 16.67% | 10.17% | 13.48% | 8.10%  | 7.66%  |

**Van Andel Arena  
Balance Sheet  
As of October 31, 2014**

**ASSETS**

**Current Assets**

|                    |           |
|--------------------|-----------|
| Cash               | 4,343,128 |
| Account Receivable | 190,841   |
| Prepaid Expenses   | 75,428    |

**Total Current Assets**

\$4,609,397

**Total Assets**

\$4,609,397

**LIABILITIES AND EQUITY**

**Current Liabilities**

|                                  |           |
|----------------------------------|-----------|
| Accounts Payable                 | 153,071   |
| Accrued Expenses                 | 502,299   |
| Deferred Income                  | 1,862,970 |
| Advanced Ticket Sales & Deposits | 4,390,534 |

**Total Current Liabilities**

\$6,908,874

**Other Liabilities**

**Equity**

|                             |             |
|-----------------------------|-------------|
| Funds Remitted to CAA       | (1,968,823) |
| Expenses Paid Direct by CAA | 268,595     |
| Beginning Balance Equity    | (848,577)   |
| Current Year Equity         | 249,328     |

**Total Equity**

(\$2,299,477)

**Total Liabilities and Equity**

\$4,609,397

5

**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of October 31, 2014**

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|                           |           |
|---------------------------|-----------|
| Current - Under 30 Days   |           |
| Food & Beverage           | 196,693   |
| Ticketing                 | 73,708    |
| Merchandise               | -         |
| Permanent Advertising     | -         |
| DeVos Place               | (190,378) |
| Operating                 | 82,473    |
| Over 30 Days              | 28,345    |
| Over 60 Days              | -         |
| Over 90 Days              |           |
| Total Accounts Receivable | 190,841   |



**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2015**

**MANAGEMENT FEE SUMMARY**

|                            | Arena<br>Estimate | DeVos Place<br>Estimate | Total<br>Estimate | FY 2014<br>Actual |
|----------------------------|-------------------|-------------------------|-------------------|-------------------|
| Net Revenue above Expenses | 854,134           | (216,362)               | 637,772           | 107,686           |
| Benchmark ++               |                   |                         | 750,000           | 750,000           |
| Excess                     | 854,134           | (216,362)               | (112,228)         | (642,314)         |

Incentive Fee Calculation (Only if above greater than zero)

|                          | Arena<br>Estimate | DeVos Place<br>Estimate | Total<br>Estimate | Total<br>Estimate |
|--------------------------|-------------------|-------------------------|-------------------|-------------------|
| Base Fee                 | 171,770           | 171,770                 | 343,540           | 336,474           |
| Incentive Fee            |                   |                         |                   |                   |
| Revenue                  | 4,977,184         | 5,789,449               | 10,766,633        | 10,683,672        |
| Benchmark Revenue        | 5,000,000         | 4,400,000               | 9,400,000         | 9,300,000         |
| Revenue Excess           | (22,816)          | 1,389,449               | 1,366,633         | 1,383,672         |
| Incentive Fee **         | -                 | -                       | -                 | -                 |
| Total SMG Management Fee | 171,770           | 171,770                 | 343,540           | 336,474           |

\*\* 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 OCTOBER 31, 2014**

**Distribution:**

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



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*An SMG Managed Facility*

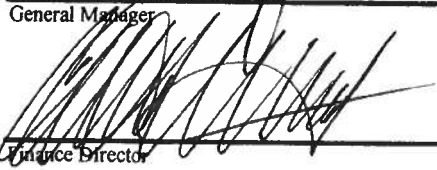
DE VOS PLACE  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2015

|  | YTD Actual | Roll      | TOTAL<br>FYE | BUDGET<br>FYE | VARIANCE |
|--|------------|-----------|--------------|---------------|----------|
| NO. EVENTS                                       | 151        | 359       | 510          | 507           | 3        |
| ATTENDANCE                                       | 107,558    | 397,742   | 505,300      | 498,100       | 7,200    |
| DIRECT EVENT REVENUE                             | 683,037    | 2,297,468 | 2,980,505    | 2,961,450     | 19,055   |
| ANCILLARY REVENUE                                | 693,095    | 1,772,749 | 2,465,844    | 2,424,042     | 41,802   |
| TOTAL EVENT REVENUE                              | 1,376,132  | 4,070,217 | 5,446,349    | 5,385,492     | 60,857   |
| TOTAL OTHER REVENUE                              | 75,321     | 267,779   | 343,100      | 320,450       | 22,650   |
| TOTAL OPERATING REVENUE                          | 1,451,453  | 4,337,996 | 5,789,449    | 5,705,942     | 83,507   |
| INDIRECT EXPENSES                                |            |           |              |               |          |
| EXECUTIVE  | 60,127     | 133,972   | 194,099      | 194,099       | -        |
| FINANCE  | 82,323     | 169,212   | 251,535      | 251,535       | -        |
| MARKETING  | 34,158     | 78,542    | 112,700      | 112,700       | -        |
| OPERATIONS                                       | 581,147    | 977,437   | 1,558,584    | 1,558,584     | -        |
| EVENT SERVICES                                   | 332,555    | 735,312   | 1,067,867    | 1,067,867     | -        |
| BOX OFFICE                                       | 48,139     | 42,573    | 90,712       | 90,712        | -        |
| SALES  | 132,736    | 267,633   | 400,369      | 400,369       | -        |
| OVERHEAD   | 716,599    | 1,613,346 | 2,329,945    | 2,329,945     | -        |
| TOTAL OPERATING EXP.                             | 1,987,785  | 4,018,027 | 6,005,811    | 6,005,811     | -        |
| NET REVENUE ABOVE EXPENSES                       | (536,332)  | 319,969   | (216,362)    | (299,869)     | 83,507   |
| INCENTIVE FEE                                    |            |           | 0            |               | -        |
| NET OPERATING REVENUE OVER<br>OPERATING EXPENSES | (536,332)  | 319,969   | (216,362)    | (299,869)     | 83,507   |

Comments:

DeVos Place continues to trend ahead of budget in revenue and overall is consistent with expenses year to date. The next 4-5 months, and how utilities come in overall, will most likely be the determining factor in whether or not budget will be met.

  
General Manager

  
Finance Director



**DE VOS PLACE  
FINANCIAL STATEMENT HIGHLIGHTS  
FISCAL YEAR ENDING JUNE 30, 2015**

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

| <b>MONTH</b>           | <b>October<br/>Actual</b> | <b>October<br/>Budget</b> | <b>October<br/>FY 2014</b> |
|------------------------|---------------------------|---------------------------|----------------------------|
| Number of Events       | 55                        | 55                        | 65                         |
| Attendance             | 42,574                    | 40,440                    | 43,514                     |
| Direct Event Income    | \$260,796                 | \$228,778                 | \$308,959                  |
| Ancillary Income       | 299,445                   | 214,064                   | 291,546                    |
| Other Event Income     | 40,822                    | 21,212                    | 17,862                     |
| Other Operating Income | 6,103                     | 2,666                     | 5,095                      |
| Indirect Expenses      | (561,631)                 | (500,484)                 | (536,550)                  |
| Net Income             | <u>\$45,535</u>           | <u>(\$33,764)</u>         | <u>\$86,912</u>            |

| <b>YTD</b>             | <b>YTD 2015<br/>Actual</b> | <b>YTD 2015<br/>Budget</b> | <b>YTD 2014<br/>Prior Year</b> |
|------------------------|----------------------------|----------------------------|--------------------------------|
| Number of Events       | 151                        | 131                        | 137                            |
| Attendance             | 107,558                    | 100,720                    | 82,943                         |
| Direct Event Income    | \$683,037                  | \$627,389                  | \$583,385                      |
| Ancillary Income       | 693,095                    | 661,820                    | 621,481                        |
| Other Event Income     | 60,907                     | 52,922                     | 59,579                         |
| Other Operating Income | 14,414                     | 10,664                     | 12,718                         |
| Indirect Expenses      | (1,987,785)                | (2,001,936)                | (1,841,191)                    |
| Net Income             | <u>(\$536,332)</u>         | <u>(\$649,141)</u>         | <u>(\$564,028)</u>             |

**EVENT INCOME**

Direct event income came in a little ahead of budget for the month on the strength of multiple events more than one specific event.

**ANCILLARY INCOME**

Ancillary income came in ahead of budget overall as spending in most areas exceeded budget.

**INDIRECT EXPENSES**

Indirect expenses came in higher than budget for the month, however, consistent with year to date expectations

