

Board of Directors

Wednesday, January 24, 2007

8:00 a.m. – 9:30 a.m.

Kent County Commission Chambers
300 Monroe Avenue, NW – Grand Rapids, MI

A G E N D A

- | | | |
|---|-------------------------|--|
| | I. Call to Order | |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <p>Convention</p> <p>Arena</p> <p>Authority</p>
 <p>Steven Heacock,
Chairman</p> <p>Birgit Klohs</p> <p>Clif Charles</p> <p>Gary McInerney</p> <p>George Heartwell</p> <p>Joseph Tomaselli</p> <p>Lew Chamberlin</p> </div> <div style="width: 50%;"> <p>II. Appointment of Board Members</p> <p>III. Approval of November 29, 2006, Minutes</p> <p>IV. Committee Reports</p> <p style="margin-left: 20px;">a. Operations Committee</p> <p style="margin-left: 40px;">i. CVB Report</p> <p style="margin-left: 20px;">b. Finance Committee</p> <p style="margin-left: 40px;">i. SMG November 2006 and December 2006 Financial Statements – DeVos Place® and Van Andel Arena®</p> <p style="margin-left: 40px;">ii. CAA November 2006 and December 2006 Financial Statements</p> <p style="margin-left: 40px;">iii. Proposal for Extension of Audit Services Contract</p> <p style="margin-left: 40px;">iv. SMG Food & Beverage November 2006 and December 2006 Revenue and Commission Report</p> <p>V. Vice Chair Vacancy</p> <p>VI. Van Andel Arena® Sports Bar Construction</p> <p>VII. Ottawa Wine Festival Report</p> <p>VIII. SMG Report and Facilities Calendars</p> <p>IX. Public Comment</p> <p>X. Next Meeting Date: Wednesday, February 28, 2007</p> <p>XI. Adjournment</p> </div> <div style="width: 10%; text-align: right;"> <p>Action</p> <p>Action</p>
 <p>Information</p>
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Van Andel Arena®
 130 Fulton West
 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



Item II



BOARD CHAIR
Roger Morgan

BOARD VICE CHAIR
Dick Vander Molen

COMMITTEE CHAIRS

Finance:
Dick Vander Molen

Legislative:
Dean Agee

MEMBERS
Jack Boelema
Dick Bulkowski
Brandon Dillon
Marvin Hiddema
Carol Hennessy
Nadine Klein
Harold Mast
Paul Mayhue
David Morren
Sandi Parrish
Gary Rolls
Arthur Tanis
Dick Vander Molen
James Vaughn
Theodore Vonk
Harold Voorhees
Fritz Wahlfield

BOARD OF COUNTY COMMISSIONERS

300 Monroe Avenue N.W.
Grand Rapids, Michigan 49503
Administrative Office (616) 632-7580
Fax (616) 632-7585
www.accesskent.com

January 2, 2007

Mr. Steven Heacock
2560 Pebblebrook SE
Grand Rapids, MI 49546

Dear Mr. Heacock:

The Kent County Board of Commissioners, at their January 2, 2007 meeting, appointed you to the Grand Rapids-Kent County Convention/Arena Authority for a term of January 1, 2007 to December 31, 2010.

In addition, the Board of Commissioners in 2006 revised and adopted the Conflict of Interest Policy and Code of Ethics – a copy of each is enclosed. Since your position as an appointee to a board, commission, and/or committee is covered by the policy, you are respectfully requested to review the statement and take this opportunity to disclose any conflicts or potential conflicts as outlined in the policy.

Please sign the statement where noted and **return** (signature page only) to the Board of Commissioners' Office in the prepaid addressed envelope no later than **January 10, 2007**.

We are very pleased and fortunate that you are willing to share your time and talents in service to the citizens of Kent County. I wish you success in this appointment.

Sincerely,

Roger C. Morgan, Chair
Kent County
Board of Commissioners

prv



RECEIVED
1/8/07
[Signature]

CITY CLERK



CITY OF GRAND RAPIDS

January 3, 2007

Ms. Sue Waddell
VanAndel Arena
130 Fulton W.
Grand Rapids, MI 49503

Dear Ms. Waddell:

Enclosed is a copy of Resolution No. 75768, adopted by the Grand Rapids City Commission on December 19, 2006.

The resolution reappoints Birgit Klohs to the Grand Rapids – Kent County Convention/Arena Authority for a four-year term effective December 31, 2006 and expiring December 31, 2010.

If you need any further information, please contact Kathleen Black at 456-3004.

Sincerely,


Mary Therese Hegarty
City Clerk

MTH/tap

Enclosure



RECEIVED

1/8/07

[Handwritten signature]



City of Grand Rapids, Michigan

OFFICE OF THE MAYOR

GEORGE K. HEARTWELL
MAYOR

December 19, 2006

Ms. Birgit Klohs
111 Pearl St. NW
Grand Rapids, MI 49503

Dear Ms. Klohs:

I am pleased to inform you that the City Commission, at its meeting on December 19, 2006, confirmed my reappointment of you to the Grand Rapids-Kent County Convention/Arena Authority for a four year term ending December 31, 2010.

Please refer to your copy of the "Citizen Board or Commission Member's Handbook and Statement of Privileges and Duties." After reviewing the Contents of this document, please complete the Acceptance and Oath of Office and return it to the City Clerk's Office.

Your willingness to again serve on the Grand Rapids-Kent County Convention/Arena Authority is greatly appreciated.

Very truly yours,

George K. Heartwell

GKH/tap
Enclosures

cc: Sue Waddell
file

***75768** Com. White, supported by Com. Jendrasiak, moved adoption of the following resolution under the Consent Agenda:

RESOLVED that the Mayor's reappointment of Birgit Klohs to the Grand Rapids-Kent County Convention/Arena Authority for a four-year term, effective December 31, 2006, and ending December 31, 2010, be confirmed.

*** CONSENT AGENDA APPROVAL**

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held December 19, 2006.



Mary Therese Hegarty, City Clerk

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Wednesday, November 29, 2006**

I. Call to Order

Chairman Steve Heacock called the meeting to order at 8:00 a.m. Chairman Heacock presided and Susan Waddell recorded in the absence of Secretary/Treasurer Birgit Klohs.

Attendance

Members Present: Steve Heacock, Chairman
Lew Chamberlin
George Heartwell
Joseph Tomaselli

Members Absent: Clif Charles
Birgit Klohs
Gary McInerney

Staff/Others:	David Czurak	<i>Grand Rapids Business Journal</i>
	Pat Duperron	BDO Seidman
	Brian Dykema	
	George Helmstead	CVB
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Cheri McConomy	McConomy Properties LLC
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Jim Watt	SMG
	Robert White	Kent County
	Steve Wilson	CVB
	Tim Wondergem	Wondergem Consulting

II. Minutes of Prior Meeting

Motion: Mr. Heartwell, supported by Mr. Tomaselli, moved to approve the Minutes of the November 7, 2006, meeting of the Authority. Motion carried unanimously.

III. Committee Reports

a. Operations Committee.

i. CVB Report

Mr. Wilson distributed copies of the 2007 Visitors Guide, which is available at area hotels. Although the Visitors Guides has a regional focus, several neighborhood business districts are highlighted. The CVB is expanding its use of electronic marketing and has created an interactive map on its website. The CVB will be managing the Downtown Alliance website to foster collaboration and eliminate duplication of efforts. CAA members viewed a video presentation that the CVB put together for the American Jail Association bid.

b. Finance Committee

i. SMG October 2006 Financial Statements for DeVos Place®
and Van Andel Arena®

Mr. Machuta reported that DeVos Place® performed at expected levels for the month. The facility is still running below budget on revenues, however, offset by continued savings in expenses. It is anticipated that DeVos Place® will end slightly behind expectations. The Van Andel Arena® celebrated its 10th anniversary during the month of October, highlighted by a public open house and Celebration on Ice event. Overall, the facility fell below expectations for the month; however, much of that shortfall was due to timing in the marketing department as it relates to the anniversary and not a trend of future activity.

Motion: Mr. Chamberlin, supported by Mr. Tomaselli, moved to approve the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended October 31, 2006. After review and discussion, the motion was unanimously adopted.

ii. CAA September 2006 Financial Statements

Staff presented the financial statements that included a Balance Sheet, Reconciliation Details, Profit & Loss Statement, Profit and Loss by Fund, Profit & Loss Budget –v- Actual, and a Profit and Loss Previous Year Comparison. There were no extraordinary activities or expenses to report.

Motion: Mr. Heartwell, supported by Mr. Tomaselli, moved to approve the CAA Financial Statements for the period ended October 31, 2006. After review and discussion, the motion was unanimously adopted.

iii. Financial Statements and Supplementary Information for the
Years Ended June 30, 2006 and 2005, as prepared by BDO Seidman, LLP

Mr. White introduced Ms. Duperron and Ms. McConomy who worked diligently to bring the CAA audits up-to-date. Ms. Duperron reviewed the Report to Board of Directors, Financial Statements and Supplementary Information, and Memorandum of Recommendations and stated that BDO has issued a “clean” opinion. In answer to a question from Chairman Heacock, Ms. Duperron stated there were no problems with segregation of duties, since CAA financial activities receive more than one review through Cheri McConomy, Bob White, and Board oversight.

Motion: Mr. Tomaselli, supported by Mr. Chamberlin, moved to accept and approve the Financial Statements and Supplementary Information for the Years Ended June 30, 2006 and 2005, as presented. The motion was unanimously adopted.

Mr. White presented a two-page report that provided a summary of the CAA’s financial condition. According to the forecast, the CAA should be able to maintain its “Net Assets (Unrestricted)” balance for the next several years.

iv. SMG Food & Beverage October 2006 Revenue and Commission Report

Mr. Machuta presented the report and referred to the per cap comparison. Although the Griffins are showing a decrease over the previous season, all other events have experienced an increase in the per cap spending.

IV. Kent County Sports Commission Funding Request

Mr. MacKeigan has received a request from the Kent County Board of Commissioners asking that the CAA contract with the newly formed Sports Commission to bring amateur sports to the arena and convention center. The agreement would require CAA to commit \$25,000 annually. The impact the Sports Commission will have could be significant; however, CAA venues would not be the principle benefactors. For this reason, funding of \$25,000 towards an overall budget of \$400,000 is reasonable. Mr. MacKeigan recommended approval of an agreement for \$25,000 in exchange for the entity's marketing of CAA facilities for this current fiscal year and that a tickler is placed in the budget moving forward. The contract and funding would be contingent upon the Sports Commission becoming viable. Should the CAA approve the request, Mr. MacKeigan will work with Attorney Wendt to structure a formal agreement.

Upon motion duly made by Mr. Heartwell and, supported by Mr. Tomaselli, the Board unanimously adopted the following resolution:

RESOLVED, that that CAA approves entering into an agreement whereby the proposed Sports Commission would be engaged to market the CAA's facilities for amateur sports in exchange for an annual fee of \$25,000.

FURTHER RESOLVED, that such approval is contingent upon the proven viability of the Sports Commission and the CAA Executive Director's acceptance of its final form.

FURTHER RESOLVED, that the Executive Director is directed to work with counsel to draft an agreement to effectuate the above resolutions.

V. City of Grand Rapids Facility Use Request

Mr. MacKeigan has received a request from Mayor Heartwell and the City of Grand Rapids to use the Van Andel Arena® for an event called Project Homeless. The event is scheduled for January 25, 2007 and would run from 10 a.m. to 3 p.m. Anywhere from 500-1,000 people will be attending. The event will provide services and resources for persons who are homeless in our community. There will be a meal served, as well as including a number of information exhibits for those who are dealing with homelessness. The Arena is available and Mr. MacKeigan does not foresee another possible user requesting the date. Under the SMG management agreement, the CAA, City, and County have the ability to use CAA facilities rent free up to \$25,000 per year, provided the use does not limit SMG from renting the space. Mayor Heartwell stated the event is being done to fulfill a HUD requirement that cities over 100,000 in population conduct a homeless enumeration count. The costs for food service will be covered by a grant from the Salvation Army. Chairman Heacock stated this item does not need Board approval since it is covered under the management agreement.

VI. SMG Report and Facilities Calendar

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

V. Public Comment

None.

VI. Next Meeting Date

The date for next CAA Board meeting is Wednesday, January 24, 2007, 8:00 a.m.

IX. Adjournment

There being no other business, the meeting adjourned at 9:10 a.m.

Susan M. Waddell, Recording Secretary

~~DEVOS PLACE~~

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED NOVEMBER 30, 2006**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Thom Connors

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

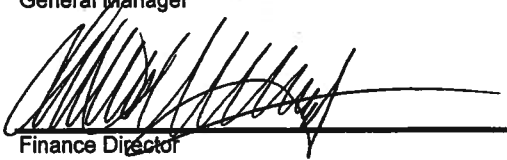
DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2007

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	255	345	600	624	(24)
ATTENDANCE	164,877	548,788	713,665	727,780	(14,115)
DIRECT EVENT REVENUE	746,075	1,537,242	2,283,317	2,323,417	(40,100)
ANCILLARY REVENUE	707,611	1,261,117	1,968,728	2,007,628	(38,900)
TOTAL EVENT REVENUE	1,453,686	2,798,359	4,252,045	4,331,045	(79,000)
TOTAL OTHER REVENUE	76,486	157,920	234,406	231,000	3,406
TOTAL OPERATING REVENUE	1,530,172	2,956,279	4,486,451	4,562,045	(75,594)
INDIRECT EXPENSES					
EXECUTIVE	52,847	101,852	154,699	140,906	(13,793)
FINANCE	91,577	119,082	210,659	205,722	(4,937)
MARKETING	27,992	46,758	74,750	78,379	3,629
OPERATIONS	505,710	818,881	1,324,591	1,343,743	19,152
EVENT SERVICES	339,944	609,975	949,919	961,288	11,369
BOX OFFICE	33,223	42,081	75,304	73,588	(1,716)
SALES	91,436	153,431	244,867	245,772	905
OVERHEAD	733,199	1,518,445	2,251,644	2,238,289	(13,355)
TOTAL OPERATING EXP.	1,875,929	3,410,505	5,286,433	5,287,687	1,254
NET REVENUE ABOVE EXPENSES	(345,757)	(454,226)	(799,982)	(725,642)	(74,340)
INCENTIVE FEE		133,447	133,447	153,702	(20,255)
NET OPERATING REVENUE OVER OPERATING EXPENSES	(345,757)	(587,673)	(933,429)	(879,344)	(54,085)

Comments:

November was a successful month for DeVos Place. Much of the overage came as a result of the "From Abraham to Jesus" event that was originally part of the October budget and a National Heritage Academies meetings that became a very profitable short term booking.