**DeVos Place**  
**Income Statement**  
**For the Four Months Ending October 31, 2014**

|   | Current Month<br>Actual | Current Month<br>Budget | Variance       | Current Month<br>Prior Year | Year to Date<br>Actual | Year to Date<br>Budget | Variance        | Year to Date<br>Prior Year |
|---|-------------------------|-------------------------|----------------|-----------------------------|------------------------|------------------------|-----------------|----------------------------|
| <b>Event Income</b>                     |                         |                         |                |                             |                        |                        |                 |                            |
| <b>Direct Event Income</b>              |                         |                         |                |                             |                        |                        |                 |                            |
| Rental Income                           | \$282,363               | \$238,160               | \$44,203       | \$310,631                   | \$791,263              | \$672,080              | \$119,183       | \$624,987                  |
| Service Revenue                         | 238,987                 | 210,726                 | 28,261         | 343,704                     | 526,051                | 454,597                | 71,454          | 484,130                    |
| Service Expenses                        | (260,554)               | (220,108)               | (40,446)       | (345,376)                   | (634,277)              | (499,288)              | (134,989)       | (525,732)                  |
| <b>Total Direct Event Income</b>        | <b>260,796</b>          | <b>228,778</b>          | <b>32,018</b>  | <b>308,959</b>              | <b>683,037</b>         | <b>627,389</b>         | <b>55,648</b>   | <b>583,385</b>             |
| <b>Ancillary Income</b>                 |                         |                         |                |                             |                        |                        |                 |                            |
| F&B Concession                          | 9,108                   | 8,532                   | 576            | 7,808                       | 27,878                 | 26,898                 | 980             | 22,252                     |
| F&B Catering                            | 115,007                 | 96,874                  | 18,133         | 91,950                      | 279,179                | 264,177                | 15,002          | 213,130                    |
| Novelty Sales                           | 301                     | 664                     | (363)          | 1,044                       | 1,403                  | 2,364                  | (961)           | 1,447                      |
| Booth Cleaning                          | 37,014                  | 12,574                  | 24,440         | 26,772                      | 78,022                 | 55,089                 | 22,933          | 61,628                     |
| Telephone/Long Distance                 | 0                       | 0                       | 0              | 113                         | 225                    | 0                      | 225             | 900                        |
| Electrical Services                     | 63,318                  | 31,864                  | 31,454         | 76,750                      | 125,748                | 123,716                | 2,032           | 124,152                    |
| Audio Visual                            | 33,877                  | 38,288                  | (4,411)        | 59,736                      | 76,963                 | 116,942                | (39,979)        | 131,526                    |
| Internet Services                       | 13,849                  | 7,370                   | 6,479          | 8,684                       | 45,556                 | 27,945                 | 17,611          | 30,663                     |
| Equipment Rental                        | 26,971                  | 17,898                  | 9,073          | 18,689                      | 58,121                 | 44,689                 | 13,432          | 35,783                     |
| <b>Total Ancillary Income</b>           | <b>299,445</b>          | <b>214,064</b>          | <b>85,381</b>  | <b>291,546</b>              | <b>693,095</b>         | <b>661,820</b>         | <b>31,275</b>   | <b>621,481</b>             |
| <b>Other Event Income</b>               |                         |                         |                |                             |                        |                        |                 |                            |
| Ticket Rebates(Per Event)               | 40,822                  | 21,212                  | 19,610         | 17,862                      | 60,907                 | 52,922                 | 7,985           | 59,579                     |
| <b>Total Other Event Income</b>         | <b>40,822</b>           | <b>21,212</b>           | <b>19,610</b>  | <b>17,862</b>               | <b>60,907</b>          | <b>52,922</b>          | <b>7,985</b>    | <b>59,579</b>              |
| <b>Total Event Income</b>               | <b>601,063</b>          | <b>464,054</b>          | <b>137,009</b> | <b>618,367</b>              | <b>1,437,039</b>       | <b>1,342,131</b>       | <b>94,908</b>   | <b>1,264,445</b>           |
| <b>Other Operating Income</b>           |                         |                         |                |                             |                        |                        |                 |                            |
| Luxury Box Agreements                   | 1,341                   | 1,333                   | 8              | 1,461                       | 5,364                  | 5,332                  | 32              | 5,844                      |
| Other Income                            | 4,762                   | 1,333                   | 3,429          | 3,634                       | 9,050                  | 5,332                  | 3,718           | 6,874                      |
| <b>Total Other Operating Income</b>     | <b>6,103</b>            | <b>2,666</b>            | <b>3,437</b>   | <b>5,095</b>                | <b>14,414</b>          | <b>10,664</b>          | <b>3,750</b>    | <b>12,718</b>              |
| <b>Adjusted Gross Income</b>            | <b>607,166</b>          | <b>466,720</b>          | <b>140,446</b> | <b>623,462</b>              | <b>1,451,453</b>       | <b>1,352,795</b>       | <b>98,658</b>   | <b>1,277,163</b>           |
| <b>Operating Expenses</b>               |                         |                         |                |                             |                        |                        |                 |                            |
| Salaries and Wages                      | 368,607                 | 269,202                 | 99,405         | 327,050                     | 932,133                | 1,076,808              | (144,675)       | 823,478                    |
| Payroll Taxes and Benefits              | 92,820                  | 78,248                  | 14,572         | 140,662                     | 287,158                | 312,992                | (25,834)        | 282,777                    |
| Labor Allocations to Events             | (189,975)               | (148,656)               | (41,319)       | (228,578)                   | (427,202)              | (594,624)              | 167,422         | (399,241)                  |
| <b>Net Salaries and Benefits</b>        | <b>271,452</b>          | <b>198,794</b>          | <b>72,658</b>  | <b>239,134</b>              | <b>792,089</b>         | <b>795,176</b>         | <b>(3,087)</b>  | <b>707,014</b>             |
| Contracted Services                     | 34,824                  | 20,718                  | 14,106         | 41,090                      | 111,294                | 82,872                 | 28,422          | 133,842                    |
| General and Administrative              | 23,487                  | 28,110                  | (4,623)        | 24,509                      | 106,171                | 112,440                | (6,269)         | 95,783                     |
| Operations                              | 5,846                   | 9,960                   | (4,114)        | 4,802                       | 78,924                 | 39,840                 | 39,084          | 45,363                     |
| Repair and Maintenance                  | 47,885                  | 41,350                  | 6,535          | 37,687                      | 198,684                | 165,400                | 33,284          | 148,178                    |
| Operational Supplies                    | 14,568                  | 20,975                  | (6,407)        | 27,270                      | 66,139                 | 83,900                 | (17,761)        | 59,591                     |
| Insurance                               | 18,821                  | 16,322                  | 2,499          | 18,633                      | 60,806                 | 65,288                 | (4,482)         | 61,686                     |
| Utilities                               | 130,434                 | 150,067                 | (19,633)       | 129,405                     | 516,421                | 600,268                | (83,847)        | 534,399                    |
| SMG Management Fees                     | 14,314                  | 14,188                  | 126            | 14,020                      | 57,257                 | 56,752                 | 505             | 55,335                     |
| <b>Total Operating Expenses</b>         | <b>561,631</b>          | <b>500,484</b>          | <b>61,147</b>  | <b>536,550</b>              | <b>1,987,785</b>       | <b>2,001,936</b>       | <b>(14,151)</b> | <b>1,841,191</b>           |
| <b>Net Income(Loss) From Operations</b> | <b>45,535</b>           | <b>(33,764)</b>         | <b>79,299</b>  | <b>86,912</b>               | <b>(536,332)</b>       | <b>(649,141)</b>       | <b>112,809</b>  | <b>(564,028)</b>           |
| <b>Other Non-Operating Expenses</b>     |                         |                         |                |                             |                        |                        |                 |                            |
| <b>Adjusted Net Income(Loss)</b>        | <b>45,535</b>           | <b>(33,764)</b>         | <b>79,299</b>  | <b>86,912</b>               | <b>(536,332)</b>       | <b>(649,141)</b>       | <b>112,809</b>  | <b>(564,028)</b>           |

**SMG DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Year to Date Event Summary Report**  
**For the Four Months ended October 31, 2014**

| Event Type               | Events/Days |        | Attendance |         | Total Event Income |           |
|--------------------------|-------------|--------|------------|---------|--------------------|-----------|
|                          | Actual      | Budget | Actual     | Budget  | Actual             | Budget    |
| Convention/Trade Shows   | 52          | 41     | 43,425     | 39,360  | 676,799            | 636,156   |
| Consumer/Gated Shows     | 5           | 5      | 3,954      | 7,500   | 35,984             | 47,615    |
| DeVos Performance Hall   | 27          | 23     | 29,170     | 27,240  | 212,410            | 200,766   |
| Banquets                 | 16          | 16     | 10,608     | 10,400  | 158,966            | 161,216   |
| Meetings                 | 39          | 34     | 9,923      | 11,900  | 270,892            | 215,798   |
| Other                    | 12          | 12     | 10,478     | 4,320   | 81,988             | 80,580    |
| GRAND TOTALS             | 151         | 131    | 107,558    | 100,720 | 1,437,039          | 1,342,131 |
| As Percentage of Overall |             |        |            |         |                    |           |
| Convention/Trade Shows   | 34.44%      | 31.30% | 40.37%     | 39.08%  | 47.10%             | 47.40%    |
| Consumer/Gated Shows     | 3.31%       | 3.82%  | 3.68%      | 7.45%   | 2.50%              | 3.55%     |
| Devos Performance Hall   | 17.88%      | 17.56% | 27.12%     | 27.05%  | 14.78%             | 14.96%    |
| Ballroom Exclusive       | 10.60%      | 12.21% | 9.86%      | 10.33%  | 11.06%             | 12.01%    |
| Meetings                 | 25.83%      | 25.95% | 9.23%      | 11.81%  | 18.85%             | 16.08%    |
| Other                    | 7.95%       | 9.16%  | 9.74%      | 4.29%   | 5.71%              | 6.00%     |

**DeVos Place  
Balance Sheet  
As of October 31, 2014**

**ASSETS**

**Current Assets**

|                    |           |
|--------------------|-----------|
| Cash               | 1,453,047 |
| Account Receivable | 981,508   |
| Prepaid Expenses   | 9,911     |

**Total Current Assets**

**\$2,444,466**

**Total Assets**

**\$2,444,466**

**LIABILITIES AND EQUITY**

**Current Liabilities**

|                                  |           |
|----------------------------------|-----------|
| Accounts Payable                 | 67,476    |
| Accrued Expenses                 | 241,202   |
| Deferred Income                  | 103,665   |
| Advanced Ticket Sales & Deposits | 1,408,120 |

**Total Current Liabilities**

**\$1,820,464**

**Other Liabilities**

**Equity**

|                             |           |
|-----------------------------|-----------|
| Funds Remitted to CAA       | (202,009) |
| Expenses Paid Direct by CAA | 457,523   |
| Beginning Balance Equity    | 904,820   |
| Current Year Equity         | (536,332) |

**Total Equity**

**\$624,002**

**Total Liabilities and Equity**

**\$2,444,466**

5



**SMG - DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of October 31, 2014**

---

|                               |             |
|-------------------------------|-------------|
| Current - Under 30 Days       |             |
| Food & Beverage               | 128,537     |
| Ticketing                     | 272,885     |
| Merchandise                   | 486         |
| Decorating                    | 37,013      |
| Audio/Visual                  | 34,023      |
| Van Andel Arena               | 190,378     |
| Operating                     | 169,470     |
| <br>Over 30 Days              | <br>116,920 |
| <br>Over 60 Days              | <br>31,796  |
| <br>Over 90 Days              |             |
| <br>Total Accounts Receivable | <br>981,508 |

**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2015**

**MANAGEMENT FEE SUMMARY**

|                            | Arena<br>Estimate | DeVos Place<br>Estimate | Total<br>Estimate | FY 2014<br>Actual |
|----------------------------|-------------------|-------------------------|-------------------|-------------------|
| Net Revenue above Expenses | 854,134           | (216,362)               | 637,772           | 107,686           |
| Benchmark ++               |                   |                         | 750,000           | 750,000           |
| Excess                     | 854,134           | (216,362)               | (112,228)         | (642,314)         |

Incentive Fee Calculation (Only if above greater than zero)

|                          | Arena<br>Estimate | DeVos Place<br>Estimate | Total<br>Estimate | Total<br>Estimate |
|--------------------------|-------------------|-------------------------|-------------------|-------------------|
| Base Fee                 | 171,770           | 171,770                 | 343,540           | 336,474           |
| Incentive Fee            |                   |                         |                   |                   |
| Revenue                  | 4,977,184         | 5,789,449               | 10,766,633        | 10,683,672        |
| Benchmark Revenue        | 5,000,000         | 4,400,000               | 9,400,000         | 9,300,000         |
| Revenue Excess           | (22,816)          | 1,389,449               | 1,366,633         | 1,383,672         |
| Incentive Fee **         | -                 | -                       | -                 | -                 |
| Total SMG Management Fee | 171,770           | 171,770                 | 343,540           | 336,474           |

\*\* 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.

# **Van Andel Arena, as Managed by SMG**

**Special-Purpose Financial Statements as of and for  
the Years Ended June 30, 2014 and 2013, and  
Independent Auditors' Report**

# **VAN ANDEL ARENA, AS MANAGED BY SMG**

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## **INDEPENDENT AUDITORS' REPORT**

Van Andel Arena, as Managed by SMG  
Grand Rapids, Michigan

We have audited the accompanying special-purpose financial statements of Van Andel Arena, as managed by SMG ("SMG-Van Andel Arena"), which comprise the special-purpose statements of assets, liabilities, and amount due operator arising from activities managed by SMG as of June 30, 2014 and 2013, and the special-purpose statements of operating revenues and operating expenses arising from activities managed by SMG; special-purpose statements of operating cash flows arising from activities managed by SMG for the years then ended, and the related notes to the special-purpose financial statements (collectively, the "Special-Purpose Financial Statements").

### **Management's Responsibility for the Special-Purpose Financial Statements**

Management is responsible for the preparation and fair presentation of these Special-Purpose Financial Statements in accordance with the basis of presentation referred to in Note 2 to the Special-Purpose Financial Statements; this includes determining that the basis of presentation is an acceptable basis for the preparation of the Special-Purpose Financial Statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Special-Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Special-Purpose Financial Statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the Special-Purpose Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special-Purpose Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special-Purpose Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SMG-Van Andel Arena's preparation and fair presentation of the Special-Purpose Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SMG-Van Andel Arena's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Special-Purpose Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

In our opinion, the Special-Purpose Financial Statements referred to above present fairly, in all material respects, the assets, liabilities, and amount due operator of SMG-Van Andel Arena as of June 30, 2014 and 2013, and its operating revenues, operating expenses, changes in amount due operator, and cash flows for the years then ended in accordance with the basis of presentation referred to in Note 2 to the Special-Purpose Financial Statements.

## **Basis of Presentation**

We draw attention to Note 2 of the Special-Purpose Financial Statements, which describes the basis of accounting. The Special-Purpose Financial Statements are prepared to present the assets, liabilities, amount due operator, operating revenues, operating expenses, and operating cash flows of SMG-Van Andel Arena arising from the management activities of SMG pursuant to the basis of presentation referred to in Note 2 to the Special-Purpose Financial Statements, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and are not intended to be a complete presentation of SMG-Van Andel Arena assets and liabilities or its results of operations and cash flows. Our opinion is not modified with respect to this matter.

## **Restriction on Use**

Our report is intended solely for the information and use of the management of SMG-Van Andel Arena and officials of the Grand Rapids – Kent County Convention/ Arena Authority and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

September 30, 2014

## **VAN ANDEL ARENA, AS MANAGED BY SMG**

### **SPECIAL-PURPOSE STATEMENTS OF ASSETS, LIABILITIES, AND AMOUNT DUE OPERATOR ARISING FROM ACTIVITIES MANAGED BY SMG AS OF JUNE 30, 2014 AND 2013**

---

| <b>ASSETS</b>   | <b>2014</b>                | <b>2013</b>                |
|---|----------------------------|----------------------------|
| <b>CURRENT ASSETS:</b>  |                            |                            |
| Cash and cash equivalents —   |                            |                            |
| Operating   | \$ 1,106,476               | \$ 2,117,606               |
| Ticket sales escrow   | 4,968,040                  | 307,410                    |
| Accounts receivable — net of allowance of \$66,100 and \$56,200<br>in 2014 and 2013, respectively | 796,485                    | 1,441,902                  |
| Prepaid expenses  | <u>78,051</u>              | <u>37,544</u>              |
| <b>TOTAL</b>  | <b><u>\$ 6,949,052</u></b> | <b><u>\$ 3,904,462</u></b> |
| <br><b>LIABILITIES AND AMOUNT DUE OPERATOR</b>  |                            |                            |
| <b>CURRENT LIABILITIES:</b>   |                            |                            |
| Accounts payable  | \$ 836,038                 | \$ 629,096                 |
| Accrued expenses  | 397,050                    | 645,711                    |
| Advance ticket sales  | 4,968,040                  | 307,410                    |
| Advance deposits  | 43,325                     | 33,425                     |
| Deferred income   | <u>1,553,175</u>           | <u>1,456,505</u>           |
| Total current liabilities   | 7,797,628                  | 3,072,147                  |
| <b>AMOUNT DUE (FROM) TO OPERATOR</b>  | <b><u>(848,576)</u></b>    | <b><u>832,315</u></b>      |
| <b>TOTAL</b>  | <b><u>\$ 6,949,052</u></b> | <b><u>\$ 3,904,462</u></b> |

See notes to special-purpose financial statements.

# **VAN ANDEL ARENA, AS MANAGED BY SMG**

## **SPECIAL-PURPOSE STATEMENTS OF OPERATING REVENUES AND OPERATING EXPENSES ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

|  | <b>2014</b>         | <b>2013</b>         |
|--|---------------------|---------------------|
| <b>OPERATING REVENUES:</b>   |                     |                     |
| Events   | <u>\$ 1,039,981</u> | <u>\$ 1,167,725</u> |
| Net ancillary revenues:  |                     |                     |
| Food and beverage  | 1,127,247           | 1,471,677           |
| Novelties  | 64,389              | 120,848             |
| Other  | <u>802</u>          | <u>1,084</u>        |
| Total net ancillary revenues   | <u>1,192,438</u>    | <u>1,593,609</u>    |
| Total events and net ancillary revenues  | <u>2,232,419</u>    | <u>2,761,334</u>    |
| Other revenues:  |                     |                     |
| Premium seating  | 1,393,469           | 1,479,700           |
| Advertising income   | 658,547             | 695,200             |
| Other — including interest income of \$2,588 and \$7,117<br>in 2014 and 2013, respectively | <u>438,778</u>      | <u>602,730</u>      |
| Total other revenues   | <u>2,490,794</u>    | <u>2,777,630</u>    |
| Total operating revenues   | <u>4,723,213</u>    | <u>5,538,964</u>    |
| <b>OPERATING EXPENSES:</b>   |                     |                     |
| Payroll and related  | 1,698,299           | 1,597,783           |
| Repairs and maintenance  | 419,516             | 217,499             |
| Supplies   | 193,597             | 224,328             |
| Utilities  | 1,012,537           | 917,421             |
| General and administrative   | <u>952,333</u>      | <u>840,924</u>      |
| Total operating activities   | <u>4,276,282</u>    | <u>3,797,955</u>    |
| EXCESS OF OPERATING REVENUES OVER OPERATING<br>EXPENSES — Before incentive management fee  | 446,931             | 1,741,009           |
| INCENTIVE MANAGEMENT FEE   | <u>          </u>   | <u>96,019</u>       |
| EXCESS OF OPERATING REVENUES OVER OPERATING<br>EXPENSES                                    | <u>\$ 446,931</u>   | <u>\$ 1,644,990</u> |

See notes to special-purpose financial statements.

## **VAN ANDEL ARENA, AS MANAGED BY SMG**

### **SPECIAL-PURPOSE STATEMENTS OF CHANGES IN AMOUNT DUE OPERATOR ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

---

|   | <b>2014</b>         | <b>2013</b>        |
|---|---------------------|--------------------|
| AMOUNT DUE OPERATOR — Beginning of year                 | \$ 832,315          | \$ 384,166         |
| EXCESS OF OPERATING REVENUES OVER OPERATING<br>EXPENSES | 446,931             | 1,644,990          |
| CONTRIBUTIONS RECEIVED FROM OPERATOR                    | 1,057,119           | 853,159            |
| AMOUNTS PAID TO OPERATOR                                | <u>(3,184,941)</u>  | <u>(2,050,000)</u> |
| AMOUNT DUE (FROM) TO OPERATOR — End of year             | <u>\$ (848,576)</u> | <u>\$ 832,315</u>  |

See notes to special-purpose financial statements.

# **VAN ANDEL ARENA, AS MANAGED BY SMG**

## **SPECIAL-PURPOSE STATEMENTS OF OPERATING CASH FLOWS ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

|  | <b>2014</b>         | <b>2013</b>         |
|--|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>         |                     |                     |
| Excess of operating revenues over operating expenses | \$ 446,931          | \$ 1,644,990        |
| Changes in operating assets and liabilities:         |                     |                     |
| Accounts receivable                                  | 645,417             | 2,547               |
| Prepaid expenses                                     | (40,507)            | 7,184               |
| Accounts payable                                     | 206,942             | (718,370)           |
| Accrued expenses                                     | (248,661)           | 52,149              |
| Advanced deposits                                    | 9,900               | 13,425              |
| Deferred income                                      | <u>96,670</u>       | <u>228,201</u>      |
| Net cash provided by operating activities            | <u>1,116,692</u>    | <u>1,230,126</u>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>         |                     |                     |
| Contributions received from Operator                 | 1,057,119           | 853,159             |
| Amounts paid to Operator                             | <u>(3,184,941)</u>  | <u>(2,050,000)</u>  |
| Net cash used in financing activities                | <u>(2,127,822)</u>  | <u>(1,196,841)</u>  |
| NET (DECREASE) INCREASE IN OPERATING CASH            | (1,011,130)         | 33,285              |
| OPERATING CASH — Beginning of year                   | <u>2,117,606</u>    | <u>2,084,321</u>    |
| OPERATING CASH — End of year                         | <u>\$ 1,106,476</u> | <u>\$ 2,117,606</u> |

See notes to special-purpose financial statements.



## **VAN ANDEL ARENA, AS MANAGED BY SMG**

### **NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

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#### **1. OPERATIONS**

Van Andel Arena (the "Arena") provides space for family shows, concerts, sporting events, meetings, and other performances. The Arena is operated by the Grand Rapids-Kent County Convention/Arena Authority (the "Operator").

The Operator has entered into a Management Agreement with SMG to manage the operations of the Arena. The activities of the Arena that are managed by SMG are herein referred to as "SMG-Van Andel Arena."

The Operator from time to time provides funding to SMG-Van Andel Arena to pay the obligations of the Arena when due. The Operator is contractually obligated to fund all liabilities and expenses of the Arena.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** — The accompanying special-purpose financial statements have been prepared to present the assets, liabilities, amount due operator, operating revenues, operating expenses, and operating cash flows of the Arena arising from the management activities of SMG and are not intended to be a complete presentation of the Arena's financial position, results of operations, and operating cash flows. Such special-purpose financial statements have been prepared on the accrual basis of accounting and include transactions managed by SMG in accordance with the Management Agreement, measured in conformity with accounting principles generally accepted in the United States of America. Accordingly, the special-purpose financial statements do not include property and equipment, noncontractual repair expenditures, and related fund equity associated with the Arena or certain other activities of the Operator related to the Arena that are not part of the activities managed by SMG. Payroll and related expenses are for employees hired by SMG to manage the Arena under the Management Agreement. These employees are not employees of the Operator.

**Use of Estimates** — Estimates and assumptions are required to be used by management in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of operating revenues and operating expenses during the reporting period. Management believes its estimates to be reasonable; however, actual results could differ from those estimates.

**Cash and Cash Equivalents** — Cash and cash equivalents consist of cash and highly liquid investments with an original maturity of three months or less at the date of purchase.

**Advance Ticket Sales** — SMG-Van Andel Arena incurs a liability for cash received from ticket sales in advance of an event; a corresponding amount is held in a separate escrow account. Operating revenues are not recognized until the related event occurs.

**Deferred Income** — Deferred income is comprised primarily of advanced billings and collections for luxury boxes and advertising contracts, which are recognized as revenues on a straight-line basis over the lives of the related contract. Also included are ticket rebates received from the ticket agent prior to an event, which are not recognized as revenue until the event occurs.

**Event Revenues** — SMG-Van Andel Arena records event revenue upon the completion of the event. Accordingly, amounts received for advance ticket sales or deposits by promoters are recorded as liabilities until that time. Costs incurred prior to an event are recorded as prepaid expenses and charged to expense upon completion of the event.