General Manager



Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED NOVEMBER 30, 2006**

The following schedule summarizes operating results for the current month ending November and the YTD ending June 30, 2007, compared to budget and to the prior year:

MONTH	November Actual	November Budget	November FY 2006
Number of Events	82	54	49
Attendance	54,810	47,200	45,945
Direct Event Income	\$248,743	\$145,927	\$155,809
Ancillary Income	153,029	118,420	175,510
Other Income	23,389	19,250	16,570
Indirect Expenses	(412,259)	(451,588)	(401,057)
Net Income	\$12,902	(\$167,991)	(\$53,168)

YTD	YTD 2006 Actual	YTD 2006 Budget	YTD 2006 Prior Year
Number of Events	255	260	235
Attendance	164,877	204,150	150,427
Direct Event Income	\$746,075	\$772,032	\$803,544
Ancillary Income	707,611	672,202	717,150
Other Income	76,486	96,250	47,398
Indirect Expenses	(1,875,929)	(2,034,880)	(1,737,117)
Net Income	(\$345,757)	(\$494,396)	(\$169,024)

EVENT INCOME

Event income came in higher than budget due to the shift from October to November on the museum event, addition of a large meeting as a result of a short term booking, and a very successful run of Annie in the Theater for BTG.

ANCILLARY INCOME

Ancillary income came in higher than anticipated for the month due to higher spending on food & beverage for the banquet events hosted during the month, and strong Audio/Visual spending on a couple of the meetings.

INDIRECT EXPENSES

Indirect expenses came in a little under budget due to some savings in anticipated overtime and lower than expected utilities.

DE VOS PLACE
FACILITY STATEMENT OF INCOME
PERIOD ENDING 11/30/06

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	253,260	142,400	160,338	808,577	765,975	799,985
SERVICES INCOME	<4,517>	3,527	<4,529>	<62,502>	6,057	3,559
TOTAL DIRECT EVENT INCOME	248,743	145,927	155,809	746,075	772,032	803,544
ANCILLARY INCOME						

FOOD & BEVERAGE	57,318	47,899	42,833	263,581	256,621	242,602
NOVELTY	2,969	1,000	1,971	5,080	4,400	3,102
ELECTRICAL	15,318	31,286	55,634	136,646	146,487	180,008
OTHER ANCILLARY	77,423	38,235	75,073	302,305	264,694	291,438
TOTAL ANCILLARY INCOME	153,029	118,420	175,510	707,611	672,202	717,150
TOTAL EVENT INCOME	401,772	264,347	331,319	1,453,686	1,444,234	1,520,695
OTHER OPERATING INCOME	23,389	19,250	16,570	76,486	96,250	47,398
ADJUSTED GROSS INCOME	425,161	283,597	347,889	1,530,172	1,540,484	1,568,093
INDIRECT EXPENSES						
EXECUTIVE	9,597	11,743	8,416	52,847	58,715	48,990
FINANCE	16,936	17,143	16,056	91,577	85,715	84,867
MARKETING	3,272	6,531	8,475	27,992	32,655	23,091
OPERATIONS	93,866	102,548	75,960	505,710	575,680	428,521
EVENT MANAGEMENT	65,725	79,859	60,344	339,944	399,295	315,594
BOX OFFICE	6,566	6,133	6,307	33,223	30,665	32,421
SALES	16,696	20,481	14,498	91,436	102,405	59,753
OVERHEAD	199,601	207,150	211,001	733,199	749,750	743,880
INDIRECT EXPENSES	412,259	451,588	401,057	1,875,929	2,034,880	1,737,117
NET OPERATING INCOME	12,902	<167,991>	<53,168>	<345,757>	<494,396>	<169,024>
OTHER EXPENSES						
NET INCOME (LOSS)	12,902	<167,991>	<53,168>	<345,757>	<494,396>	<169,024>

DE VOS PLACE
STATEMENT OF SERVICES INCOME
PERIOD ENDING 11/30/06

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	3,739	0	23,129	17,411	0	30,728
Changeover Setup Billed	1,259	0	1,273	2,677	0	4,559
Stagehands Billed	168,579	103,950	132,157	443,657	337,200	412,941
Security Billed	12,810	12,780	23,893	42,749	63,710	81,595
Ushers & Tix Takers Billed	14,288	14,350	14,994	40,022	50,900	42,737
Box Office Billed	1,600	1,800	1,500	4,600	5,500	4,800
Ticketing Service Billed	17,694	14,850	12,426	38,859	60,615	31,425
Utilities Billed	3,058	0	3,000	3,058	0	3,000
City Police Fire Billed	2,909	0	2,380	7,884	300	16,260
EMT Medical Billed	8,400	1,572	2,825	14,369	6,619	10,000
Cleaning Billed	477	0	1,000	2,919	0	2,824
Insurance Billed	500	0	354	2,931	0	1,937
Group Sales Commissions Billed	192	0	0	304	0	0
Telephone Billed	3,605	2,950	4,075	14,590	12,250	20,855
Other Production Billed	10,524	0	6,672	29,698	0	16,417
TOTAL SERVICE INCOME	249,633	152,252	229,679	665,726	537,094	680,080
Advertising Expense	3,254	0	23,508	17,334	0	31,237
Stagehand Wages	161,760	100,832	124,501	417,812	325,387	380,749
Contracted Security Expense	23,773	12,780	22,947	78,845	59,410	77,819
Ushers & T/T Wages	10,002	10,045	10,496	28,015	34,895	29,916
Ticket Sellers Wages	1,139	2,150	1,135	3,318	5,500	4,191
Ticket Service Charge Expense	7,699	5,940	5,792	16,398	23,560	12,486
City Police Fire Expense	320	0	3,034	5,082	300	16,914
EMT Medical Expense	7,389	1,522	2,399	12,491	5,169	8,820
Cleaning Wages	0	0	1,000	2,418	0	1,000
Contracted Cleaning Expense	27,567	15,456	33,615	112,843	76,816	94,479
Insurance Expense	420	0	293	2,538	0	1,586
Group Sales Commissions	0	0	0	207	0	0
Allocated Telephone Expense	901	0	1,019	3,648	0	5,214
Production Expense	9,926	0	4,467	27,278	0	12,110
TOTAL SERVICE EXPENSE	254,150	148,725	234,208	728,229	531,037	676,520
NET SERVICE INCOME	<4,517>	3,527	<4,529>	<62,502>	6,057	3,559

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For Month Ended November 30, 2006

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	72	57	58,200	40,800	783,029	566,226
Consumer/Gated Shows	26	34	19,295	32,900	107,833	210,842
Devos Performance Hall	47	47	54,880	88,900	243,287	238,387
Ballroom Exclusive	21	28	13,145	20,100	109,270	158,634
Other	89	94	19,357	21,450	210,235	270,145
GRAND TOTALS	255	260	164,877	204,150	1,453,654	1,444,234

As Percentage of Overall

Convention/Trade Shows	28.24%	21.92%	35.30%	19.99%	53.87%	39.21%
Consumer/Gated Shows	10.20%	13.08%	11.70%	16.12%	7.42%	14.60%
Devos Performance Hall	18.43%	18.08%	33.29%	43.55%	16.74%	16.51%
Ballroom Exclusive	8.24%	10.77%	7.97%	9.85%	7.52%	10.98%
Other	34.90%	36.15%	11.74%	10.51%	14.46%	18.71%

DE VOS PLACE
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 11/30/06

ASSETS

CURRENT ASSETS

CASH	1,051,705
ACCOUNTS RECEIVABLE	739,900
PREPAID EXPENSES	136,410

TOTAL CURRENT ASSETS	1,928,015

FIXED ASSETS

TOTAL ASSETS	1,928,015
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	408,906
ACCRUED EXPENSES	320,491
DEFERRED INCOME	77,939
ADVANCED TIX SALES & DEPOSITS	812,099

TOTAL CURRENT LIABILITIES	1,619,435

EQUITY

FUNDS REMITTED	<1,050,000>
FUNDING RECEIVED	488,433
RETAINED EARNINGS	1,215,904
NET INCOME (LOSS)	<345,757>

TOTAL EQUITY	308,580

TOTAL LIABILITIES & EQUITY	1,928,015
	=====

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ended November 30, 2006

Current - Under 30 Days	
Food & Beverage	57,318
Ticketing	323,052
Decorating	8,224
Audio/Visual	50,820
Operating	210,402
 Over 30 Days	 67,162
 Over 60 Days	 7,788
 Over 90 Days	
Donnell Productions	5,736
Paragon Leather	2,110
Saigon Entertainment	5,002
Grinder Promotions	2,286
 Total Accounts Receivable	 739,900

DE VOS PLACE
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 11/30/06

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	69,435	70,649	59,702	348,480	353,245	307,821
Part-Time	10,272	13,167	10,682	38,607	65,835	40,229
Wages-Trade	177,517	119,523	147,430	578,133	597,615	535,606
Sales Commissions Group Sales	10	0	0	77	0	0
Auto Allowance	2,121	0	1,971	10,604	0	9,854
Auto Expense	150	2,271	150	750	11,355	750
Taxes & Benefits	57,273	52,188	50,664	223,693	260,940	216,601
Less: Allocation/Reimbursement	<191,550>	<111,581>	<152,429>	<546,341>	<557,905>	<501,421>
TOTAL LABOR COSTS	125,229	146,217	118,169	654,004	731,085	609,439
Contracted Security	27,746	26,917	21,445	110,062	134,585	100,127
Contracted Cleaning	1,592	0	2,891	14,226	0	9,867
Other Contracted Services	184	200	224	1,077	1,000	1,118
Travel & Entertainment	516	1,209	484	4,389	6,045	5,873
Corporate Travel	0	417	0	0	2,085	0
Meetings & Conventions	150	1,958	4,470	9,745	11,290	10,326
Dues & Subscriptions	0	300	113	2,521	1,500	2,499
Employee Training	375	833	0	7,457	4,165	1,300
Miscellaneous Expense	<38>	0	0	52	0	0
Computer Expense	5,627	6,250	5,272	26,936	31,250	18,487
Professional Fees	2,250	3,042	2,200	14,368	15,210	11,000
Marketing & Advertising	510	4,217	5,856	16,140	21,085	12,032
Box Office Expenses	128	0	<3>	171	0	<61>
Small Equipment	0	0	0	0	0	389
Trash Removal	1,254	2,500	4,575	10,342	12,500	9,949
Equipment Rental	2,202	1,000	1,275	7,501	5,000	6,547
Landscaping	1,963	833	300	7,124	4,165	2,886
Exterminating	0	1,000	814	23,104	49,440	23,026
Cleaning	0	0	0	4,500	17,000	9,600
Construction Costs	150	0	0	150	0	0
Repairs & Maintenance	34,349	36,462	18,060	151,807	182,310	120,082
Supplies	14,957	18,250	11,975	109,215	91,250	69,051
Bank Service Charges	1,241	1,500	2,106	6,126	7,500	6,706
Insurance	22,683	22,232	21,391	90,734	111,160	94,681
Licenses & Fees	0	0	133	138	0	133
Printing & Stationary	685	917	0	1,332	4,585	0
Office Supplies	1,518	750	980	5,295	3,750	5,991
Postage	69	417	500	1,697	2,085	1,344
Parking Expense	3,929	1,500	1,695	10,307	7,500	8,427
Telephone Long Distance	8,782	6,000	7,137	38,126	30,000	25,769
Utilities	142,610	156,000	149,581	488,433	494,000	472,830
Base Fee	12,500	12,500	20,433	62,500	62,500	102,914
Less: Allocated/Reimbursement	<901>	<1,833>	<1,019>	<3,648>	<9,165>	<5,214>
TOTAL MATERIAL AND SERVICES	287,030	305,371	282,888	1,221,925	1,303,795	1,127,678
TOTAL INDIRECT EXPENSES	412,259	451,588	401,057	1,875,929	2,034,880	1,737,117

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2007**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2006 Actual
Net Revenue above Expenses	1,493,613	(799,982)	693,631	603,704
Benchmark			700,000	534,919
Excess	1,493,613	(799,982)	(6,369)	68,785

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2006 Actual
Base Fee	150,000	150,000	300,000	490,400
Incentive Fee				
Revenue	5,087,324	4,486,451	9,573,775	9,374,417
Benchmark Revenue	4,600,000	4,000,000	8,600,000	8,257,384
Revenue Excess	487,324	486,451	973,775	1,117,033
Incentive Fee **			-	229,259
Total SMG Management Fee			300,000	719,659

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



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE PERIOD ENDED NOVEMBER 30, 2006

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Thom Connors
Gary McAneney
Howard Feldman
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

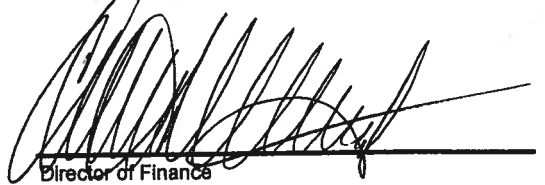
**VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2007**

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	44	77	121	121	-
ATTENDANCE	197,549	473,163	670,712	680,500	(9,788)
DIRECT EVENT INCOME	521,052	765,337	1,286,389	1,284,118	2,271
ANCILLARY INCOME	616,816	916,869	1,533,685	1,456,159	77,526
TOTAL EVENT INCOME	1,137,868	1,682,206	2,820,074	2,740,277	79,797
TOTAL OTHER INCOME	1,000,955	1,266,295	2,267,250	2,240,000	27,250
TOTAL INCOME	2,138,823	2,948,501	5,087,324	4,980,277	107,047
INDIRECT EXPENSES					
EXECUTIVE	59,577	86,748	146,325	118,845	(27,480)
FINANCE	76,076	123,561	199,637	197,258	(2,379)
MARKETING	126,409	186,825	313,234	315,994	2,760
OPERATIONS	601,291	751,755	1,353,046	1,337,761	(15,285)
BOX OFFICE	53,941	54,259	108,200	106,590	(1,610)
LUXURY SEATING	34,537	77,375	111,912	115,775	3,863
SKYWALK ADMIN	14,757	26,408	41,165	39,856	(1,309)
OVERHEAD	459,255	860,937	1,320,192	1,342,153	21,961
TOTAL INDIRECT EXP.	1,425,843	2,167,868	3,593,711	3,574,232	(19,479)
NET REVENUE ABOVE EXPENSES	712,980	780,633	1,493,613	1,406,045	87,568
LESS INCENTIVE FEE		133,686	133,686	103,994	(29,692)
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	712,980	646,947	1,359,927	1,302,051	57,876

Comments:

Last month the Arena celebrated its 10th anniversary, this month the Arena "kicked off" its second 10 years with the most profitable month in Arena history. Highlights included the return of Grand Rapids' own Anthony Kiedis and the Red Hot Chili Peppers, and two Bob Seger dates that began his first concert tour in over 11 years.