**Ancillary Revenues** — All concession and merchandise revenues are recognized when earned. Ancillary revenues are a contractually determined percentage of gross receipts collected by the vendor for each event.

**Other Operating Revenues** — Other operating revenues include revenues associated with luxury seating, advertising, ticket rebates, interest income, and other miscellaneous items.

**Noncontractual Repairs** — From time to time, SMG-Van Andel Arena incurs costs funded by the Operator's capital projects budget, which is separate and distinct from the operating funds provided by the Operator to the Arena. The Operator ultimately decides which expenses will be capitalized or expensed. These costs are excluded from operating expenses in the accompanying special-purpose statements.

### **3. MANAGEMENT AGREEMENT AND FEES**

SMG and the Operator have a Management Agreement ("the Agreement"), that has an effective date of July 1, 2011, and expired on June 30, 2014, with two 2-year renewal periods extending through 2018. During the current year the first 2-year renewal period was accepted extending the contract until June 30, 2016. The Agreement provides for both an annual base and incentive management fee. The annual base management fee is \$162,500 for the first year of the agreement and is adjusted upward annually by the percentage change in the Consumer Price Index (not to exceed 3% in any one year). A decrease in the Consumer Price Index will not have an effect on the management fee.

The incentive fee is based on the combined results of operations of the Arena and DeVos Place, as managed by SMG ("SMG-DeVos Place"), compared to a combined operating revenue benchmark with SMG-DeVos Place of \$9,100,000, which escalates by \$100,000 annually for the remainder of the term, as defined in the Agreement. The maximum incentive to be paid in any fiscal year is equal to 100% of the base management fee. To qualify for the incentive fee, combined operating revenues of SMG-Van Andel Arena and SMG-DeVos Place must exceed combined operating expenses by an established benchmark, as follows:

|   | 2014              | 2013                |
|---|-------------------|---------------------|
| Excess of operating revenue over operating expenses — as defined — SMG-Van Andel Arena          | \$ 446,931        | \$ 1,741,009        |
| (Deficiency) excess of operating revenue over operating expenses — as defined — SMG-DeVos Place | <u>(339,245)</u>  | <u>78,035</u>       |
| Total excess of operating revenue over operating expenses                                       | <u>\$ 107,686</u> | <u>\$ 1,819,044</u> |
| Incentive benchmark   | <u>\$ 700,000</u> | <u>\$ 700,000</u>   |
| Benchmark exceeded?   | No                | Yes                 |

In the event the combined operations of SMG-Van Andel Arena and SMG-DeVos Place exceed the established operating revenue benchmark, and the operating revenues exceed operating expenses by the benchmark discussed above, the incentive fee is determined based on the below calculation. The amount of the incentive fee paid based on the calculation below is determined by the amount by which combined operating revenues exceed combined operating expense in accordance with the threshold levels set forth below:

| Percentage of Amount by Which Operating Revenues Exceed Operating Expenses | Incentive Fee Payable to SMG |
|--|------------------------------|
| \$700,000 or more and less than \$750,000                                  | 75 %                         |
| \$750,000 or more  | 100                          |

The below calculation is only performed when combined operating revenues of SMG-Van Andel Arena and SMG-DeVos Place exceed combined operating expenses by the established benchmark. A schedule of the base and incentive management fees for the years ended June 30, 2014 and 2013, is as follows:

|  | 2014              | 2013                |
|--|-------------------|---------------------|
| Base management fee — included in general and administrative expense (A)             | <u>\$ 168,237</u> | <u>\$ 165,263</u>   |
| Incentive fee calculation:   |                   |                     |
| Total operating revenues — SMG-Van Andel Arena                                       | \$ -              | \$ 5,538,964        |
| Total operating revenues — SMG-DeVos Place   |                   | <u>5,860,533</u>    |
| Total operating revenues   | <u>-</u>          | <u>11,399,497</u>   |
| Revenue benchmark — SMG-Van Andel Arena  |                   | 4,900,000           |
| Revenue benchmark — SMG-DeVos Place  |                   | <u>4,300,000</u>    |
| Total revenue benchmark  | <u>-</u>          | <u>9,200,000</u>    |
| Revenues in excess of revenue benchmark  | <u>\$ -</u>       | <u>\$ 2,199,497</u> |
| Computation of incentive fee resulting from revenues in excess of revenue benchmark: |                   |                     |
| 25% of the first \$500,000, collectively   | \$ -              | \$ 125,000          |
| 30% of the excess of \$500,000, collectively up to base fee                          |                   | <u>205,525</u>      |
| Total incentive fee  | -                 | 330,525             |
| Percent payable  |                   | <u>100 %</u>        |
| Total incentive fee payable  | <u>\$ -</u>       | <u>\$ 330,525</u>   |
| Incentive fee allocated to SMG-Van Andel Arena (B)                                   | \$ -              | \$ 96,019           |
| Incentive fee allocated to SMG-DeVos Place   |                   | <u>234,506</u>      |
| Total incentive fee  | <u>\$ -</u>       | <u>\$ 330,525</u>   |
| Total management fees — SMG-Van Andel Arena (A + B)                                  | <u>\$ 168,237</u> | <u>\$ 261,282</u>   |

The incentive fee shall be allocated between facilities by the percentage of each facilities contribution to the excess revenue above benchmark. The base fee is contingent upon the Operator maintaining the SMG-Van Andel Arena concessions agreement with SMG-Food & Beverage, LLC. If that agreement were to be terminated, the base management fee would increase \$25,000 for each managed facility, adjusted annually by the percentage change in the Consumer Price Index from the base year.

#### 4. RETIREMENT PLAN

Employees at SMG-Van Andel Arena may elect to participate in the SMG Retirement and Savings Plan, a 401(k) defined contribution plan covering SMG employees who have completed one year of employment and 1,000 hours of service. SMG-Van Andel Arena makes matching contributions equal to

67% of each participant's contribution up to a maximum of 5% of the participant's eligible compensation. Discretionary contributions may also be made on a monthly basis for active participants. SMG-Van Andel Arena made \$10,167 and \$8,931 in matching contributions for the years ended June 30, 2014 and 2013, respectively.

**5. OTHER RELATED-PARTY TRANSACTIONS**

In addition to the operations of SMG-Van Andel Arena, SMG personnel also manage the operations of SMG-DeVos Place. The two facilities share certain expenses, such as payroll, employee fringe benefits, and insurance, resulting in frequent billings and payments between the two facilities. The two facilities also share a box office, resulting in frequent billings and payments between the two facilities for ticket sales. Accounts payable include \$309,779 and \$54,667 due to SMG-DeVos Place as of June 30, 2014 and 2013, respectively.

On July 1, 2006, the Operator entered into a concessions agreement for the Arena with SMG-Food & Beverage, LLC a related party to SMG. Accounts receivable include \$60,311 and \$243,820 from SMG-Food & Beverage, LLC as of June 30, 2014 and 2013, respectively.

**6. CONTINGENCIES**

The Arena is exposed to a number of asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on SMG-Van Andel Arena's financial position due to insurance coverage. As such, no provision for loss has been made in the accompanying special-purpose financial statements.

**7. SUBSEQUENT EVENTS**

Events or transactions occurring after the balance sheet date have been evaluated through September 30, 2014, the date the special-purpose financial statements were available to be issued. The special-purpose financial statements and the notes thereto do not reflect events or transactions after this date.

\* \* \* \* \*



# **DeVos Place, as Managed by SMG**

**Special-Purpose Financial Statements as of and  
for the Years Ended June 30, 2014 and 2013, and  
Independent Auditors' Report**

## **DEVOS PLACE, AS MANAGED BY SMG**

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## **INDEPENDENT AUDITORS' REPORT**

DeVos Place, as Managed by SMG  
Grand Rapids, Michigan

We have audited the accompanying special-purpose financial statements of DeVos Place, as managed by SMG ("SMG-DeVos Place"), which comprise the special-purpose statements of assets, liabilities, and amount due operator arising from activities managed by SMG as of June 30, 2014 and 2013, and the special-purpose statements of operating revenues and operating expenses arising from activities managed by SMG; special-purpose statements of changes in amount due operator arising from activities managed by SMG; and special-purpose statements of operating cash flows arising from activities managed by SMG for the years then ended, and the related notes to the special-purpose financial statements (collectively, the "Special-Purpose Financial Statements").

### **Management's Responsibility for the Special-Purpose Financial Statements**

Management is responsible for the preparation and fair presentation of these Special-Purpose Financial Statements in accordance with the basis of presentation referred to in Note 2 to the Special-Purpose Financial Statements; this includes determining that the basis of presentation is an acceptable basis for the preparation of the Special-Purpose Financial Statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Special-Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Special-Purpose Financial Statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the Special-Purpose Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special-Purpose Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special-Purpose Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SMG-DeVos Place's preparation and fair presentation of the Special-Purpose Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SMG-DeVos Place's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Special-Purpose Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the Special-Purpose Financial Statements referred to above present fairly, in all material respects, the assets, liabilities, and amount due operator of SMG-DeVos Place as of June 30, 2014 and 2013, and its operating revenues, operating expenses, changes in amount due operator, and operating cash flows for the years then ended in accordance with the basis of presentation referred to in Note 2 to the Special-Purpose Financial Statements.

**Basis of Presentation**

We draw attention to Note 2 of the Special-Purpose Financial Statements, which describes the basis of accounting. The Special-Purpose Financial Statements are prepared to present the assets, liabilities, amount due operator, operating revenues, operating expenses, and operating cash flows of SMG-DeVos Place arising from the management activities of SMG, pursuant to the basis of presentation referred to in Note 2 to the Special-Purpose Financial Statements, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and are not intended to be a complete presentation of SMG-DeVos Place assets and liabilities or its results of operations and cash flows. Our opinion is not modified with respect to this matter.

**Restriction on Use**

Our report is intended solely for the information and use of the management of SMG-DeVos Place and officials of the Grand Rapids – Kent County Convention/Arena Authority and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

September 30, 2014

## **DEVOS PLACE, AS MANAGED BY SMG**

### **SPECIAL-PURPOSE STATEMENTS OF ASSETS, LIABILITIES, AND AMOUNT DUE OPERATOR ARISING FROM ACTIVITIES MANAGED BY SMG AS OF JUNE 30, 2014 AND 2013**

---

| <b>ASSETS</b>   | <b>2014</b>               | <b>2013</b>               |
|---|---------------------------|---------------------------|
| <b>CURRENT ASSETS:</b>  |                           |                           |
| Cash and cash equivalents:  |                           |                           |
| Operating   | \$ 543,186                | \$ 1,760,646              |
| Ticket sales escrow   | 312,336                   | 156,423                   |
| Accounts receivable — net of allowances of \$86,200 and \$95,700<br>in 2014 and 2013, respectively. | 1,170,717                 | 926,856                   |
| Prepaid expenses  | <u>119,370</u>            | <u>55,350</u>             |
| <b>TOTAL</b>  | <b><u>\$2,145,609</u></b> | <b><u>\$2,899,275</u></b> |
| <br><b>LIABILITIES AND AMOUNT DUE OPERATOR</b>  |                           |                           |
| <b>CURRENT LIABILITIES:</b>   |                           |                           |
| Accounts payable  | \$ 235,409                | \$ 266,381                |
| Accrued expenses  | 272,055                   | 558,287                   |
| Advance ticket sales  | 312,336                   | 156,423                   |
| Advance deposits  | 351,904                   | 298,383                   |
| Deferred income   | <u>69,086</u>             | <u>58,977</u>             |
| Total current liabilities   | 1,240,790                 | 1,338,451                 |
| <b>AMOUNT DUE OPERATOR</b>  | <u>904,819</u>            | <u>1,560,824</u>          |
| <b>TOTAL</b>  | <b><u>\$2,145,609</u></b> | <b><u>\$2,899,275</u></b> |

See notes to special-purpose financial statements.

## DEVOS PLACE, AS MANAGED BY SMG

### SPECIAL-PURPOSE STATEMENTS OF OPERATING REVENUES AND OPERATING EXPENSES ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

---

|  | 2014         | 2013         |
|--|--------------|--------------|
| OPERATING REVENUES:  |              |              |
| Events   | \$ 3,029,153 | \$ 3,043,972 |
| Net ancillary revenues:  |              |              |
| Food and beverage  | 1,077,527    | 1,047,580    |
| Decorating   | 315,102      | 297,438      |
| Electrical   | 440,750      | 484,133      |
| Equipment rental   | 634,222      | 570,660      |
| Other  | 114,834      | 123,397      |
| Total net ancillary revenues   | 2,582,435    | 2,523,208    |
| Total events and net ancillary revenues  | 5,611,588    | 5,567,180    |
| Other — including interest income of \$7 and \$95<br>in 2014 and 2013, respectively                  | 348,871      | 293,353      |
| Total operating revenues   | 5,960,459    | 5,860,533    |
| OPERATING EXPENSES:  |              |              |
| Payroll and related  | 2,359,110    | 2,235,661    |
| Repairs and maintenance  | 487,020      | 462,862      |
| Supplies   | 215,949      | 295,812      |
| Utilities  | 2,046,158    | 1,617,150    |
| General and administrative   | 1,191,467    | 1,171,013    |
| Total operating expenses   | 6,299,704    | 5,782,498    |
| (DEFICIENCY) EXCESS OF OPERATING REVENUES OVER<br>OPERATING EXPENSES BEFORE INCENTIVE MANAGEMENT FEE | (339,245)    | 78,035       |
| INCENTIVE MANAGEMENT FEE   | -            | 234,506      |
| DEFICIENCY OF OPERATING REVENUES OVER<br>OPERATING EXPENSES  | \$ (339,245) | \$ (156,471) |

See notes to special-purpose financial statements.



## **DEVOS PLACE, AS MANAGED BY SMG**

### **SPECIAL-PURPOSE STATEMENTS OF CHANGES IN AMOUNT DUE OPERATOR ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

---

|   | <b>2014</b>        | <b>2013</b>         |
|---|--------------------|---------------------|
| AMOUNT DUE OPERATOR — Beginning of year                     | \$ 1,560,824       | \$ 1,098,253        |
| DEFICIENCY OF OPERATING REVENUES OVER<br>OPERATING EXPENSES | (339,245)          | (156,471)           |
| CONTRIBUTIONS RECEIVED FROM OPERATOR                        | 2,125,313          | 1,519,042           |
| AMOUNTS PAID TO OPERATOR                                    | <u>(2,442,073)</u> | <u>(900,000)</u>    |
| AMOUNT DUE OPERATOR — End of year                           | <u>\$ 904,819</u>  | <u>\$ 1,560,824</u> |

See notes to special-purpose financial statements.

## DAVOS PLACE, AS MANAGED BY SMG

### SPECIAL-PURPOSE STATEMENTS OF OPERATING CASH FLOWS ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

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|  | 2014               | 2013                |
|--|--------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                    |                    |                     |
| Deficiency of operating revenues over operating expenses | \$ (339,245)       | \$ (156,471)        |
| Changes in operating assets and liabilities:             |                    |                     |
| Accounts receivable                                      | (243,861)          | 415,467             |
| Prepaid expenses   | (64,020)           | 24,274              |
| Accounts payable   | (30,972)           | 137,169             |
| Accrued expenses and deferred income                     | (276,123)          | 300,213             |
| Advance deposits   | <u>53,521</u>      | <u>(9,244)</u>      |
| Net cash (used in) provided by operating activities      | <u>(900,700)</u>   | <u>711,408</u>      |
| CASH FLOWS FROM FINANCING ACTIVITIES:                    |                    |                     |
| Contributions received from operator                     | 2,125,313          | 1,519,042           |
| Amounts paid to operator                                 | <u>(2,442,073)</u> | <u>(900,000)</u>    |
| Net cash (used in) provided by financing activities      | <u>(316,760)</u>   | <u>619,042</u>      |
| NET (DECREASE) INCREASE IN OPERATING CASH                | (1,217,460)        | 1,330,450           |
| OPERATING CASH — Beginning of year                       | <u>1,760,646</u>   | <u>430,196</u>      |
| OPERATING CASH — End of year                             | <u>\$ 543,186</u>  | <u>\$ 1,760,646</u> |

See notes to special-purpose financial statements.

## DEVOS PLACE, AS MANAGED BY SMG

### NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

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#### 1. OPERATIONS

DeVos Place provides space for conventions, trade shows, concerts, meetings, banquets, and other performances. DeVos Place is operated by the Grand Rapids — Kent County Convention/Arena Authority (the “Operator”).

The Operator has entered into a Management Agreement with SMG to manage the operations of DeVos Place. The activities of DeVos Place that are managed by SMG are referred to herein as “SMG-DeVos Place.”

The Operator, from time to time, provides funding to SMG-DeVos Place to pay the obligations of DeVos Place when due. The Operator is contractually obligated to fund all liabilities and expenses of DeVos Place.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** — The accompanying special-purpose financial statements were prepared to present the assets, liabilities, amount due operator, operating revenues, operating expenses, and operating cash flows of DeVos Place arising from the management activities of SMG and are not intended to be a complete presentation of DeVos Place’s financial position, results of operations, and operating cash flows. Such special-purpose financial statements have been prepared on the accrual basis of accounting and include transactions managed by SMG in accordance with the Management Agreement, measured in conformity with accounting principles generally accepted in the United States of America. Accordingly, the special-purpose financial statements do not include property and equipment, noncontractual repair expenditures, and related-fund equity associated with DeVos Place or certain other activities of the Operator related to DeVos Place that are not part of the activities managed by SMG. Payroll and related expenses are for employees hired by SMG to manage DeVos Place under the Management Agreement. These employees are not employees of the Operator.

**Use of Estimates** — Estimates and assumptions are required to be used by management in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of operating revenues and operating expenses during the reporting period. Management believes its estimates to be reasonable; however, actual results could differ from those estimates.

**Cash and Cash Equivalents** — Cash and cash equivalents consist of cash and highly liquid investments with an original maturity of three months or less at the date of purchase.

**Advance Ticket Sales** — SMG-DeVos Place incurs a liability for all cash received from ticket sales in advance of an event; a corresponding amount is held in a separate escrow account. Revenues are not recognized until the related event occurs.

**Deferred Income** — Deferred income is comprised primarily of advanced billings, which are recognized as revenues on a straight-line basis over the lives of the related contract.

**Event Revenues** — SMG-DeVos Place records event revenue upon the completion of the event. Accordingly, amounts received for advance ticket sales or deposits by promoters are recorded as liabilities until that time. Costs incurred prior to an event are recorded as prepaid expenses and charged to expense upon completion of the event.

**Ancillary Revenues** — All concession and catering, decorating, electrical, and audiovisual revenues are recognized when earned. Ancillary revenues are a contractually determined percentage of gross receipts collected by the vendor for each event.

**Other Operating Revenues** — Other operating revenues are comprised of interest income, nonevent equipment rental income, ticket rebates, and other miscellaneous items.

**Noncontractual Repairs** — From time to time, SMG-DeVos Place incurs costs funded by the Operator's capital projects budget, which is separate and distinct from the operating funds provided by the Operator to DeVos Place. The Operator ultimately decides which expenses will be capitalized or expensed. These costs are excluded from operating expenses in the accompanying special-purpose statements of operating revenues and operating expenses.

### **3. MANAGEMENT AGREEMENT AND FEES**

SMG and the Operator have a Management Agreement (the "Agreement") that has an effective date of July 1, 2011, and expires on June 30, 2014, with two two-year renewal periods extending through 2018. During the current year, the first two-year renewal period was accepted extending the contract until June 30, 2016. The Agreement provides for both an annual base and incentive management fee. The annual base management fee is \$162,500 for the first year of the agreement and is adjusted upward annually by the percentage change in the Consumer Price Index (not to exceed 3% in any one year). A decrease in the Consumer Price Index will not have an effect on the management fee.

The incentive fee is based on the combined results of operations of DeVos Place and Van Andel Arena, as managed by SMG ("SMG-Van Andel Arena"), compared to a combined operating revenue benchmark with SMG-Arena of \$9,100,000, which escalates by \$100,000 annually for the remainder of the term, as defined in the Agreement. The maximum incentive to be paid in any fiscal year is equal to 100% of the base management fee. To qualify for the incentive fee, combined operating revenues of SMG-Arena and SMG-DeVos Place must exceed combined operating expenses by an established benchmark, as follows:

|   | 2014              | 2013                |
|---|-------------------|---------------------|
| Excess of operating revenue over operating expenses — as defined — SMG-Van Andel Arena          | \$ 446,931        | \$ 1,741,009        |
| (Deficiency) excess of operating revenue over operating expenses — as defined — SMG-DeVos Place | <u>(339,245)</u>  | <u>78,035</u>       |
| Total excess of operating revenue over operating expenses                                       | <u>\$ 107,686</u> | <u>\$ 1,819,044</u> |
| Incentive benchmark   | <u>\$ 700,000</u> | <u>\$ 700,000</u>   |
| Benchmark exceeded?   | No                | Yes                 |

In the event the combined operations of SMG-Arena and SMG-DeVos Place exceed the established operating revenue benchmark, and the operating revenues exceed operating expenses by the benchmark discussed above, the incentive fee is determined based on the below calculation. The amount of the incentive fee paid based on the calculation below is determined by the amount by which combined operating revenues exceed combined operating expense in accordance with the threshold levels set forth below:

| Amount By Which Operating Revenues Exceed Operating Expenses | Percentage of Incentive Fee Payable to SMG |
|--|--|
| \$700,000 or more and less than \$750,000                    | 75 %                                       |
| \$750,000 or more  | 100  |