General Manager



Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED NOVEMBER 30, 2006**

The following schedule summarizes operating results for the current month ending November 30, 2006 and the YTD ending June 30, 2007 compared to budget and to the prior year:

MONTH	November Actual	November Budget	November FY 2006
Number of Events	13	13	17
Attendance	78,023	79,200	42,352
Direct Event Income	\$248,478	\$176,025	\$2,999
Ancillary Income	285,945	212,560	64,334
Other Income	259,436	186,667	162,338
Indirect Expenses	(297,838)	(297,242)	(295,545)
Net Income	\$496,022	\$278,010	(\$65,874)

YTD	YTD 2006 Actual	YTD 2006 Budget	YTD 2006 Prior Year
Number of Events	44	43	42
Attendance	197,549	239,700	164,037
Direct Event Income	\$521,052	\$464,262	\$184,459
Ancillary Income	616,816	581,096	411,405
Other Income	1,000,955	933,335	863,365
Indirect Expenses	(1,425,843)	(1,486,210)	(1,405,948)
Net Income	\$712,980	\$492,483	\$53,282

EVENT INCOME

Event income came in ahead of budget for the month due to two sold out Bob Seger concerts, sold out Red Hot Chili Peppers concert, and strong selling Michigan State Basketball and Martina McBride concert.

ANCILLARY INCOME

Ancillary income came in higher than budget for the month. The highlight here was the Bob Seger concerts in which concessions rank as the #1 and #4 highest grossing events in Arena history, and merchandise for both nights finished in the top 10 overall.

INDIRECT EXPENSES

Indirect expenses came in at expected levels for the month.

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 11/30/06

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	251,222	252,000	81,664	681,982	693,000	369,164
SERVICES INCOME	<2,743>	<75,975>	<78,665>	<160,930>	<228,738>	<184,705>
TOTAL DIRECT EVENT INCOME	248,478	176,025	2,999	521,052	464,262	184,459
ANCILLARY INCOME						

FOOD & BEVERAGE	237,101	174,740	57,099	522,070	477,676	344,480
NOVELTY	42,684	33,660	3,384	85,086	93,970	58,977
OTHER ANCILLARY	6,160	4,160	3,850	9,660	9,450	7,949
TOTAL ANCILLARY INCOME	285,945	212,560	64,334	616,816	581,096	411,405
TOTAL EVENT INCOME	534,423	388,585	67,333	1,137,868	1,045,358	595,864
OTHER OPERATING INCOME	259,436	186,667	162,338	1,000,955	933,335	863,365
ADJUSTED GROSS INCOME	793,859	575,252	229,672	2,138,823	1,978,693	1,459,229
INDIRECT EXPENSES						
EXECUTIVE	11,039	9,778	9,579	59,577	48,890	50,219
FINANCE	15,645	16,314	16,797	76,076	81,570	82,819
MARKETING	16,552	26,209	19,891	126,409	131,045	105,307
LUXURY SEATING	9,363	9,648	9,655	34,537	48,240	37,729
OPERATIONS	112,529	111,228	104,974	601,291	556,140	556,033
BOX OFFICE	9,852	8,897	9,120	53,941	44,485	43,774
SKYWALK ADMINISTRATION	3,153	3,322	2,228	14,757	16,610	13,399
OVERHEAD	119,704	111,846	123,300	459,255	559,230	516,668
INDIRECT EXPENSES	297,838	297,242	295,545	1,425,843	1,486,210	1,405,948
NET OPERATING INCOME	496,022	278,010	<65,874>	712,980	492,483	53,282
OTHER EXPENSES						
NET INCOME (LOSS)	496,022	278,010	<65,874>	712,980	492,483	53,282
=====	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 11/30/06

	CURRENT			YEAR TO DATE		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	38,574	0	47,029	105,862	11,000	111,655
Sponsorship Income	17,500	0	0	116,593	0	0
Labor Billed	4,535	2,160	2,625	9,235	4,860	8,003
Changeover Setup Billed	20,075	13,200	13,266	38,672	35,700	44,586
Stagehands Billed	71,481	65,600	44,470	169,096	184,800	169,776
Security Billed	35,533	24,000	12,425	66,733	59,500	60,348
Ushers & Tix Takers Billed	18,135	16,400	10,530	39,876	41,950	39,717
Box Office Billed	1,548	1,600	903	3,059	3,600	4,107
Ticketing Service Billed	9,024	32,000	6,903	28,034	86,400	26,624
Utilities Billed	0	0	875	0	0	4,075
City Police Fire Billed	1,855	1,344	1,050	3,255	3,024	3,850
EMT Medical Billed	2,962	2,400	1,140	5,937	6,650	5,802
Production Materials Billed	0	0	0	0	0	3,778
Cleaning Billed	18,212	14,400	11,139	47,058	40,900	34,445
Insurance Billed	0	0	0	0	0	1,123
Group Sales Commissions Billed	720	0	680	3,219	0	3,719
Telephone Billed	4,280	4,200	1,375	11,985	12,500	9,040
Other Production Billed	75,604	29,200	18,837	140,541	80,700	131,722
TOTAL SERVICE INCOME	320,037	206,504	173,246	789,153	571,584	662,367
Advertising Expense	42,548	10,000	47,170	126,897	21,000	117,553
Sponsorship Expenses	1,653	0	0	1,653	0	0
Labor Wages	3,855	1,836	2,231	7,850	5,049	6,802
Contracted Changeover Setup Expense	18,827	30,300	37,298	60,949	83,945	82,431
Stagehand Wages	67,715	67,515	53,702	182,241	207,469	176,695
Contracted Security Expense	48,854	32,900	23,821	113,728	96,040	103,155
Contracted Ushers & T/T Expense	26,235	34,500	28,568	78,442	94,900	84,618
Ticket Sellers Wages	1,316	0	768	2,784	0	3,491
Ticket Service Charge Expense	14,761	33,250	2,323	32,905	87,750	21,304
City Police Fire Expense	620	1,344	3,529	2,503	4,274	6,329
EMT Medical Expense	7,355	4,437	2,601	10,250	12,292	8,954
Contracted Cleaning Expense	18,934	36,141	26,181	68,711	106,022	80,487
Allocated Cleaning Expense	0	0	233	0	0	233
Group Sales Commissions	0	0	517	2,235	0	1,601
Allocated Telephone Expense	1,284	1,056	413	3,596	3,881	2,382
Production Expense	68,823	29,200	22,555	255,341	77,700	151,036
TOTAL SERVICE EXPENSE	322,780	282,479	251,910	950,083	800,322	847,072
NET SERVICE INCOME	<2,743>	<75,975>	<78,665>	<160,930>	<228,738>	<184,705>

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending November 30, 2006

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	9	10	32,130	31,000	149,773	108,635
Sporting Event	3	3	22,926	20,500	166,311	117,712
Concert	7	9	70,415	70,200	587,012	570,949
Team Home Games	14	14	48,705	70,000	128,193	139,370
Other	11	7	23,373	48,000	106,570	108,692
GRAND TOTALS	44	43	197,549	239,700	1,137,859	1,045,358

As Percentage of Overall

Family Show	20.45%	23.26%	16.26%	12.93%	13.16%	10.39%
Sporting Event	6.82%	6.98%	11.61%	8.55%	14.62%	11.26%
Concert	15.91%	20.93%	35.64%	29.29%	51.59%	54.62%
Team Home Games	31.82%	32.56%	24.65%	29.20%	11.27%	13.33%
Other	25.00%	16.28%	11.83%	20.03%	9.37%	10.40%

VAN ANDEL ARENA
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 11/30/06

ASSETS

CURRENT ASSETS

CASH	6,558,035
ACCOUNTS RECEIVABLE	1,741,083
PREPAID EXPENSES	101,036

TOTAL CURRENT ASSETS	8,400,153
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FIXED ASSETS

TOTAL ASSETS	8,400,153
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	2,107,178
ACCRUED EXPENSES	223,746
DEFERRED INCOME	1,942,329
ADVANCED TIX SALES & DEPOSITS	2,783,425

TOTAL CURRENT LIABILITIES	7,056,678
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EQUITY

FUNDS REMITTED	<700,000>
FUNDING RECEIVED	269,171
RETAINED EARNINGS	1,061,324
NET INCOME (LOSS)	712,980

TOTAL EQUITY	1,343,476
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TOTAL LIABILITIES & EQUITY	8,400,153
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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending November 30, 2006

Current - Under 30 Days	
Food & Beverage	425,050
Ticketing	737,371
Merchandise	164
Permanent Advertising	-
Operating	345,137
 Over 30 Days	 110,220
 Over 60 Days	 93,489
 Over 90 Days	
Time Out for Women	29,652
 Total Accounts Receivable	 1,741,083

VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 11/30/06

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	57,204	59,541	52,866	287,585	297,705	291,708
Part-Time	7,094	5,833	5,854	24,748	29,165	25,430
Wages-Trade	95,565	69,232	77,324	337,876	346,160	330,774
Sales Commissions Group Sales	1,631	0	325	5,946	0	1,867
Auto Allowance	594	985	577	2,969	4,925	2,885
Auto Expense	300	0	300	1,500	0	1,500
Taxes & Benefits	37,653	38,187	37,961	166,472	190,935	181,342
Less: Allocation/Reimbursement	<88,775>	<59,837>	<73,079>	<275,738>	<299,185>	<259,166>
TOTAL LABOR COSTS	111,264	113,941	102,129	551,359	569,705	576,339
Contracted Security	23,669	19,760	21,498	103,573	98,800	100,277
Contracted Cleaning	2,098	3,250	73	12,310	16,250	15,287
Other Contracted Services	341	300	<4,277>	13,942	1,500	2,842
Travel & Entertainment	1,096	858	1,083	6,959	4,290	4,539
Corporate Travel	0	625	0	0	3,125	509
Meetings & Conventions	0	350	435	1,558	1,750	2,557
Dues & Subscriptions	192	208	788	1,867	1,040	2,648
Employee Training	0	750	0	1,808	3,750	337
Computer Expense	5,685	5,417	5,102	25,451	27,085	30,612
Professional Fees	2,972	2,583	3,750	13,032	12,915	12,181
Marketing & Advertising	4,002	15,000	6,811	61,794	75,000	23,971
Box Office Expenses	89	0	<47>	<1,322>	0	<910>
Small Equipment	0	0	348	0	0	348
Trash Removal	2,679	1,500	1,985	7,954	7,500	6,723
Equipment Rental	1,565	500	1,085	6,663	2,500	6,851
Landscaping	499	483	0	2,622	2,415	1,284
Exterminating	248	300	206	1,193	1,500	1,757
Cleaning	0	150	0	2,650	750	2,650
Rental Office Equipment	0	750	0	0	3,750	0
Repairs & Maintenance	9,244	9,333	20,640	76,048	46,665	72,373
Supplies	15,367	15,758	13,183	101,711	78,790	80,380
Bank Service Charges	795	750	575	2,120	3,750	2,874
Insurance	20,719	15,179	17,742	63,501	75,895	62,563
Other Taxes	0	0	<203>	0	0	<203>
Printing & Stationary	685	917	0	2,456	4,585	0
Office Supplies	39	1,000	484	5,601	5,000	6,403
Postage	1,623	1,000	1,131	5,387	5,000	3,679
Parking Expense	2,538	2,000	2,076	12,475	10,000	10,944
Telephone Long Distance	9,059	7,000	4,586	28,142	35,000	33,811
Utilities	72,951	68,400	76,319	269,171	342,000	255,169
Base Fee	12,500	12,500	20,433	62,500	62,500	101,419
Common Area Expense	<2,796>	<2,945>	<1,976>	<13,086>	<14,725>	<11,882>
Less: Allocated/Reimbursement	<1,284>	<375>	<413>	<3,596>	<1,875>	<2,382>
TOTAL MATERIAL AND SERVICES	186,573	183,301	193,417	874,484	916,505	829,608
TOTAL INDIRECT EXPENSES	297,838	297,242	295,545	1,425,843	1,486,210	1,405,948