The below calculation is only performed when combined operating revenues of Van Andel Arena and SMG-DeVos Place exceed combined operating expenses by the established benchmark. A schedule of the base and incentive management fees for the years ended June 30, 2014 and 2013, is as follows:

|  | 2014              | 2013                |
|--|-------------------|---------------------|
| Base management fee, included in general and administrative expense (A)              | <u>\$ 168,237</u> | <u>\$ 165,263</u>   |
| Incentive fee:   |                   |                     |
| Total operating revenues — SMG-Van Arena   |                   | 5,538,964           |
| Total operating revenues — SMG-DeVos Place   |                   | <u>5,860,533</u>    |
| Total operating revenues   | <u>-</u>          | <u>11,399,497</u>   |
| Revenue benchmark — SMG-Van Arena  |                   | 4,900,000           |
| Revenue benchmark — SMG-DeVos Place  |                   | <u>4,300,000</u>    |
| Total revenue benchmark  | <u>-</u>          | <u>9,200,000</u>    |
| Revenues in excess of revenue benchmark  | <u>\$ -</u>       | <u>\$ 2,199,497</u> |
| Computation of incentive fee resulting from revenues in excess of revenue benchmark: |                   |                     |
| 25% of the first \$500,000, collectively   | \$ -              | \$ 125,000          |
| 30% of the excess of \$500,000, collectively up to base fee                          |                   | <u>205,525</u>      |
| Total incentive fee  | -                 | 330,525             |
| Percent payable  | <u>-</u> %        | <u>100</u> %        |
| Total incentive fee payable  | <u>\$ -</u>       | <u>\$ 330,525</u>   |
| Incentive fee allocated to SMG-Van Arena   | \$ -              | \$ 96,019           |
| Incentive fee allocated to SMG-DeVos Place (B)                                       |                   | <u>234,506</u>      |
| Total incentive fee  | <u>-</u>          | <u>330,525</u>      |
| Total management fees — SMG-DeVos Place (A + B)                                      | <u>\$ 168,237</u> | <u>\$ 399,769</u>   |

The incentive fee shall be allocated between facilities by the percentage of each facilities contribution to the excess revenue above benchmark. The base fee is contingent upon the Operator maintaining the SMG-Van Andel Arena concessions agreement with SMG — Food and Beverage LLC. If that agreement were to be terminated, the base management fee would increase \$25,000 for each managed facility, adjusted annually by the percentage change in the Consumer Price Index from the base year.



**4. RETIREMENT PLAN**

Employees at SMG-DeVos Place may elect to participate in the SMG Retirement and Savings Plan, a 401(k) defined contribution plan covering SMG employees who have completed one year of employment and 1,000 hours of service. SMG-DeVos Place makes matching contributions equal to 67% of each participant's contribution up to a maximum of 5% of the employee's eligible compensation. Discretionary contributions may also be made on a monthly basis for active participants. SMG-DeVos Place made \$21,335 and \$21,138 in matching contributions for the years ended June 30, 2014 and 2013, respectively.

**5. OTHER RELATED-PARTY TRANSACTIONS**

In addition to the operations of SMG-DeVos Place, SMG personnel also manage the operations of SMG-Van Andel Arena. The two facilities share certain expenses, such as payroll, employee fringe benefits, and insurance, resulting in frequent billings and payments between the two facilities. The two facilities also share a box office, resulting in frequent billings and payments between the two facilities for ticket sales. Accounts receivable include \$309,779 and \$54,667 due from the SMG-Arena as of June 30, 2014 and 2013, respectively.

**6. CONTINGENCIES**

DeVos Place is exposed to a number of asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on SMG-DeVos Place's financial position due to insurance coverage. As such, no provision for loss has been made in the accompanying special-purpose financial statements.

**7. SUBSEQUENT EVENTS**

Events or transactions occurring after the balance sheet date have been evaluated through September 30, 2014, the date the special-purpose financial statements were available to be issued. The special-purpose financial statements and the notes thereto do not reflect events or transactions after this date.

\* \* \* \* \*



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September 30, 2014

To the Finance Committee of  
Kent County Convention/Arena Authority  
303 Monroe Avenue NW  
Grand Rapids, MI 49503

Dear Members of the Finance Committee:

We have performed an audit of the special-purpose financial statements of Van Andel Arena, as managed by SMG, and DeVos Place, as managed by SMG (collectively, the “Van Andel Arena and DeVos Place”) as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America (“generally accepted auditing standards”) and have issued our report thereon dated September 30, 2014.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Van Andel Arena and DeVos Place is responsible.

### **Our Responsibility under Generally Accepted Auditing Standards**

Our responsibility under generally accepted auditing standards has been described in our engagement letter dated August 11, 2014, a copy of which has been provided to you. As described in that letter, the objective of a financial statement audit conducted in accordance with generally accepted auditing standards is to express an opinion on the fairness of the presentation of the Van Andel Arena and DeVos Place’s special-purpose financial statements for the year ended June 30, 2014, in conformity with the basis of accounting described in Note 2 to the special-purpose financial statements (“special-purpose accounting basis”), in all material respects. Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the special-purpose financial statements that have been prepared by management with the oversight of the Finance Committee of the Kent County Convention/Arena Authority (the “Finance Committee”) are presented fairly, in all material respects, in conformity with special-purpose accounting basis. The audit of the special-purpose financial statements does not relieve management or the Finance Committee of its responsibilities.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the special-purpose financial statements, whether caused by fraud or error. In making those risk assessments, we considered internal control over financial reporting relevant to the Van Andel Arena and DeVos Place’s preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Van Andel Arena and DeVos Place’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Van Andel Arena and DeVos Place’s internal control over financial

reporting. Our consideration of internal control over financial reporting was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

### **Accounting Estimates**

Accounting estimates are an integral part of the special-purpose financial statements prepared by management and are based on management's current judgments. Those judgments are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in the Van Andel Arena and DeVos Place's 2014 special-purpose financial statements include the allowance for doubtful accounts. During the year ended June 30, 2014, we are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

### **Uncorrected Misstatements**

Our audit of the special-purpose financial statements was designed to obtain reasonable, rather than absolute, assurance about whether the special-purpose financial statements are free of material misstatement, whether caused by error or fraud. There were no uncorrected misstatements or disclosure items passed identified during our audit.

### **Significant Accounting Policies**

The Van Andel Arena and DeVos Place's significant accounting policies are set forth in Note 2 to the Van Andel Arena and DeVos Place's 2014 special-purpose financial statements. During the year ended June 30, 2014, there were no significant changes in previously adopted accounting policies or their application.

### **Management's Representations**

We have made specific inquiries of the Van Andel Arena and DeVos Place's management about the representations embodied in the special-purpose financial statements. Additionally, we have requested that management provide to us the written representations the Van Andel Arena and DeVos Place is required to provide to its independent auditors under generally accepted auditing standards. We have attached to this letter, as Appendix A and Appendix B, a copy of the representation letters we obtained from management.

### **Other Findings or Issues**

During the current year audit, as part of our Van Andel Arena accounts receivable testing, we identified a prior year misstatement in which a balance was incorrectly recorded as a receivable as opposed to being correctly expensed when incurred. An entry was recorded by management in the current year Van Andel Arena financial statements to correct for such prior year misstatement.

### **Control-Related Matters**

We have identified, and included in Appendix C, certain matters involving the Van Andel Arena's internal control over financial reporting that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

The definitions of a deficiency, a significant deficiency, and a material weakness are also set forth in Appendix C.

This report is intended solely for the information and use of management, the Finance Committee, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Yours truly,

*Deloitte & Touche LLP*

cc: The Management of Van Andel Arena and DeVos Place

- Appendix A: Van Andel Arena Representations from Management
- Appendix B: DeVos Place Representations from Management
- Appendix C: Matters Related to Internal Control over Financial Reporting.

September 30, 2014

Deloitte & Touche LLP  
Suite 600  
38 Commerce SW  
Grand Rapids, MI 49503

Convention  
Arena  
Authority

We are providing this letter in connection with your audits of the Van Andel Arena special-purpose statements of assets, liabilities, and amount due Operator arising from the activities managed by SMG ("SMG - Van Andel Arena") as of June 30, 2014 and 2013 and the related special-purpose financial statements of operating revenues and operating expenses arising from activities managed by SMG, changes in amount due operator arising from activities managed by SMG and operating cash flows arising from activities managed by SMG for the years then ended, for the purpose of expressing an opinion as to whether the special-purpose financial statements (the "financial statements") present fairly, in all material respects, the financial position, results of operations, and cash flows of Van Andel Arena, as managed by SMG, in conformity with accounting principles generally accepted in the United States of America.

We confirm that we are responsible for the following:

- a. The fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the basis of presentation referred to in Note 2 to the financial statements
- b. The design, implementation, and maintenance of programs and controls to prevent and detect fraud
- c. Establishing and maintaining effective internal control over financial reporting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

1. The financial statements referred to above are fairly presented in conformity with the basis of presentation referred to in Note 2 to the financial statements.
2. SMG - Van Andel Arena has provided to you all relevant information and access as agreed in the terms of the audit engagement letter.



Van Andel Arena  
130 West Fulton  
Grand Rapids, MI 49503-2601  
616 742 6600  
Fax 616 742 6197

DEVOS PLACE

DeVos Place  
303 Monroe Ave. NW  
Grand Rapids, MI 49503-2233  
616 742 6500  
Fax 616 742 6590

3. SMG - Van Andel Arena has provided you:
  - a. Financial records and related data
  - b. Minutes of the meetings of stockholders, directors, and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
4. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
5. SMG - Van Andel Arena has provided to you the results of management's risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud.
6. We have no knowledge of any fraud or suspected fraud affecting SMG – Van Andel Arena involving:
  - a. Management
  - b. Employees who have significant roles in SMG – Van Andel Arena's internal control over financial reporting
  - c. Others, if the fraud could have a material effect on the financial statements.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting SMG – Van Andel Arena received in communications from employees, former employees, analysts, regulators, or others.
8. There are no unasserted claims or assessments that legal counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, Contingencies.
9. Significant assumptions used by us in making accounting estimates are reasonable.
10. As an enterprise fund of the Grand Rapids - Kent County Convention/Arena Authority, SMG - Van Andel Arena is exempt from Federal Income Tax. We are not aware of any activities that have taken place that would jeopardize SMG - Van Andel Arena's income tax exempt status.
11. We believe the effects of the uncorrected financial statement misstatements detected in the current year that relate to the prior year presented, when combined with those misstatements aggregated by you during the prior year audit engagement and pertaining to the prior year presented, are immaterial, both individually and in the aggregate, to the financial statements for the year ended June 30, 2013 taken as a whole.

Except where otherwise stated below, immaterial matters less than \$23,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

12. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
13. SMG – Van Andel Arena has no plans or intentions that may affect the carrying value or classification of assets and liabilities.
14. Regarding related parties:
  - a. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
  - b. To the extent applicable, related parties and all the related-party relationships and transactions of which SMG Van Andel Arena is aware, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral) have been appropriately identified, properly accounted for, and disclosed in the financial statements.
15. In preparing the financial statements in conformity with the basis of presentation referred to in Note 2 to the financial statements, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
  - a. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
  - b. The effect of the change would be material to the financial statements.
16. There are no:
  - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency
  - b. Known actual or possible litigation and claims whose effects should be considered and accounted for and disclosed in the financial statements and that have not been disclosed to the auditor.
17. SMG - Van Andel Arena has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
18. SMG - Van Andel Arena has complied with all aspects of contractual agreements that may have an effect on the financial statements in the event of noncompliance.
19. No events have occurred after June 30, 2014, but before September 30, 2014, the date the financial statements were issued that require consideration as adjustments to, or disclosures in, the financial statements.
20. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.



21. We believe that all expenditures that have been deferred to future periods are recoverable.
22. We have no intention of withdrawing from the SMG Retirement and Savings Plan or taking any other action that could result in an effective termination or reportable event for any of the plans. We are not aware of any occurrences that could result in the termination of any of the SMG Retirement and Savings Plan to which we contribute.
23. Provision has been made for any loss to be sustained in the fulfillment of, or from inability to fulfill, any sales commitments, if required.
24. Sales with recourse provisions have been properly recorded and disclosed in the financial statements.
25. We have fully disclosed to you all sales terms, including all rights of return or price adjustments and all warranty provisions.
26. All documentation related to sales transactions is contained in customer files. We also confirm that:
  - a. We are not aware of any "side agreements" with any companies that are inconsistent with the applicable sales agreement, the customer's purchase order, sales invoice, or any other documentation contained in the customer's file. For the purposes of this letter, a "side agreement" is any agreement, understanding, promise, or commitment, whether written (e.g., in the form of a letter or formal agreement or in the form of any exchange of physical or electronic communications) or oral, by or on behalf of SMG – Van Andel Arena (or any subsidiary, director, employee, or agent of SMG – Van Andel Arena) with a customer from whom revenue has been recognized that is not contained in the written purchase order from the customer or sales order confirmation and sales invoice of SMG – Van Andel Arena delivered to or generated by SMG – Van Andel Arena's Accounting and Finance Department. The definition of a side agreement is not limited by any particular subject matter. For purposes of example only, any agreement not contained in the written purchase order from the customer or sales order and sales invoice of SMG – Van Andel Arena that relates to return rights, acceptance rights, future pricing, payment terms, free consulting, free maintenance, or exchange rights would be a side agreement.
  - b. We are not aware of any commitments or concessions to a customer regarding pricing or payment terms outside of the terms documented in the customer's file.
27. For the purpose of calculating the incentive fee, all interest income included in the calculation is properly included and does not include any ineligible income.

  
\_\_\_\_\_  
Richard MacKelgan, General Manager  
\_\_\_\_\_  
Christopher Machuta, Director of Finance

September 30, 2014

Deloitte & Touche LLP  
Suite 600  
38 Commerce SW  
Grand Rapids, MI 49503

Convention  
Arena  
Authority

We are providing this letter in connection with your audits of the DeVos Place special-purpose statements of assets, liabilities, and amount due Operator arising from the activities managed by SMG ("SMG - DeVos Place") as of June 30, 2014 and 2013 and the related special-purpose financial statements of operating revenues and operating expenses arising from activities managed by SMG, changes in amount due operator arising from activities managed by SMG and operating cash flows arising from activities managed by SMG for the years then ended, for the purpose of expressing an opinion as to whether the special purpose financial statements (the "financial statements") present fairly, in all material respects, the financial position, results of operations, and cash flows of DeVos Place, as managed by SMG, in conformity with accounting principles generally accepted in the United States of America.

We confirm that we are responsible for the following:

- The fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the basis of presentation referred to in Note 2 to the financial statements
- The design, implementation, and maintenance of programs and controls to prevent and detect fraud
- Establishing and maintaining effective internal control over financial reporting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

- The financial statements referred to above are fairly presented in conformity with the basis of presentation referred to in Note 2 to the financial statements.
- SMG – DeVos Place has provided to you all relevant information and access as agreed in the terms of the audit engagement letter.



Van Andel Arena®  
130 West Fulton  
Grand Rapids, MI 49503-2601  
616.742.6000  
Fax 616.742.6197

DEVOS PLACE

DeVos Place®  
303 Monroe Ave. NW  
Grand Rapids, MI 49503-2233  
616.742.6500  
Fax 616.742.6590



3. SMG – DeVos Place has provided you:
  - a. Financial records and related data
  - b. Minutes of the meetings of stockholders, directors, and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
4. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
5. SMG - DeVos Place has provided to you the results of management's risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud.
6. We have no knowledge of any fraud or suspected fraud affecting SMG – DeVos Place involving:
  - a. Management
  - b. Employees who have significant roles in SMG – DeVos Place's internal control over financial reporting
  - c. Others, if the fraud could have a material effect on the financial statements.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting SMG – DeVos Place received in communications from employees, former employees, regulators, or others.
8. There are no unasserted claims or assessments that legal counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, Contingencies.
9. Significant assumptions used by us in making accounting estimates are reasonable.
10. As an enterprise fund of the Grand Rapids - Kent County Convention/Arena Authority, SMG - DeVos Place is exempt from Federal Income Tax; we are not aware of any activities that have taken place that would jeopardize SMG - DeVos Place's income tax exempt status.

Except where otherwise stated below, immaterial matters less than \$29,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

11. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
12. SMG – DeVos Place has no plans or intentions that may affect the carrying value or classification of assets and liabilities.
13. Regarding related parties:

- a. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
  - b. To the extent applicable, related parties and all the related-party relationships and transactions of which SMG DeVos Place is aware, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral) have been appropriately identified, properly accounted for, and disclosed in the financial statements.
14. In preparing the financial statements in conformity with the basis of presentation referred to in Note 2 to the financial statements, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
- a. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
  - b. The effect of the change would be material to the financial statements.
15. There are no:
- a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency
  - b. Known actual or possible litigation and claims whose effects should be considered and accounted for and disclosed in the financial statements and that have not been disclosed to the auditor.
16. SMG – DeVos Place has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
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18. No events have occurred after June 30, 2014, but before September 30, 2014, the date the financial statements were issued that require consideration as adjustments to, or disclosures in, the financial statements.
19. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.
20. We believe that all expenditures that have been deferred to future periods are recoverable.
21. We have no intention of withdrawing from the SMG Retirement and Savings Plan or taking any other action that could result in an effective termination or reportable event for any of the plans. We are not aware of any occurrences that could result in the termination of any of the SMG Retirement and Savings Plan to which we contribute.

22. Provision has been made for any loss to be sustained in the fulfillment of, or from inability to fulfill, any sales commitments, if required.
23. Sales with recourse provisions have been properly recorded and disclosed in the financial statements.
24. We have fully disclosed to you all sales terms, including all rights of return or price adjustments.
25. All documentation related to sales transactions is contained in customer files. We also confirm that:
- a. We are not aware of any "side agreements" with any companies that are inconsistent with the applicable sales agreement, the customer's purchase order, sales invoice, or any other documentation contained in the customer's file. For the purposes of this letter, a "side agreement" is any agreement, understanding, promise, or commitment, whether written (e.g., in the form of a letter or formal agreement or in the form of any exchange of physical or electronic communications) or oral, by or on behalf of SMG – DeVos Place (or any subsidiary, director, employee, or agent of SMG – DeVos Place) with a customer from whom revenue has been recognized that is not contained in the written purchase order from the customer or sales order confirmation and sales invoice of SMG – DeVos Place delivered to or generated by SMG – DeVos Place's Accounting and Finance Department. The definition of a side agreement is not limited by any particular subject matter. For purposes of example only, any agreement not contained in the written purchase order from the customer or sales order and sales invoice of SMG – DeVos Place that relates to return rights, acceptance rights, future pricing, payment terms, free consulting, free maintenance, or exchange rights would be a side agreement.
  - b. We are not aware of any commitments or concessions to a customer regarding pricing or payment terms outside of the terms documented in the customer's file.
26. For the purpose of calculating the incentive fee, all interest income included in the calculation is properly included and does not include any ineligible income.

  
\_\_\_\_\_  
Richard MacKegan, General Manager  
\_\_\_\_\_  
Christopher Machuta, Director of Finance

## SECTION I — SIGNIFICANT DEFICIENCIES

We consider the following deficiency in the Van Andel Arena's internal control over financial reporting to be a significant deficiency as of June 30, 2014:

During our testing of accounts receivable for the Van Andel Arena, we identified a balance that was incorrectly recorded as a receivable that should have been expensed when incurred. This misstatement occurred due to the lack of preparation and review of an account reconciliation related to this specific account. We consider the omission of an internal control related to the preparation and review of an account reconciliation associated with this account to be a significant deficiency in internal controls.

## SECTION II — DEFINITIONS

The definitions of a deficiency, a significant deficiency, and a material weakness are as follows:

A *deficiency* in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when (a) a properly designed control does not operate as designed, or (b) the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

\* \* \* \* \*



Van Andel Arena<sup>®</sup> /  
DeVos Place

# Memorandum

**To:** CAA Board Members  
**From:** Rich MacKeigan – Regional General Manager  
**Date:** December 1, 2014  
**Re:** Area 2 Parking Study

---

Attached is the Van Andel Parking Structure Feasibility Study completed by Progressive AE. As you are aware, a task force of Steve Heacock, Charlie Secchia, Rick Winn, and SMG staff worked with Progressive for the last few months to conduct this analysis. The findings are included in the attached.

The outcome of this work demonstrates that a parking structure on area 2 can be built on the site and can accommodate the operational needs of the Van Andel Arena<sup>®</sup>. Additionally, feedback from stakeholders in the area indicates that the need for parking south of Fulton is a growing need, and such a parking facility would be well received. A full comprehensive needs assessment should be undertaken to confirm what is believed to be the case.

There was some dialogue amongst the task force about 'other development' of Area 2...is a parking structure the best use?...are there other complimentary plans that could be included in parking structure?...do we (CAA) have the expertise to capitalize on these options?...? The task force unanimously feels that parking and operational needs are paramount to the future success of the Van Andel Arena<sup>®</sup>.

These discussions resulted in three conclusions.

1. The CAA has the expertise to take on the parking and operational needs requirements of such a project. In short, we can build the basic ramp on our own.
2. The exploration of further development, which could include residential, commercial, retail, entertainment, etc. could greatly benefit the community and possibly mitigate some of the financial exposure to the CAA; however, the CAA does not have the expertise to assess the best opportunities.
3. The Task Force acknowledges there may be development concepts we have not considered that could work very well for the site.

**In light of these conclusions, the Task Force requests the following action...**

1. The CAA to receive the report from Progressive and identify the operational needs contained within as the essentials of the project.



- 2, The CAA to commission a market assessment study to identify with certainty, what parking demand exists now and into the future, for Area 2.
3. The CAA approve Dick Wendt to work with Rich MacKeigan to prepare a Request for Qualifications to be cast in an effort to solicit options and plans for the development of Area 2 that would include the CAA's needs and could include a variety of other possible developments for the site.
4. The CAA place a deadline of December 15 for the completion of the RFQ.
5. The CAA place a deadline of March 1 for submission of responses to the RFQ
- 6, The CAA place a deadline of June 1 for a final recommendation to come forward for the CAA's consideration

The Task Force member are available should there be any questions.



Van Andel Arena<sup>®</sup> /  
DeVos Place

# Memorandum

**To:** CAA Board Members  
**From:** Richard MacKeigan – SMG Regional General Manager  
**Date:** Monday, December 01, 2014  
**Re:** Van Andel Arena® Show Fund

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In September 2008, the CAA approved the creation of a "risk fund" for DeVos Performance Hall. This action permits SMG to 'risk' up to \$100,000 for shows at DeVos Performance Hall. The last three fiscal years, this fund has been used 14 times and the cumulative impact has been a positive \$106,500 to the theater's bottom line. It has worked effectively.