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2007**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2006 Actual
Net Revenue above Expenses	1,493,613	(799,982)	693,631	603,704
Benchmark			700,000	534,919
Excess	1,493,613	(799,982)	(6,369)	68,785

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2006 Actual
Base Fee	150,000	150,000	300,000	490,400
Incentive Fee				
Revenue	5,087,324	4,486,451	9,573,775	9,374,417
Benchmark Revenue	4,600,000	4,000,000	8,600,000	8,257,384
Revenue Excess	487,324	486,451	973,775	1,117,033
Incentive Fee **			-	229,259
Total SMG Management Fee			300,000	719,659

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

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2006

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Thom Connors
Gary McAneney
Howard Feldman
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

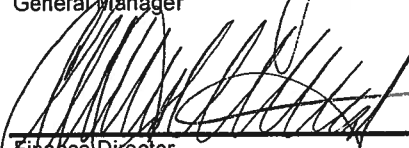
DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2007

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	304	313	617	624	(7)
ATTENDANCE	219,997	464,180	684,177	727,780	(43,603)
DIRECT EVENT REVENUE	979,909	1,405,025	2,384,934	2,323,417	61,517
ANCILLARY REVENUE	906,765	1,063,305	1,970,070	2,007,628	(37,558)
TOTAL EVENT REVENUE	1,886,674	2,468,330	4,355,004	4,331,045	23,959
TOTAL OTHER REVENUE	112,205	134,754	246,959	231,000	15,959
TOTAL OPERATING REVENUE	1,998,879	2,603,084	4,601,963	4,562,045	39,918
INDIRECT EXPENSES					
EXECUTIVE	64,236	101,463	165,699	140,906	(24,793)
FINANCE	108,007	99,652	207,659	205,722	(1,937)
MARKETING	30,853	44,897	75,750	78,379	2,629
OPERATIONS	649,164	702,427	1,351,591	1,343,743	(7,848)
EVENT SERVICES	401,561	528,358	929,919	961,288	31,369
BOX OFFICE	39,911	41,393	81,304	73,588	(7,716)
SALES	109,845	140,022	249,867	245,772	(4,095)
OVERHEAD	951,602	1,287,042	2,238,644	2,238,289	(355)
TOTAL OPERATING EXP.	2,355,180	2,945,254	5,300,433	5,287,687	(12,746)
NET REVENUE ABOVE EXPENSES	(356,302)	(342,170)	(698,470)	(725,642)	27,172
INCENTIVE FEE		166,570	166,570	153,702	12,868
NET OPERATING REVENUE OVER OPERATING EXPENSES	(356,302)	(508,740)	(865,040)	(879,344)	14,304

Comments:

DeVos Place has reached the midpoint of the fiscal year running consistent with budget on revenue, and showing savings in indirect expenses resulting in an overall positive variance. It is expected that during the second half, expenses will true back up to budget, with revenue's continuing to remain consistent as well, and the facility ending the fiscal year with a small positive variance.


General Manager


Finance Director

DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED DECEMBER 31, 2006

The following schedule summarizes operating results for the current month ending December 31, 2006 and the YTD ending June 30, 2007, compared to budget and to the prior year:

MONTH	December Actual	December Budget	December FY 2006
Number of Events	49	57	54
Attendance	55,120	59,450	60,953
Direct Event Income	\$233,835	\$207,310	\$135,033
Ancillary Income	199,154	200,921	195,495
Other Income	35,719	19,250	29,728
Indirect Expenses	(479,251)	(531,588)	(502,765)
Net Income	(\$10,544)	(\$104,107)	(\$142,509)

YTD	YTD 2006 Actual	YTD 2006 Budget	YTD 2006 Prior Year
Number of Events	304	317	289
Attendance	219,997	263,600	211,380
Direct Event Income	\$979,909	\$979,342	\$938,577
Ancillary Income	906,765	873,123	912,645
Other Income	112,205	115,500	77,127
Indirect Expenses	(2,355,180)	(2,566,468)	(2,239,882)
Net Income	(\$356,302)	(\$598,503)	(\$311,533)

EVENT INCOME

Event income came in ahead of budget for the month based on the strength of the Fruit & Veggie convention and stronger than expected run of Nutcracker by the Grand Rapids Ballet Company.

ANCILLARY INCOME

Ancillary income came in at expected levels for the month. Fell a little short on food & beverage, however, was offset by higher than anticipated spending in both electric and audio/visual.

INDIRECT EXPENSES

Indirect expenses came in below budget for the month. The savings attributed to lower than expected spending on steam (heat) due to the warmer than normal December weather.

DE VOS PLACE
FACILITY STATEMENT OF INCOME
PERIOD ENDING 12/31/06

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	239,023	211,300	253,875	1,047,600	977,275	1,053,860
SERVICES INCOME	<5,188>	<3,990>	<118,841>	<67,690>	2,067	<115,282>
TOTAL DIRECT EVENT INCOME	233,835	207,310	135,033	979,909	979,342	938,577
ANCILLARY INCOME						

FOOD & BEVERAGE	92,137	109,859	91,733	355,718	366,480	334,335
NOVELTY	0	1,400	442	5,080	5,800	3,544
ELECTRICAL	45,675	36,487	35,697	182,321	182,974	215,704
OTHER ANCILLARY	61,342	53,175	67,623	363,647	317,869	359,061
TOTAL ANCILLARY INCOME	199,154	200,921	195,495	906,765	873,123	912,645
TOTAL EVENT INCOME	432,988	408,231	330,528	1,886,674	1,852,465	1,851,222
OTHER OPERATING INCOME	35,719	19,250	29,728	112,205	115,500	77,127
ADJUSTED GROSS INCOME	468,707	427,481	360,256	1,998,879	1,967,965	1,928,349
INDIRECT EXPENSES						
EXECUTIVE	11,389	11,743	7,783	64,236	70,458	56,772
FINANCE	16,430	17,143	16,010	108,007	102,858	100,877
MARKETING	2,861	6,531	13,477	30,853	39,186	36,567
OPERATIONS	143,454	114,548	92,461	649,164	690,228	520,982
EVENT MANAGEMENT	61,617	79,859	65,640	401,561	479,154	381,234
BOX OFFICE	6,688	6,133	6,534	39,911	36,798	38,955
SALES	18,409	20,481	11,939	109,845	122,886	71,692
OVERHEAD	218,403	275,150	288,922	951,602	1,024,900	1,032,802
INDIRECT EXPENSES	479,251	531,588	502,765	2,355,180	2,566,468	2,239,882
NET OPERATING INCOME	<10,544>	<104,107>	<142,509>	<356,302>	<598,503>	<311,533>
OTHER EXPENSES						
NET INCOME (LOSS)	<10,544>	<104,107>	<142,509>	<356,302>	<598,503>	<311,533>
=====	=====	=====	=====	=====	=====	=====

DE VOS PLACE
STATEMENT OF SERVICES INCOME
PERIOD ENDING 12/31/06

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	0	0	0	17,411	0	30,728
Changeover Setup Billed	941	0	1,868	3,618	0	6,427
Stagehands Billed	158,526	137,700	164,841	602,183	474,900	577,782
Security Billed	19,772	12,990	14,631	62,520	76,700	96,226
Ushers & Tix Takers Billed	21,345	10,775	17,684	61,367	61,675	60,422
Box Office Billed	2,400	1,900	2,000	7,000	7,400	6,800
Ticketing Service Billed	24,923	19,500	17,254	63,782	80,115	48,680
Utilities Billed	0	0	0	3,058	0	3,000
City Police Fire Billed	17,993	250	3,185	25,876	550	19,445
EMT Medical Billed	8,888	1,072	2,200	23,256	7,691	12,200
Cleaning Billed	5,650	0	375	8,569	0	3,199
Insurance Billed	1,428	0	0	4,359	0	1,937
Group Sales Commissions Billed	199	0	86	503	0	86
Telephone Billed	3,515	2,500	2,890	18,105	14,750	23,745
Damages Billed	3,500	0	0	3,500	0	0
Other Production Billed	16,553	0	15,785	46,251	0	32,202
TOTAL SERVICE INCOME	285,630	186,687	242,799	951,356	723,781	922,879
Advertising Expense	0	0	0	17,334	0	31,237
Stagehand Wages	149,235	133,569	161,195	567,047	458,956	541,944
Contracted Security Expense	28,202	13,390	20,649	107,048	72,800	98,468
Ushers & T/T Wages	14,941	7,543	13,904	42,957	42,438	43,820
Ticket Sellers Wages	2,147	1,050	1,730	5,465	6,550	5,920
Ticket Service Charge Expense	9,338	7,225	6,775	25,737	30,785	19,261
City Police Fire Expense	16,196	0	9,280	21,279	300	26,194
EMT Medical Expense	8,579	1,072	5,431	21,070	6,241	14,251
Cleaning Wages	0	0	0	2,418	0	1,000
Contracted Cleaning Expense	38,642	26,828	45,180	151,485	103,644	139,659
Insurance Expense	1,232	0	301	3,770	0	1,887
Group Sales Commissions	0	0	34	207	0	34
Allocated Telephone Expense	879	0	723	4,526	0	5,936
Damage Expense	9,500	0	0	9,500	0	0
Production Expense	11,927	0	96,440	39,204	0	108,550
TOTAL SERVICE EXPENSE	290,818	190,677	361,640	1,019,047	721,714	1,038,161
NET SERVICE INCOME	<5,188>	<3,990>	<118,841>	<67,690>	2,067	<115,282>
	=====	=====	=====	=====	=====	=====

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For Month Ended December 31, 2006

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	81	64	7,170	48,500	915,223	671,537
Consumer/Gated Shows	29	37	23,109	41,900	173,363	261,442
Devos Performance Hall	68	67	82,677	117,300	332,182	317,754
Ballroom Exclusive	31	42	21,503	31,850	246,735	298,188
Other	95	107	85,538	24,050	219,133	303,544
GRAND TOTALS	304	317	219,997	263,600	1,886,636	1,852,465

As Percentage of Overall

Convention/Trade Shows	26.64%	20.19%	3.26%	18.40%	48.51%	36.25%
Consumer/Gated Shows	9.54%	11.67%	10.50%	15.90%	9.19%	14.11%
Devos Performance Hall	22.37%	21.14%	37.58%	44.50%	17.61%	17.15%
Ballroom Exclusive	10.20%	13.25%	9.77%	12.08%	13.08%	16.10%
Other	31.25%	33.75%	38.88%	9.12%	11.62%	16.39%

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DE VOS PLACE
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 12/31/06

ASSETS

CURRENT ASSETS

CASH	1,141,274
ACCOUNTS RECEIVABLE	779,417
PREPAID EXPENSES	118,315

TOTAL CURRENT ASSETS	2,039,007

FIXED ASSETS

TOTAL ASSETS	2,039,007
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	552,964
ACCRUED EXPENSES	261,363
DEFERRED INCOME	104,705
ADVANCED TAX SALES & DEPOSITS	658,583

TOTAL CURRENT LIABILITIES	1,577,615

EQUITY

FUNDS REMITTED	<1,050,000>
FUNDING RECEIVED	651,789
RETAINED EARNINGS	1,215,904
NET INCOME (LOSS)	<356,302>

TOTAL EQUITY	461,392

TOTAL LIABILITIES & EQUITY	2,039,007
	=====

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ended December 31, 2006

Current - Under 30 Days	
Food & Beverage	79,124
Ticketing	226,368
Decorating	13,870
Audio/Visual	22,194
Operating	339,866
 Over 30 Days	 45,874
 Over 60 Days	 36,987
 Over 90 Days	
Donnell Productions	5,736
Paragon Leather	2,110
Saigon Entertainment	5,002
Grinder Promotions	2,286
 Total Accounts Receivable	 779,417

DE VOS PLACE
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 12/31/06

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	68,583	70,649	57,443	417,063	423,894	365,264
Part-Time	19,867	13,167	18,207	58,473	79,002	58,435
Wages-Trade	172,669	119,523	177,787	750,802	717,138	713,393
Sales Commissions Group Sales	96	0	408	173	0	408
Auto Allowance	2,121	0	1,971	12,725	0	11,825
Auto Expense	150	2,271	150	900	13,626	900
Taxes & Benefits	60,260	52,188	62,089	283,954	313,128	278,690
Less: Allocation/Reimbursement	<186,225>	<111,581>	<194,671>	<732,565>	<669,486>	<696,093>
TOTAL LABOR COSTS	137,521	146,217	123,384	791,525	877,302	732,823
Contracted Security	22,194	26,917	25,833	132,256	161,502	125,959
Contracted Cleaning	2,944	0	1,760	17,170	0	11,627
Other Contracted Services	186	200	224	1,263	1,200	1,342
Travel & Entertainment	911	1,209	515	5,300	7,254	6,388
Corporate Travel	0	417	0	0	2,502	0
Meetings & Conventions	1,838	1,958	925	11,583	13,248	11,251
Dues & Subscriptions	215	300	0	2,736	1,800	2,499
Employee Training	0	833	0	7,457	4,998	1,300
Miscellaneous Expense	<52>	0	0	0	0	0
Computer Expense	3,615	6,250	3,605	30,551	37,500	22,092
Professional Fees	2,250	3,042	2,654	16,618	18,252	13,654
Marketing & Advertising	0	4,217	10,379	16,140	25,302	22,411
Box Office Expenses	65	0	33	236	0	<29>
Small Equipment	0	0	0	0	0	389
Trash Removal	3,295	2,500	890	13,636	15,000	10,839
Equipment Rental	936	1,000	1,894	8,437	6,000	8,442
Landscaping	1,213	833	785	8,337	4,998	3,671
Exterminating	1,204	1,000	1,628	24,308	50,440	24,654
Cleaning	0	12,000	0	4,500	29,000	9,600
Construction Costs	0	0	0	150	0	0
Repairs & Maintenance	64,125	36,462	29,432	215,932	218,772	149,513
Supplies	23,304	18,250	16,228	132,519	109,500	85,279
Bank Service Charges	1,206	1,500	1,285	7,332	9,000	7,991
Insurance	24,227	22,232	25,793	114,961	133,392	120,474
Licenses & Fees	1,000	0	0	1,138	0	133
Printing & Stationary	0	917	80	1,332	5,502	80
Office Supplies	2,195	750	935	7,489	4,500	6,926
Postage	500	417	500	2,197	2,502	1,844
Parking Expense	1,965	1,500	1,663	12,272	9,000	10,089
Telephone Long Distance	7,416	6,000	7,084	45,542	36,000	32,853
Utilities	163,356	224,000	225,548	651,789	718,000	698,378
Base Fee	12,500	12,500	20,433	75,000	75,000	123,348
Less: Allocated/Reimbursement	<879>	<1,833>	<723>	<4,526>	<10,998>	<5,936>
TOTAL MATERIAL AND SERVICES	341,730	385,371	379,381	1,563,655	1,689,166	1,507,059
TOTAL INDIRECT EXPENSES	479,251	531,588	502,765	2,355,180	2,566,468	2,239,882