I would like to take the same concept and apply it to Van Andel Arena®. The scale being larger (five times the capacity) but the business practice remaining the same. The landscape for arena level concerts continues to be very competitive. Venues are more aggressive than ever in attempting to secure concert programming. I am requesting that SMG be allowed to enter into contracts that put the facility at financial risk when the correct opportunities present themselves, and be allowed to do so up to an accumulative guarantee of \$500,000 at any one point in time. While we are asking for a "fund" to be created, all revenue generated from these events will remain in the operating financial statement of Van Andel Arena®.

While the focus of our bookings will continue to work with promoters in a more straightforward rental of the facility, we want to be able to react to opportunities when such action is prudent and makes good business sense.

I am requesting the CAA approve SMG to be permitted to risk facility funds up to \$500,000 for booking events at Van Andel Arena®.

I am available should you have any questions, comments or concerns.





DEVOS PLACE

**DeVos Place® Event Calendar**  
**December 2014**

| START    | END      | TYPE | EVENT   |
|----------|----------|------|---|
| 12/01/14 | 12/04/14 | C    | 2014 Annual Show - MI Farm Bureau                   |
|          | 12/02/14 | P    | GVSU Commencement                                   |
|          | 12/02/14 |      | Storytelling Pictures                               |
| 12/03/14 | 12/07/14 | P    | GRS Holiday Pops                                    |
|          | 12/04/14 | R    | Fidelity Investments Holiday Pops Reception         |
| 12/04/14 | 12/07/14 | S    | Gymnastics on the Grand 2014                        |
|          | 12/05/14 | B    | GE Aviation Holiday Party                           |
|          | 12/08/14 | B    | Holland Home Christmas Dinner                       |
| 12/08/14 | 12/15/14 | P    | GRB The Nutcracker                                  |
|          | 12/11/14 | B    | GRB Hospice Event                                   |
|          | 12/11/14 | M    | Georgetown University Leadership Program            |
| 12/11/14 | 12/14/14 | M    | 2014 Annual Employee Meeting - GFS                  |
| 12/19/14 | 12/21/14 | P    | GRB The Nutcracker                                  |
| 12/07/14 | 12/12/14 | C    | 2014 Great Lakes Fruit, Vegetable, and Farm Market  |
|          | 12/12/14 | M    | 2014 City Managers Meetings CANCELLED               |
| 12/16/14 | 12/17/14 | B    | Nestlé Gerber 2014 Innovation Awards Celebration    |
| 12/16/14 | 12/18/14 | P    | GRS Cirque De Noel                                  |
| 12/17/14 | 12/18/14 | B    | Amway Hotel Collection Holiday Celebration          |
| 12/19/14 | 12/21/14 | P    | GRB The Nutcracker                                  |
|          | 12/23/14 | P    | Grand Rapids Original Swing Society - Swing Dancing |
|          | 12/23/14 | P    | GRS: Sandi Patty Yuletide Joy                       |

# VAN ANDEL ARENA® WEEKLY

| DATE '14     | EVENT                         | EC | MOD   | ROOM                           | TIME   | FUNCTION   |
|--------------|-------------------------------|----|-------|--------------------------------|--|--|
| Wed, Dec 3   | Available                     |    |       |                                |  |  |
| Thur, Dec 4  | Grand Valley State University | KP |       | Arena                          | 2:00 PM  | Pre-rig  |
| Fri, Dec 5   | Griffins vs Oklahoma City     | KP | TODD  | Arena                          | 10A-12:30P<br>6:00 PM<br>7P-9:30P  | Team practice<br>Doors<br>Hockey game  |
|              | Electro-Matic                 | SH |       | Crease Club                    | 6P-9P  | Grand Haven Cheer Team   |
|              | MayDay Avionics               | KS |       | Banquet B/C<br>Amway Section A | 6P-8:30P   | Banquet  |
|              | All Phase Electric            |    |       | Banquet D/Suite 120A           | 6P-9:30P   | Banquet  |
|              | Maplecreek                    |    |       | West Nest                      | 6P-9:30P   | Banquet  |
|              | Stallard Asphalt              |    |       | East Nest                      | 6P-9:30P   | Banquet  |
|              | Retirement Living Management  |    |       | MOS Corner Office              | 6P-9:30P   | Banquet  |
|              |                               |    |       | Suite 101A/B                   | 6P-9:30P   | Banquet  |
|              | Sat, Dec 6                    |    |       | Grand Valley State University  | KP   | TODD   |
| Sun, Dec 7   | Trans-Siberian Orchestra      | KP | CHRIS | Arena                          | 4:00 AM<br>5:00 AM<br>7:00 AM<br>12:00 PM<br>2:00 PM<br>3P-5:20P<br>5:20P-6:30P<br>6:30 PM<br>7:30P-9:50P<br>9:30 PM | Floor mark<br>Rigging call<br>Load-in<br>Chair set<br>Doors<br>Performance #1<br>Quick clean<br>Doors<br>Performance #2<br>Load-out call |
|              |                               | SH |       | Banquet All                    | 6A-9P  | Backstage catering   |
|              |                               |    |       |                                |  |  |
| Mon, Dec 8   | Available                     |    |       |                                |  |  |
| Tue, Dec 9   | Bob Seger                     | KP | CHRIS | Arena                          | 7:30 PM  | Performance  |
| Wed, Dec 10  | Griffins vs Lake Erie         | KP | LYNNE | Arena                          | 10A-12:30P<br>6:00 PM<br>7P-9:30P  | Team practice<br>Doors<br>Hockey game  |
|              | Spectrum Health               | KS |       | West Nest                      | 6P-9:30P   | Banquet  |
|              | Echelon Property Management   |    |       | East Nest                      | 6P-9:30P   | Banquet  |
|              | Michigan Office Solutions     |    |       | MOS Corner Office              | 6P-9:30P   | Banquet  |
|              | Gull Lake Villas              |    |       | Crease Club                    | 6P-9:30P   | Banquet  |
|              | Advanced Finish               |    |       | Suite 101A/B                   | 6P-9:30P   | Banquet  |
|              | Citizens Insurance            |    |       | Suite 120A                     | 6P-9:30P   | Banquet  |
|              | Thur, Dec 11                  |    |       | Advantage Sales and Marketing  | SH   |  |
| Fri, Dec 12  | Available                     |    |       |                                |  |  |
| Sat, Dec 13  | Gaither Christmas Homecoming  | KP | KATHY | Arena                          | 6:00 PM  | Performance  |
| Sun, Dec 14  | Available                     |    |       |                                |  |  |
| Mon, Dec 15  | Available                     |    |       |                                |  |  |
| Tue, Dec 16  | WWE Smackdown Live            | KP | CHRIS | Arena                          | 6:45 PM  | Performance  |
| Wed, Dec 17  | Available                     |    |       |                                |  |  |
| Thur, Dec 18 | Kent County HR Staff          | SH |       | The Intermission               | 11:30 AM   | Holiday luncheon   |

|              |   |    |       |                   |   |   |
|--------------|---|----|-------|-------------------|---|---|
| Fri, Dec 19  | Griffins vs Toronto   | KP | EDDIE | Arena             | 10A-12:30P<br>6:00 PM<br>7P-9:30P                 | Team practice<br>Doors<br>Hockey game                         |
|              | Westmaas Electric   | SH |       | Banquet B         | 5P-7P   | Banquet   |
|              | Baby Derby Winner   | KS |       | West Nest         | 6P-9:30P  | Banquet   |
|              | Informis  |    |       | East Nest         | 6P-9:30P  | Banquet   |
|              | Perrigo   |    |       | MOS Corner Office | 6P-9:30P  | Banquet   |
|              | EnerSys   |    |       | Crease Club       | 6P-9:30P  | Banquet   |
|              | RHD Tire  |    |       | Suite 101A        | 6P-9:30P  | Banquet   |
|              | Abbie Groff-Blaszak   |    |       | Suite 101B        | 6P-9:30P  | Banquet   |
|              | Rick Edgerle  |    |       | Suite 120A        | 6P-9:30P  | Banquet   |
| Sat, Dec 20  | Available   |    |       |                   |   |   |
| Sun, Dec 21  | Available   |    |       |                   |   |   |
| Mon, Dec 22  | Available   |    |       |                   |   |   |
| Tue, Dec 23  | Available   |    |       |                   |   |   |
| Wed, Dec 24  | SMG Holiday  |    |       |                   |   |   |
| Thur, Dec 25 | SMG Holiday  |    |       |                   |   |   |
| Fri, Dec 26  | Available   |    |       |                   |   |   |
| Sat, Dec 27  | Griffins vs Iowa  | KP | JIM   | Arena             | 10A-12:30P<br>6:00 PM<br>7P-9:30P<br>9:30P-10:10P | Team practice<br>Doors<br>Hockey game<br>Post-game autographs |
|              | Fran St. Martin   | KS |       | West Nest         | 6P-10:10P   | Banquet   |
|              | Image Quest Printing  |    |       | East Nest         | 6P-10:10P   | Banquet   |
|              | Premier Freight Management  |    |       | MOS Corner Office | 6P-10:10P   | Banquet   |
|              | Fox Motors  |    |       | Suite 101A/B      | 6P-10:10P   | Banquet   |
| Sun, Dec 28  | Available   |    |       |                   |   |   |
| Mon, Dec 29  | Available   |    |       |                   |   |   |
| Tue, Dec 30  | Available   |    |       |                   |   |   |
| Wed, Dec 31  | Griffins vs Rockford  | KP | JIM   | Arena             | 10A-12:30P<br>5:00 PM<br>6P-8:30P<br>8:30P-9:10P  | Team practice<br>Doors<br>Hockey game<br>Post-game skate      |
|              | Griff's Ice House   | KS |       | West Nest         | 5P-9:10P  | Banquet   |
|              | Gilson Graphics   |    |       | East Nest         | 5P-9:10P  | Banquet   |
|              | Chuck Listen  |    |       | MOS Corner Office | 5P-9:10P  | Banquet   |
|              | Farm Bureau Insurance   |    |       | Suite 101A        | 5P-9:10P  | Banquet   |
|              | Bieri Auto Body   |    |       | Suite 101B        | 5P-9:10P  | Banquet   |
| Thur, Jan 1  | Available   |    |       |                   |   |   |
| Fri, Jan 2   | Griffins vs Milwaukee   | KP |       | Arena             | 10A-12:30P<br>6:00 PM<br>7P-9:30P                 | Team practice<br>Doors<br>Hockey game                         |
|              | ROK Systems   | KS |       | West Nest         | 6P-9:30P  | Banquet   |
|              | West Side Beer Distributing   |    |       | East Nest         | 6P-9:30P  | Banquet   |
|              | Granger Group   |    |       | MOS Corner Office | 6P-9:30P  | Banquet   |
|              | Daniel Msyzak   |    |       | Suite 101A        | 6P-9:30P  | Banquet   |
|              | Allison Hedstrom  |    |       | Suite 101B        | 6P-9:30P  | Banquet   |
| Sat, Jan 3   | Available   |    |       |                   |   |   |
| Sun, Jan 4   | Winter Jam  | KP |       | Arena             | 6:00 PM   | Performance   |