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SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2007

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2006 Actual
Net Revenue above Expenses	1,531,770	(698,470)	833,300	603,704
Benchmark			700,000	534,919
Excess	1,531,770	(698,470)	133,300	68,785

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2006 Actual
Base Fee	150,000	150,000	300,000	490,400
Incentive Fee				
Revenue	5,071,518	4,601,963	9,673,481	9,374,417
Benchmark Revenue	4,600,000	4,000,000	8,600,000	8,257,384
Revenue Excess	471,518	601,963	1,073,481	1,117,033
Incentive Fee **			297,044	229,259
Total SMG Management Fee			597,044	719,659

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

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VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2006

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Thom Connors
Gary McAneney
Howard Feldman
Richard MacKeigan
Chris Machuta



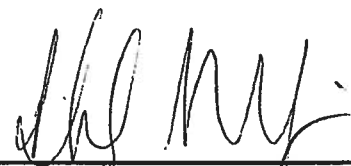
An SMG Managed Facility

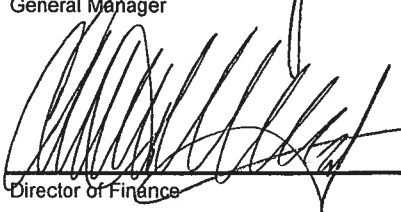
VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2007

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	57	60	117	121	(4)
ATTENDANCE	280,199	335,200	615,399	680,500	(65,101)
DIRECT EVENT INCOME	730,400	535,358	1,265,758	1,284,118	(18,360)
ANCILLARY INCOME	796,106	700,391	1,496,497	1,456,159	40,338
TOTAL EVENT INCOME	1,526,506	1,235,749	2,762,255	2,740,277	21,978
TOTAL OTHER INCOME	1,224,263	1,085,000	2,309,263	2,240,000	69,263
TOTAL INCOME	2,750,769	2,320,749	5,071,518	4,980,277	91,241
INDIRECT EXPENSES					
EXECUTIVE	71,264	77,014	148,278	118,845	(29,433)
FINANCE	92,650	104,258	196,908	197,258	350
MARKETING	149,594	106,895	256,489	315,994	59,505
OPERATIONS	724,508	655,251	1,379,759	1,337,761	(41,998)
BOX OFFICE	63,524	49,321	112,845	106,590	(6,255)
LUXURY SEATING	43,581	54,210	97,791	115,775	17,984
SKYWALK ADMIN	18,733	23,457	42,190	39,856	(2,334)
OVERHEAD	596,501	708,987	1,305,488	1,342,153	36,665
TOTAL INDIRECT EXP.	1,760,355	1,779,393	3,539,748	3,574,232	34,484
NET REVENUE ABOVE EXPENSES	990,414	541,356	1,531,770	1,406,045	125,725
LESS INCENTIVE FEE		130,474	130,474	103,994	(26,480)
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	990,414	410,882	1,401,296	1,302,051	99,245

Comments:

December concludes a very successful first half of the fiscal year for the Arena. Highlighted by multiple sold out concerts and strong concessions and merchandise per caps. While the second half of the fiscal year does not appear as though it will meet budget with lower than expected concerts, the excess from the first half will help the Arena finish the year in excess of \$125,000 ahead of budget.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED DECEMBER 31, 2006**

The following schedule summarizes operating results for the current month ending November 30, 2006 and the YTD ending June 30, 2007 compared to budget and to the prior year:

MONTH	December Actual	December Budget	December FY 2006
Number of Events	13	12	13
Attendance	82,650	76,800	82,429
Direct Event Income	\$209,348	\$144,199	\$246,138
Ancillary Income	179,290	132,664	173,556
Other Income	223,308	186,667	202,056
Indirect Expenses	(334,511)	(297,242)	(331,852)
Net Income	\$277,435	\$166,288	\$289,898

YTD	YTD 2007 Actual	YTD 2007 Budget	YTD 2006 Prior Year
Number of Events	57	55	55
Attendance	280,199	316,500	246,466
Direct Event Income	\$730,400	\$608,461	\$430,597
Ancillary Income	796,106	713,760	584,961
Other Income	1,224,263	1,120,002	1,065,421
Indirect Expenses	(1,760,354)	(1,783,452)	(1,737,800)
Net Income	\$990,415	\$658,771	\$343,179

EVENT INCOME

Event income came in ahead of budget for the month. Most of the overage coming from the very strong selling Tran Siberian Orchestra and Cheetah Girls concerts.

ANCILLARY INCOME

Ancillary income came in well ahead of budget due to very strong concessions per caps for The Who concert, and merchandise sales for the Cheetah Girls (in the top ten for all-time highest grossing).

INDIRECT EXPENSES

Indirect expenses came in a little higher than budget overall.

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 12/31/06

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	232,604	199,500	330,765	915,586	892,500	699,929
SERVICES INCOME	<23,256>	<55,301>	<84,627>	<184,186>	<284,039>	<269,332>
TOTAL DIRECT EVENT INCOME	209,348	144,199	246,138	731,400	608,461	430,597
ANCILLARY INCOME						

FOOD & BEVERAGE	141,565	112,734	145,364	663,635	590,410	489,843
NOVELTY	28,923	13,770	22,032	114,009	107,740	81,009
OTHER ANCILLARY	8,802	6,160	6,160	18,462	15,610	14,109
TOTAL ANCILLARY INCOME	179,290	132,664	173,556	796,106	713,760	584,961
TOTAL EVENT INCOME	388,638	276,863	419,693	1,527,506	1,322,221	1,015,558
OTHER OPERATING INCOME	223,308	186,667	202,056	1,224,263	1,120,002	1,065,421
ADJUSTED GROSS INCOME	611,946	463,530	621,749	2,751,769	2,442,223	2,080,979
INDIRECT EXPENSES						
EXECUTIVE	11,687	9,778	9,431	71,264	58,668	59,649
FINANCE	16,574	16,314	13,379	92,650	97,884	96,199
MARKETING	23,185	26,209	29,124	149,594	157,254	134,431
LUXURY SEATING	9,043	9,648	14,423	43,581	57,888	52,152
OPERATIONS	123,217	111,228	93,659	724,508	667,368	649,692
BOX OFFICE	9,583	8,897	8,108	63,524	53,382	51,882
SKYWALK ADMINISTRATION	3,975	3,322	5,158	18,733	19,932	18,557
OVERHEAD	137,246	111,846	158,570	596,501	671,076	675,238
INDIRECT EXPENSES	334,511	297,242	331,852	1,760,354	1,783,452	1,737,800
NET OPERATING INCOME	277,435	166,288	289,898	991,415	658,771	343,179
OTHER EXPENSES						
NET INCOME (LOSS)	277,435	166,288	289,898	991,415	658,771	343,179
=====	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 12/31/06

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	34,895	0	8,524	140,757	11,000	120,179
Sponsorship Income	0	0	0	116,593	0	0
Labor Billed	2,775	1,680	2,425	12,010	6,540	10,428
Changeover Setup Billed	17,565	12,300	14,761	56,237	48,000	59,347
Stagehands Billed	64,978	50,600	59,210	234,074	235,400	228,986
Security Billed	25,516	17,150	23,202	92,249	76,650	83,550
Ushers & Tix Takers Billed	20,774	15,550	14,678	60,650	57,500	54,395
Box Office Billed	1,484	916	903	4,543	4,516	5,010
Ticketing Service Billed	8,735	12,300	9,547	36,770	98,700	36,171
Utilities Billed	1,700	0	0	1,700	0	4,075
City Police Fire Billed	1,750	1,008	1,820	5,005	4,032	5,670
EMT Medical Billed	2,127	1,950	2,201	8,064	8,600	8,003
Production Materials Billed	0	0	0	0	0	3,778
Cleaning Billed	18,209	12,350	12,194	65,267	53,250	46,639
Insurance Billed	0	0	0	0	0	1,123
Group Sales Commissions Billed	0	0	0	3,219	0	3,719
Telephone Billed	1,680	1,800	4,300	13,665	14,300	13,340
Other Production Billed	14,646	10,300	23,681	155,187	91,000	155,403
TOTAL SERVICE INCOME	216,834	137,904	177,446	1,005,987	709,488	839,813
Advertising Expense	36,586	0	13,658	163,483	21,000	131,211
Sponsorship Expenses	0	0	0	1,653	0	0
Labor Wages	2,359	1,428	2,061	10,209	6,477	8,863
Contracted Changeover Setup Expense	19,648	25,981	36,481	80,598	109,926	118,912
Stagehand Wages	61,311	50,362	55,772	243,551	257,831	232,467
Contracted Security Expense	33,755	24,920	37,100	147,483	120,960	140,254
Contracted Ushers & T/T Expense	32,405	31,320	39,062	110,847	126,220	123,680
Ticket Sellers Wages	1,261	0	768	4,045	0	4,258
Ticket Service Charge Expense	8,393	12,300	8,757	41,298	100,050	30,061
City Police Fire Expense	1,091	1,008	1,820	3,593	5,282	8,149
EMT Medical Expense	3,780	3,295	3,952	14,030	15,587	12,906
Contracted Cleaning Expense	24,429	32,027	36,256	93,140	138,049	116,743
Allocated Cleaning Expense	0	0	<233>	0	0	0
Group Sales Commissions	1,258	0	408	3,493	0	2,009
Allocated Telephone Expense	384	264	1,290	3,980	4,145	3,672
Production Expense	13,430	10,300	24,922	268,771	88,000	175,959
TOTAL SERVICE EXPENSE	240,090	193,205	262,073	1,190,173	993,527	1,109,145
NET SERVICE INCOME	<23,256>	<55,301>	<84,627>	<184,186>	<284,039>	<269,332>
	=====	=====	=====	=====	=====	=====

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending December 31, 2006

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	9	10	32,130	31,000	150,773	108,635
Sporting Event	3	3	22,926	20,500	166,311	117,712
Concert	11	12	108,798	98,000	863,711	758,598
Team Home Games	22	22	86,659	110,000	226,535	219,010
Other	12	8	29,686	57,000	120,164	118,266
GRAND TOTALS	57	55	280,199	316,500	1,527,494	1,322,221

As Percentage of Overall

Family Show	15.79%	18.18%	11.47%	9.79%	9.87%	8.22%
Sporting Event	5.26%	5.45%	8.18%	6.48%	10.89%	8.90%
Concert	19.30%	21.82%	38.83%	30.96%	56.54%	57.37%
Team Home Games	38.60%	40.00%	30.93%	34.76%	14.83%	16.56%
Other	21.05%	14.55%	10.59%	18.01%	7.87%	8.94%

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VAN ANDEL ARENA
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 12/31/06

ASSETS

CURRENT ASSETS

CASH	3,348,415
ACCOUNTS RECEIVABLE	985,992
PREPAID EXPENSES	86,179

TOTAL CURRENT ASSETS	4,420,586

FIXED ASSETS

TOTAL ASSETS	4,420,586
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	<392,851>
ACCRUED EXPENSES	225,631
DEFERRED INCOME	1,750,256
ADVANCED TIX SALES & DEPOSITS	1,932,702

TOTAL CURRENT LIABILITIES	3,515,738

EQUITY

FUNDS REMITTED	<1,500,000>
FUNDING RECEIVED	352,108
RETAINED EARNINGS	1,061,324
NET INCOME (LOSS)	991,415

TOTAL EQUITY	904,848

TOTAL LIABILITIES & EQUITY	4,420,586
	=====

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending December 31, 2006

Current - Under 30 Days	
Food & Beverage	189,256
Ticketing	106,988
Merchandise	-
Permanent Advertising	-
Operating	449,856
 Over 30 Days	 145,693
 Over 60 Days	 64,547
 Over 90 Days	
Time Out for Women	29,652
 Total Accounts Receivable	 985,992

VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 12/31/06

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	57,547	59,541	52,203	345,132	357,246	343,910
Part-Time	7,581	5,833	7,224	32,329	34,998	32,654
Wages-Trade	92,677	69,232	80,244	430,553	415,392	411,017
Sales Commissions Group Sales	1,104	0	496	7,050	0	2,363
Auto Allowance	594	985	577	3,563	5,910	3,463
Auto Expense	300	0	300	1,800	0	1,800
Taxes & Benefits	38,504	38,187	40,090	204,976	229,122	221,432
Less: Allocation/Reimbursement	<82,724>	<59,837>	<76,189>	<358,462>	<359,022>	<335,355>
TOTAL LABOR COSTS	115,583	113,941	104,945	666,941	683,646	681,284
Contracted Security	20,217	19,760	18,904	123,790	118,560	119,181
Contracted Cleaning	2,098	3,250	2,098	14,408	19,500	17,385
Other Contracted Services	2,488	300	314	16,430	1,800	3,156
Travel & Entertainment	642	858	652	7,601	5,148	5,191
Corporate Travel	0	625	0	0	3,750	509
Meetings & Conventions	468	350	0	2,027	2,100	2,557
Dues & Subscriptions	567	208	304	2,434	1,248	2,952
Employee Training	0	750	0	1,808	4,500	337
Miscellaneous Expense	269	0	0	269	0	0
Computer Expense	6,814	5,417	4,942	32,265	32,502	35,554
Professional Fees	2,529	2,583	349	15,561	15,498	12,530
Marketing & Advertising	10,326	15,000	20,998	72,120	90,000	44,969
Box Office Expenses	293	0	<45>	<1,030>	0	<954>
Small Equipment	0	0	0	0	0	348
Trash Removal	2,707	1,500	1,796	10,661	9,000	8,519
Equipment Rental	2,526	500	1,792	9,189	3,000	8,643
Landscaping	499	483	950	3,121	2,898	2,234
Exterminating	248	300	248	1,440	1,800	2,005
Cleaning	0	150	0	2,650	900	2,650
Rental Office Equipment	0	750	0	0	4,500	0
Repairs & Maintenance	21,718	9,333	10,860	97,766	55,998	83,233
Supplies	17,077	15,758	9,942	118,789	94,548	90,322
Bank Service Charges	432	750	555	2,552	4,500	3,428
Insurance	20,779	15,179	17,377	84,280	91,074	79,940
Licenses & Fees	1,000	0	72	1,000	0	72
Other Taxes	0	0	<17>	0	0	<220>
Printing & Stationary	794	917	261	3,250	5,502	261
Office Supplies	3,444	1,000	3,212	9,045	6,000	9,615
Postage	1,570	1,000	214	6,957	6,000	3,892
Parking Expense	2,538	2,000	2,076	15,013	12,000	13,019
Telephone Long Distance	5,359	7,000	16,237	33,500	42,000	50,047
Utilities	82,937	68,400	98,248	352,108	410,400	353,416
Base Fee	12,500	12,500	20,433	75,000	75,000	121,852
Common Area Expense	<3,525>	<2,945>	<4,574>	<16,612>	<17,670>	<16,456>
Less: Allocated/Reimbursement	<384>	<375>	<1,290>	<3,980>	<2,250>	<3,672>
TOTAL MATERIAL AND SERVICES	218,928	183,301	226,907	1,093,413	1,099,806	1,056,515
TOTAL INDIRECT EXPENSES	334,511	297,242	331,852	1,760,354	1,783,452	1,737,800

SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2007

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2006 Actual
Net Revenue above Expenses	1,531,770	(698,470)	833,300	603,704
Benchmark			700,000	534,919
Excess	1,531,770	(698,470)	133,300	68,785

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2006 Actual
Base Fee	150,000	150,000	300,000	490,400
Incentive Fee				
Revenue	5,071,518	4,601,963	9,673,481	9,374,417
Benchmark Revenue	4,600,000	4,000,000	8,600,000	8,257,384
Revenue Excess	471,518	601,963	1,073,481	1,117,033
Incentive Fee **			297,044	229,259
Total SMG Management Fee			597,044	719,659

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

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01/10/07

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Balance Sheet
 As of November 30, 2006

Item IV.b.ii.

	Nov 30, 06
ASSETS	
Current Assets	
Checking/Savings	
1040 · Cash - Operations - SMG	4,299,504.10
1050 · Operations - Cash	485,485.72
Total Checking/Savings	4,784,989.82
Other Current Assets	
1070 · Kent County - Operating	19,394,140.42
1200 · Accounts Receivable	2,021,241.17
1300 · Prepaid Expenses	144,082.29
1600 · Advances/Deposits Receivable	-2,350,000.07
Total Other Current Assets	19,209,463.81
Total Current Assets	23,994,453.63
Fixed Assets	
Buildings & Structures	
Depreciation	-41,778.69
Original Cost	322,431.00
Total Buildings & Structures	280,652.31
Equip	
Depreciation	-437,774.44
Original Cost	778,271.02
Total Equip	340,496.58
Vehicles	43,914.30
Total Fixed Assets	665,063.19
TOTAL ASSETS	24,659,516.82
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	274,349.05
2005 · Accounts payable - SMG	486,224.17
Total Accounts Payable	760,573.22
Other Current Liabilities	
2200 · Accrued Expenses	717,173.61
2210 · Advance Ticket Sales	1,872,750.73
2220 · Advance deposits	299,103.00
2500 · Deferred facility income	744,284.74
Total Other Current Liabilities	3,633,312.08
Total Current Liabilities	4,393,885.30
Total Liabilities	4,393,885.30
Equity	
3000 · Opening Bal Equity	37,035,584.45
3900 · Retained Earnings	-15,526,165.80
Net Income	-1,243,787.13
Total Equity	20,265,631.52
TOTAL LIABILITIES & EQUITY	24,659,516.82

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12/11/06

Grand Rapids-Kent County Convention/Arena Authority
Reconciliation Detail
1050 - Operations - Cash, Period Ending 11/30/2006

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						371,684.82
Cleared Transactions						
Checks and Payments - 35 Items						
Bill Pmt -Check	10/16/2006	6509	SMG Food & Bevera...	X	-1,616.26	-1,616.26
Bill Pmt -Check	10/28/2006	6518	ICMA Retirement Co...	X	-260.96	-1,877.22
Bill Pmt -Check	10/28/2006	6519	ICMA Retirement Co...	X	-50.00	-1,927.22
Bill Pmt -Check	10/28/2006	6520	Pioneer Distributing ...	X	-3,177.16	-5,104.38
Bill Pmt -Check	10/28/2006	6514	DTE Energy	X	-777.93	-5,882.31
Bill Pmt -Check	10/28/2006	6515	Gordon Food Servic...	X	-8,219.77	-14,102.08
Bill Pmt -Check	10/28/2006	6516	Grand Rapids City T...	X	-195.04	-14,297.12
Bill Pmt -Check	11/7/2006	6523	SMG - Philadelphia	X	-229,259.00	-243,556.12
Check	11/10/2006	10150	Susan M. Waddell	X	-1,480.14	-245,036.26
Check	11/10/2006	10149	Rich MacKeigan	X	-326.81	-245,363.07
Check	11/10/2006	10150	Susan M. Waddell	X	-847.23	-246,210.30
Check	11/10/2006	10149	Rich MacKeigan	X	-868.01	-247,078.31
Bill Pmt -Check	11/14/2006	6525	Andy J. Egan Comp...	X	-211,299.00	-458,377.31
Bill Pmt -Check	11/14/2006	6530	Grand Rapids City T...	X	-18,202.40	-476,579.71
Bill Pmt -Check	11/14/2006	6529	DTE Energy	X	-50.03	-476,629.74
Bill Pmt -Check	11/14/2006	6528	Consumers Energy	X	-98,605.22	-575,234.96
Bill Pmt -Check	11/14/2006	6527	BDO Seidman, LLP	X	-7,000.00	-582,234.96
Bill Pmt -Check	11/14/2006	6526	ASCOM, INC.	X	-3,966.68	-586,201.64
Bill Pmt -Check	11/14/2006	6524	Advantage Millwork	X	-14,372.00	-600,573.64
Bill Pmt -Check	11/14/2006	6531	ICMA Retirement Co...	X	-281.84	-600,855.48
Bill Pmt -Check	11/14/2006	6532	ICMA Retirement Co...	X	-50.00	-600,905.48
Bill Pmt -Check	11/14/2006	6533	Intuit	X	-44.99	-600,950.47
Bill Pmt -Check	11/14/2006	6534	Kent Count Dept of ...	X	-97,878.08	-698,828.55
Bill Pmt -Check	11/14/2006	6535	McConomy Propertie...	X	-6,687.50	-705,516.05
Bill Pmt -Check	11/14/2006	6536	Midstate Security	X	-7,647.00	-713,163.05
Bill Pmt -Check	11/14/2006	6537	Office Depot	X	-163.22	-713,326.27
Bill Pmt -Check	11/14/2006	6538	Progressive AE	X	-40,095.07	-753,421.34
Bill Pmt -Check	11/14/2006	6539	Rivershores Building...	X	-12,000.00	-765,421.34
Bill Pmt -Check	11/14/2006	6540	SERAPID, INC.	X	-29,249.70	-794,671.04
Bill Pmt -Check	11/14/2006	6541	Vos Glass	X	-9,293.00	-803,964.04
Bill Pmt -Check	11/14/2006	6542	Warner Norcross & ...	X	-308.00	-804,272.04
Check	11/24/2006	10152	Susan M. Waddell	X	-1,490.70	-805,762.74
Check	11/24/2006	10151	Rich MacKeigan	X	-868.01	-806,630.75
Check	11/24/2006	10152	Susan M. Waddell	X	-826.12	-807,456.87
Check	11/24/2006	10151	Rich MacKeigan	X	-179.72	-807,636.59
Total Checks and Payments					-807,636.59	-807,636.59
Deposits and Credits - 144 Items						
Deposit	10/31/2006			X	39.00	39.00
Deposit	10/31/2006			X	174.50	213.50
Deposit	10/31/2006			X	30.00	243.50
Deposit	10/31/2006			X	242.00	485.50
Deposit	11/1/2006			X	153.00	638.50
Deposit	11/1/2006			X	303.00	941.50
Deposit	11/1/2006			X	6.00	947.50
Deposit	11/1/2006			X	364.00	1,311.50
Deposit	11/1/2006			X	240.00	1,551.50
Deposit	11/1/2006			X	49.00	1,600.50
Deposit	11/2/2006			X	179.00	1,779.50
Deposit	11/2/2006			X	84.00	1,863.50
Deposit	11/2/2006			X	815.00	2,678.50
Deposit	11/2/2006			X	310.00	2,988.50
Deposit	11/2/2006			X	45.00	3,033.50
Deposit	11/3/2006			X	857.00	3,890.50
Deposit	11/3/2006			X	409.50	4,300.00
Deposit	11/3/2006			X	503.00	4,803.00
Deposit	11/3/2006			X	149.25	4,952.25
Deposit	11/3/2006			X	570.50	5,522.75
Deposit	11/3/2006			X	219.00	5,741.75
Deposit	11/4/2006			X	573.00	6,313.75
Deposit	11/4/2006			X	208.00	6,521.75

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Grand Rapids-Kent County Convention/Arena Authority
Reconciliation Detail
1050 - Operations - Cash, Period Ending 11/30/2006

Type	Date	Num	Name	Clr	Amount	Balance
Deposit	11/4/2006			X	325.00	6,846.75
Deposit	11/4/2006			X	201.50	7,048.25
Deposit	11/4/2006			X	767.00	7,815.25
Deposit	11/5/2006			X	344.50	8,159.75
Deposit	11/5/2006			X	240.50	8,400.25
Deposit	11/5/2006			X	52.00	8,452.25
Deposit	11/5/2006			X	52.00	8,504.25
Deposit	11/5/2006			X	110.50	8,614.75
Deposit	11/5/2006			X	266.50	8,881.25
Deposit	11/5/2006			X	552.50	9,433.75
Deposit	11/6/2006			X	645.50	10,079.25
Deposit	11/6/2006			X	79.00	10,158.25
Deposit	11/6/2006			X	592.00	10,750.25
Deposit	11/6/2006			X	362.50	11,112.75
Deposit	11/6/2006			X	142.50	11,255.25
Deposit	11/7/2006			X	13,461.00	24,716.25
Deposit	11/7/2006			X	194.00	24,910.25
Deposit	11/7/2006			X	133.00	25,043.25
Deposit	11/7/2006			X	145.00	25,188.25
Deposit	11/7/2006			X	234.00	25,422.25
Deposit	11/7/2006			X	30.00	25,452.25
Deposit	11/7/2006			X	105.00	25,557.25
Deposit	11/8/2006			X	286.00	25,843.25
Deposit	11/8/2006			X	276.00	26,119.25
Deposit	11/8/2006			X	162.00	26,281.25
Deposit	11/8/2006			X	167.50	26,448.75
Deposit	11/9/2006			X	279.50	26,728.25
Deposit	11/9/2006			X	103.50	26,831.75
Deposit	11/9/2006			X	137.00	26,968.75
Deposit	11/9/2006			X	619.00	27,587.75
Deposit	11/9/2006			X	498.00	28,085.75
Deposit	11/10/2006			X	1,263.00	29,348.75
Deposit	11/10/2006			X	474.00	29,822.75
Deposit	11/10/2006			X	203.00	30,025.75
Deposit	11/10/2006			X	94.00	30,119.75
Deposit	11/11/2006			X	65.00	30,184.75
Deposit	11/11/2006			X	767.00	30,951.75
Deposit	11/11/2006			X	422.50	31,374.25
Deposit	11/12/2006			X	364.00	31,738.25
Deposit	11/12/2006			X	676.00	32,414.25
Deposit	11/12/2006			X	175.50	32,589.75
Deposit	11/13/2006			X	25.00	32,614.75
Deposit	11/13/2006			X	156.00	32,770.75
Deposit	11/13/2006			X	574.50	33,345.25
Deposit	11/13/2006			X	26.00	33,371.25
Deposit	11/13/2006			X	370.50	33,741.75
Deposit	11/13/2006			X	1,811.36	35,553.11
Deposit	11/14/2006			X	292.00	35,845.11
Deposit	11/14/2006			X	175.50	36,020.61
Deposit	11/14/2006			X	22.00	36,042.61
Deposit	11/14/2006			X	204.00	36,246.61
Deposit	11/14/2006			X	162.00	36,408.61
Deposit	11/14/2006			X	209.00	36,617.61
Deposit	11/14/2006			X	84.00	36,701.61
Deposit	11/15/2006			X	500,000.00	536,701.61
Deposit	11/15/2006			X	40.00	536,741.61
Deposit	11/15/2006			X	74.00	536,815.61
Deposit	11/15/2006			X	44.00	536,859.61
Deposit	11/15/2006			X	29.00	536,888.61
Deposit	11/16/2006			X	306.00	537,194.61
Deposit	11/16/2006			X	527.00	537,721.61
Deposit	11/16/2006			X	100,000.00	637,721.61
Deposit	11/16/2006			X	506.50	638,228.11
Deposit	11/16/2006			X	300,000.00	938,228.11
Deposit	11/16/2006			X	70.00	938,298.11

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12/11/06

Grand Rapids-Kent County Convention/Arena Authority
Reconciliation Detail
1050 - Operations - Cash, Period Ending 11/30/2006

Type	Date	Num	Name	Clr	Amount	Balance
Deposit	11/16/2006			X	117.00	938,415.11
Deposit	11/16/2006			X	325.00	938,740.11
Deposit	11/17/2006			X	68.00	938,808.11
Deposit	11/17/2006			X	448.50	939,256.61
Deposit	11/17/2006			X	17.00	939,273.61
Deposit	11/17/2006			X	542.00	939,815.61
Deposit	11/17/2006			X	12.00	939,827.61
Deposit	11/17/2006			X	688.50	940,516.11
Deposit	11/18/2006			X	442.00	940,958.11
Deposit	11/18/2006			X	286.00	941,244.11
Deposit	11/18/2006			X	58.50	941,302.61
Deposit	11/18/2006			X	117.00	941,419.61
Deposit	11/19/2006			X	26.00	941,445.61
Deposit	11/19/2006			X	45.50	941,491.11
Deposit	11/20/2006			X	83.00	941,574.11
Deposit	11/20/2006			X	24.00	941,598.11
Deposit	11/21/2006			X	149.50	941,747.61
Deposit	11/21/2006			X	50.00	941,797.61
Deposit	11/21/2006			X	18.00	941,815.61
Deposit	11/21/2006			X	449.00	942,264.61
Deposit	11/21/2006			X	208.00	942,472.61
Deposit	11/21/2006			X	76.00	942,548.61
Deposit	11/22/2006			X	690.50	943,239.11
Deposit	11/22/2006			X	277.00	943,516.11
Deposit	11/22/2006			X	227.50	943,743.61
Deposit	11/22/2006			X	79.00	943,822.61
Deposit	11/22/2006			X	437.50	944,260.11
Deposit	11/23/2006			X	156.00	944,416.11
Deposit	11/23/2006			X	403.00	944,819.11
Deposit	11/23/2006			X	58.50	944,877.61
Deposit	11/24/2006			X	328.00	945,205.61
Deposit	11/24/2006			X	126.00	945,331.61
Deposit	11/24/2006			X	3.00	945,334.61
Deposit	11/24/2006			X	247.00	945,581.61
Deposit	11/24/2006			X	1.00	945,582.61
Deposit	11/25/2006			X	364.00	945,946.61
Deposit	11/25/2006			X	91.00	946,037.61
Deposit	11/25/2006			X	91.00	946,128.61
Deposit	11/25/2006			X	390.00	946,518.61
Deposit	11/25/2006			X	182.00	946,700.61
Deposit	11/25/2006			X	325.00	947,025.61
Deposit	11/26/2006			X	208.00	947,233.61
Deposit	11/26/2006			X	487.50	947,721.11
Deposit	11/26/2006			X	240.50	947,961.61
Deposit	11/27/2006			X	14.00	947,975.61
Deposit	11/27/2006			X	79.00	948,054.61
Deposit	11/27/2006			X	41.00	948,095.61
Deposit	11/28/2006			X	13,461.00	961,556.61
Deposit	11/28/2006			X	234.00	961,790.61
Deposit	11/28/2006			X	243.00	962,033.61
Deposit	11/28/2006			X	49.00	962,082.61
Deposit	11/28/2006			X	18.00	962,100.61
Deposit	11/29/2006			X	63.00	962,163.61
Deposit	11/29/2006			X	110.00	962,273.61
Deposit	11/29/2006			X	110.50	962,384.11
Deposit	11/29/2006			X	39.50	962,423.61
Total Deposits and Credits					962,423.61	962,423.61
Total Cleared Transactions					154,787.02	154,787.02
Cleared Balance					154,787.02	526,471.84

12:30 PM

12/11/06

Grand Rapids-Kent County Convention/Arena Authority Reconciliation Detail

1050 - Operations - Cash, Period Ending 11/30/2006

Type	Date	Num	Name	Clr	Amount	Balance
Uncleared Transactions						
Checks and Payments - 9 Items						
Bill Pmt -Check	4/28/2005	6112	Priority Health		-398.73	-398.73
Bill Pmt -Check	11/28/2006	6558	Schindler Elevator C...		-28,692.00	-29,090.73
Bill Pmt -Check	11/28/2006	6556	Priority Health		-370.42	-29,461.15
Bill Pmt -Check	11/28/2006	6553	DTE Energy		-1,295.07	-30,756.22
Bill Pmt -Check	11/28/2006	6555	ICMA Retirement Co...		-50.00	-30,806.22
Bill Pmt -Check	11/28/2006	6554	ICMA Retirement Co...		-271.40	-31,077.62
Bill Pmt -Check	11/28/2006	6557	Progressive AE		-3,240.00	-34,317.62
Bill Pmt -Check	11/28/2006	6552	Dickinson Wright PL...		-4,761.00	-39,078.62
Bill Pmt -Check	11/28/2006	6551	Chic's Frame & Poster		-2,394.00	-41,472.62
Total Checks and Payments					-41,472.62	-41,472.62
Deposits and Credits - 6 Items						
Sales Receipt	9/14/2006		Grand Action Commi...		0.00	0.00
Deposit	11/30/2006				77.00	77.00
Deposit	11/30/2006				120.00	197.00
Deposit	11/30/2006				131.00	328.00
Deposit	11/30/2006				136.50	464.50
Deposit	11/30/2006				22.00	486.50
Total Deposits and Credits					486.50	486.50
Total Uncleared Transactions					-40,986.12	-40,986.12
Register Balance as of 11/30/2006					113,800.90	485,485.72
New Transactions						
Checks and Payments - 4 Items						
Check	12/8/2006	10153	Rich MacKeigan		-287.85	-287.85
Check	12/8/2006	10154	Susan M. Waddell		-826.12	-1,113.97
Check	12/8/2006	10153	Rich MacKeigan		-868.01	-1,981.98
Check	12/8/2006	10154	Susan M. Waddell		-1,490.70	-3,472.68
Total Checks and Payments					-3,472.68	-3,472.68
Deposits and Credits - 30 Items						
Deposit	12/1/2006				162.50	162.50
Deposit	12/1/2006				476.50	639.00
Deposit	12/1/2006				199.50	838.50
Deposit	12/1/2006				130.00	968.50
Deposit	12/1/2006				78.50	1,047.00
Deposit	12/2/2006				604.50	1,651.50
Deposit	12/2/2006				474.50	2,126.00
Deposit	12/2/2006				383.50	2,509.50
Deposit	12/4/2006				216.00	2,725.50
Deposit	12/4/2006				112.00	2,837.50
Deposit	12/4/2006				360.50	3,198.00
Deposit	12/4/2006				919.50	4,117.50
Deposit	12/5/2006				2,165.00	6,282.50
Deposit	12/5/2006				318.50	6,601.00
Deposit	12/5/2006				695.50	7,296.50
Deposit	12/5/2006				1,162.00	8,458.50
Deposit	12/5/2006				199.00	8,657.50
Deposit	12/5/2006				74.00	8,731.50
Deposit	12/6/2006				869.00	9,600.50
Deposit	12/6/2006				2,049.00	11,649.50
Deposit	12/6/2006				472.00	12,121.50
Deposit	12/6/2006				8,288.00	20,409.50
Deposit	12/6/2006				184.50	20,594.00
Deposit	12/6/2006				505.50	21,099.50
Deposit	12/7/2006				962.50	22,062.00
Deposit	12/7/2006				295.00	22,357.00
Deposit	12/7/2006				1,575.50	23,932.50

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Grand Rapids-Kent County Convention/Arena Authority
Reconciliation Detail
1050 - Operations - Cash, Period Ending 11/30/2006

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
Deposit	12/7/2006				182.00	24,114.50
Deposit	12/7/2006				388.00	24,502.50
Deposit	12/7/2006				499.50	25,002.00
Total Deposits and Credits					25,002.00	25,002.00
Total New Transactions					21,529.32	21,529.32
Ending Balance					135,330.22	507,015.04

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12/11/06

Grand Rapids-Kent County Convention/Arena Authority**Reconciliation Detail****1070 - Kent County - Operating, Period Ending 10/31/2006**

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Beginning Balance							19,231,731.44
Cleared Transactions							
Deposits and Credits - 1 item							
Deposit	10/1/2006			Interest	X	78,199.48	78,199.48
Total Deposits and Credits						78,199.48	78,199.48
Total Cleared Transactions						78,199.48	78,199.48
Cleared Balance						78,199.48	19,309,930.92
Register Balance as of 10/31/2006						78,199.48	19,309,930.92
Ending Balance						78,199.48	19,309,930.92

10/01/06 THROUGH 10/31/06
FUND : CAA-OPERATING
NUMBER: 0701 221 13913

DATE	TYPE	SOURCE	ADDITIONS	DEDUCTIONS	BALANCE	TIME POSTED	POSTED BY
10/01/06	3	APPINT	78,199.48		19,231,731.44	10/20/06 17:07:04	knt102
					19,309,930.92		

RECAP BY TYPE CODE

TYPE	NO	ADDITIONS AMOUNT	DEDUCTIONS AMOUNT	NET AMOUNT
3	1	78,199.48	0	78,199.48
TOTAL		78,199.48		78,199.48
AVERAGE DAILY BALANCE				19,309,930.92



RECEIVED
11/22/06

Reconciled
12/1/06
elm

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Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority

Profit & Loss

July through November 2006

	<u>Jul - Nov 06</u>
Income	
4040 · Private Support	0.00
4500 · Interest on Investments	392,991.10
4540 · Land Lease	61,488.00
4545 · Parking Revenues	203,302.00
Total Income	<u>657,781.10</u>
Expense	
6000 · Professional Services	30,024.23
6060 · Other Contractual Services	1,500.00
6065 · Pedestrian Safety	9,124.43
6068 · Parking Management	64,959.00
6100 · Other Supplies & Expenses	28,453.93
6200 · Capital Replacement Projects	758,944.71
6210 · F&B Repair & Maintenance	18,710.28
6300 · Utilities Expense	719,812.69
6600 · SMG Incentive Fees	229,259.00
8000 · Personal Services	40,779.96
Total Expense	<u>1,901,568.23</u>
Net Income	<u><u>-1,243,787.13</u></u>

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss by Fund
July through November 2006

	Admin & Capital Replacement (Operations)	TOTAL
Income		
4040 · Private Support	0.00	0.00
4500 · Interest on Investments	392,991.10	392,991.10
4540 · Land Lease	61,488.00	61,488.00
4545 · Parking Revenues	203,302.00	203,302.00
Total Income	657,781.10	657,781.10
Expense		
6000 · Professional Services		
6001 · Accounting/Auditing Services	14,142.91	14,142.91
6040 · Legal Services	15,881.32	15,881.32
Total 6000 · Professional Services	30,024.23	30,024.23
6060 · Other Contractual Services	1,500.00	1,500.00
6065 · Pedestrian Safety	9,124.43	9,124.43
6068 · Parking Management	64,959.00	64,959.00
6100 · Other Supplies & Expenses		
6010 · Bank Fees	9.00	9.00
6030 · Insurance-Property/Liability	19,196.86	19,196.86
6110 · Meeting Expense	207.48	207.48
6120 · Supplies	4,570.59	4,570.59
6140 · Printing and Binding	4,470.00	4,470.00
Total 6100 · Other Supplies & Expenses	28,453.93	28,453.93
6200 · Capital Replacement Projects	758,944.71	758,944.71
6210 · F&B Repair & Maintenance	18,710.28	18,710.28
6300 · Utilities Expense		
6301 · Electricity	430,753.42	430,753.42
6310 · Natural Gas	3,342.31	3,342.31
6320 · Steam	247,519.98	247,519.98
6340 · Water & Sewer	38,196.98	38,196.98
Total 6300 · Utilities Expense	719,812.69	719,812.69
6600 · SMG Incentive Fees	229,259.00	229,259.00
8000 · Personal Services		
8001 · Employee Wages	32,349.25	32,349.25
8030 · Employee Benefits	8,430.71	8,430.71
Total 8000 · Personal Services	40,779.96	40,779.96
Total Expense	1,901,568.23	1,901,568.23
Net Income	-1,243,787.13	-1,243,787.13

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Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority

Profit & Loss Budget vs. Actual

July through November 2006

	Jul - Nov 06	Budget	\$ Over Budget	% of Budget
Income				
4040 · Private Support	0.00			
4500 · Interest on Investments	392,991.10	327,085.00	65,906.10	120.1%
4540 · Land Lease	61,488.00	64,415.00	-2,927.00	95.5%
4545 · Parking Revenues	203,302.00	306,070.00	-102,768.00	66.4%
4550 · Miscellaneous Revenue	0.00	6,250.00	-6,250.00	0.0%
Total Income	657,781.10	703,820.00	-46,038.90	93.5%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	14,142.91	10,835.00	3,307.91	130.5%
6040 · Legal Services	15,881.32	12,500.00	3,381.32	127.1%
Total 6000 · Professional Services	30,024.23	23,335.00	6,689.23	128.7%
6060 · Other Contractual Services	1,500.00	25,000.00	-23,500.00	6.0%
6065 · Pedestrian Safety	9,124.43	33,335.00	-24,210.57	27.4%
6068 · Parking Management	64,959.00	140,515.00	-75,556.00	46.2%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	9.00			
6030 · Insurance-Property/Liability	19,196.86	8,335.00	10,861.86	230.3%
6110 · Meeting Expense	207.48	1,665.00	-1,457.52	12.5%
6120 · Supplies	4,570.59	4,165.00	405.59	109.7%
6140 · Printing and Binding	4,470.00			
Total 6100 · Other Supplies & Expenses	28,453.93	14,165.00	14,288.93	200.9%
6200 · Capital Replacement Projects	758,944.71	452,500.00	306,444.71	167.7%
6210 · F&B Repair & Maintenance	18,710.28			
6300 · Utilities Expense				
6301 · Electricity	430,753.42	497,500.00	-66,746.58	86.6%
6310 · Natural Gas	3,342.31	7,500.00	-4,157.69	44.6%
6320 · Steam	247,519.98	462,290.00	-214,770.02	53.5%
6340 · Water & Sewer	38,196.98	5,160.00	33,036.98	740.3%
Total 6300 · Utilities Expense	719,812.69	972,450.00	-252,637.31	74.0%
6500 · DID Assessment	0.00	20,690.00	-20,690.00	0.0%
6600 · SMG Incentive Fees	229,259.00			
8000 · Personal Services				
8001 · Employee Wages	32,349.25	24,500.00	7,849.25	132.0%
8030 · Employee Benefits	8,430.71	8,780.00	-349.29	96.0%
Total 8000 · Personal Services	40,779.96	33,280.00	7,499.96	122.5%
Total Expense	1,901,568.23	1,715,270.00	186,298.23	110.9%
Net Income	-1,243,787.13	-1,011,450.00	-232,337.13	123.0%

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Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss Prev Year Comparison
July through November 2006

	Jul - Nov 06	Jul - Nov 05	\$ Change	% Change
Income				
4040 · Private Support	0.00	0.00	0.00	0.0%
4500 · Interest on Investments	392,991.10	217,656.57	175,334.53	80.6%
4540 · Land Lease	61,488.00	57,610.00	3,878.00	6.7%
4545 · Parking Revenues	203,302.00	160,655.25	42,646.75	26.6%
4550 · Miscellaneous Revenue	0.00	23,900.00	-23,900.00	-100.0%
Total Income	657,781.10	459,821.82	197,959.28	43.1%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	14,142.91	22,758.23	-8,615.32	-37.9%
6040 · Legal Services	15,881.32	3,114.80	12,766.52	409.9%
Total 6000 · Professional Services	30,024.23	25,873.03	4,151.20	16.0%
6060 · Other Contractual Services	1,500.00	0.00	1,500.00	100.0%
6065 · Pedestrian Safety	9,124.43	16,968.96	-7,844.53	-46.2%
6068 · Parking Management	64,959.00	67,955.40	-2,996.40	-4.4%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	9.00	0.00	9.00	100.0%
6020 · Computer Services	0.00	249.95	-249.95	-100.0%
6030 · Insurance-Property/Liability	19,196.86	8,630.00	10,566.86	122.4%
6110 · Meeting Expense	207.48	1,397.08	-1,189.60	-85.2%
6120 · Supplies	4,570.59	963.80	3,606.79	374.2%
6140 · Printing and Binding	4,470.00	0.00	4,470.00	100.0%
Total 6100 · Other Supplies & Expenses	28,453.93	11,240.83	17,213.10	153.1%
6160 · Facility Repair and Maintenance	0.00	27,306.25	-27,306.25	-100.0%
6200 · Capital Replacement Projects	758,944.71	582,324.51	176,620.20	30.3%
6210 · F&B Repair & Maintenance	18,710.28	0.00	18,710.28	100.0%
6300 · Utilities Expense				
6301 · Electricity	430,753.42	425,442.85	5,310.57	1.3%
6310 · Natural Gas	3,342.31	4,890.76	-1,548.45	-31.7%
6320 · Steam	247,519.98	72,864.21	174,655.77	239.7%
6340 · Water & Sewer	38,196.98	34,815.42	3,381.56	9.7%
Total 6300 · Utilities Expense	719,812.69	538,013.24	181,799.45	33.8%
6600 · SMG Incentive Fees	229,259.00	194,533.00	34,726.00	17.9%
8000 · Personal Services				
8001 · Employee Wages	32,349.25	12,841.42	19,507.83	151.9%
8030 · Employee Benefits	8,430.71	7,059.12	1,371.59	19.4%
Total 8000 · Personal Services	40,779.96	19,900.54	20,879.42	104.9%
Total Expense	1,901,568.23	1,484,115.76	417,452.47	28.1%
Net Income	-1,243,787.13	-1,024,293.94	-219,493.19	-21.4%

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01/10/07

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Balance Sheet
 As of December 31, 2006

Item IV.b.ii.

	Dec 31, 06
ASSETS	
Current Assets	
Checking/Savings	
1040 · Cash - Operations - SMG	4,299,504.10
1050 · Operations - Cash	444,232.45
Total Checking/Savings	4,743,736.55
Other Current Assets	
1070 · Kent County - Operating	19,394,140.42
1200 · Accounts Receivable	2,021,241.17
1300 · Prepaid Expenses	144,082.29
1600 · Advances/Deposits Receivable	-2,550,000.07
Total Other Current Assets	19,009,463.81
Total Current Assets	23,753,200.36
Fixed Assets	
Buildings & Structures	
Depreciation	-41,778.69
Original Cost	322,431.00
Total Buildings & Structures	280,652.31
Equip	
Depreciation	-437,774.44
Original Cost	778,271.02
Total Equip	340,496.58
Vehicles	43,914.30
Total Fixed Assets	665,063.19
TOTAL ASSETS	24,418,263.55
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	482,250.68
2005 · Accounts payable - SMG	486,224.17
Total Accounts Payable	968,474.85
Other Current Liabilities	
2200 · Accrued Expenses	717,173.61
2210 · Advance Ticket Sales	1,872,750.73
2220 · Advance deposits	299,103.00
2500 · Deferred facility income	744,284.74
Total Other Current Liabilities	3,633,312.08
Total Current Liabilities	4,601,786.93
Total Liabilities	4,601,786.93
Equity	
3000 · Opening Bal Equity	37,035,584.45
3900 · Retained Earnings	-15,526,165.80
Net Income	-1,692,942.03
Total Equity	19,816,476.62
TOTAL LIABILITIES & EQUITY	24,418,263.55

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01/10/07

Grand Rapids-Kent County Convention/Arena Authority

Reconciliation Detail

1050 - Operations - Cash, Period Ending 12/31/2006

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						526,471.84
Cleared Transactions						
Checks and Payments - 33 items						
Bill Pmt -Check	11/28/2006	6558	Schindler Elevator C...	X	-28,692.00	-28,692.00
Bill Pmt -Check	11/28/2006	6557	Progressive AE	X	-3,240.00	-31,932.00
Bill Pmt -Check	11/28/2006	6556	Priority Health	X	-370.42	-32,302.42
Bill Pmt -Check	11/28/2006	6555	ICMA Retirement Co...	X	-50.00	-32,352.42
Bill Pmt -Check	11/28/2006	6554	ICMA Retirement Co...	X	-271.40	-32,623.82
Bill Pmt -Check	11/28/2006	6551	Chic's Frame & Poster	X	-2,394.00	-35,017.82
Bill Pmt -Check	11/28/2006	6552	Dickinson Wright PL...	X	-4,761.00	-39,778.82
Bill Pmt -Check	11/28/2006	6553	DTE Energy	X	-1,295.07	-41,073.89
Check	12/8/2006	10153	Rich MacKeigan	X	-868.01	-41,941.90
Check	12/8/2006	10154	Susan M. Waddell	X	-826.12	-42,768.02
Check	12/8/2006	10153	Rich MacKeigan	X	-287.85	-43,055.87
Check	12/8/2006	10154	Susan M. Waddell	X	-1,490.70	-44,546.57
Bill Pmt -Check	12/14/2006	6568	ICMA Retirement Co...	X	-50.00	-44,596.57
Bill Pmt -Check	12/14/2006	6567	ICMA Retirement Co...	X	-271.40	-44,867.97
Bill Pmt -Check	12/14/2006	6566	Grand Rapids City T...	X	-8,082.55	-52,950.52
Bill Pmt -Check	12/14/2006	6574	Rivershores Building...	X	-3,657.00	-56,607.52
Bill Pmt -Check	12/14/2006	6573	Patrick P. Fischer & ...	X	-4,070.06	-60,677.58
Bill Pmt -Check	12/14/2006	6572	Partners by Design, ...	X	-59,342.50	-120,020.08
Bill Pmt -Check	12/14/2006	6575	Seaman's Air Condit...	X	-2,511.86	-122,531.94
Bill Pmt -Check	12/14/2006	6564	Consumers Energy	X	-37,156.09	-159,688.03
Bill Pmt -Check	12/14/2006	6563	Chic's Frame & Poster	X	-273.00	-159,961.03
Bill Pmt -Check	12/14/2006	6562	Chaser Apparel	X	-913.95	-160,874.98
Bill Pmt -Check	12/14/2006	6561	BlueWater Technolo...	X	-158.00	-161,032.98
Bill Pmt -Check	12/14/2006	6560	BDO Seidman, LLP	X	-7,250.00	-168,282.98
Bill Pmt -Check	12/14/2006	6559	Andy J. Egan Comp...	X	-51,752.00	-220,034.98
Bill Pmt -Check	12/14/2006	6569	Kent Count Dept of ...	X	-102,549.41	-322,584.39
Bill Pmt -Check	12/14/2006	6570	Nye Uniform	X	-5,492.12	-328,076.51
Bill Pmt -Check	12/14/2006	6571	Panda Promotional P...	X	-551.32	-328,627.83
Bill Pmt -Check	12/14/2006	6565	Falcon Printing, Inc.	X	-617.18	-329,245.01
Check	12/22/2006	10155	Rich MacKeigan	X	-868.01	-330,113.02
Check	12/22/2006	10156	Susan M. Waddell	X	-827.98	-330,941.00
Check	12/22/2006	10155	Rich MacKeigan	X	-167.92	-331,108.92
Check	12/22/2006	10156	Susan M. Waddell	X	-1,490.70	-332,599.62
Total Checks and Payments					-332,599.62	-332,599.62
Deposits and Credits - 118 items						
Deposit	11/30/2006			X	22.00	22.00
Deposit	11/30/2006			X	136.50	158.50
Deposit	11/30/2006			X	120.00	278.50
Deposit	11/30/2006			X	131.00	409.50
Deposit	11/30/2006			X	77.00	486.50
Deposit	12/1/2006			X	476.50	963.00
Deposit	12/1/2006			X	199.50	1,162.50
Deposit	12/1/2006			X	130.00	1,292.50
Deposit	12/1/2006			X	162.50	1,455.00
Deposit	12/1/2006			X	78.50	1,533.50
Deposit	12/2/2006			X	474.50	2,008.00
Deposit	12/2/2006			X	383.50	2,391.50
Deposit	12/2/2006			X	604.50	2,996.00
Deposit	12/4/2006			X	360.50	3,356.50
Deposit	12/4/2006			X	919.50	4,276.00
Deposit	12/4/2006			X	216.00	4,492.00
Deposit	12/4/2006			X	112.00	4,604.00
Deposit	12/5/2006			X	199.00	4,803.00
Deposit	12/5/2006			X	74.00	4,877.00
Deposit	12/5/2006			X	2,165.00	7,042.00
Deposit	12/5/2006			X	318.50	7,360.50
Deposit	12/5/2006			X	695.50	8,056.00
Deposit	12/5/2006			X	1,162.00	9,218.00
Deposit	12/6/2006			X	8,288.00	17,506.00
Deposit	12/6/2006			X	184.50	17,690.50

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01/10/07

Grand Rapids-Kent County Convention/Arena Authority

Reconciliation Detail

1050 · Operations - Cash, Period Ending 12/31/2006

Type	Date	Num	Name	Clr	Amount	Balance
Deposit	12/6/2006			X	472.00	18,162.50
Deposit	12/6/2006			X	2,049.00	20,211.50
Deposit	12/6/2006			X	869.00	21,080.50
Deposit	12/6/2006			X	505.50	21,586.00
Deposit	12/7/2006			X	182.00	21,768.00
Deposit	12/7/2006			X	499.50	22,267.50
Deposit	12/7/2006			X	1,575.50	23,843.00
Deposit	12/7/2006			X	295.00	24,138.00
Deposit	12/7/2006			X	962.50	25,100.50
Deposit	12/7/2006			X	388.00	25,488.50
Deposit	12/8/2006			X	838.50	26,327.00
Deposit	12/8/2006			X	238.00	26,565.00
Deposit	12/8/2006			X	48.00	26,613.00
Deposit	12/8/2006			X	570.00	27,183.00
Deposit	12/8/2006			X	1,196.50	28,379.50
Deposit	12/9/2006			X	378.00	28,757.50
Deposit	12/9/2006			X	513.50	29,271.00
Deposit	12/9/2006			X	635.00	29,906.00
Deposit	12/9/2006			X	45.50	29,951.50
Deposit	12/9/2006			X	455.00	30,406.50
Deposit	12/10/2006			X	513.50	30,920.00
Deposit	12/10/2006			X	331.50	31,251.50
Deposit	12/10/2006			X	819.00	32,070.50
Deposit	12/11/2006			X	120.50	32,191.00
Deposit	12/11/2006			X	11.00	32,202.00
Deposit	12/11/2006			X	25.00	32,227.00
Deposit	12/11/2006			X	32.50	32,259.50
Deposit	12/11/2006			X	128.50	32,388.00
Deposit	12/12/2006			X	48.00	32,436.00
Deposit	12/12/2006			X	170.50	32,606.50
Deposit	12/12/2006			X	40.00	32,646.50
Deposit	12/12/2006			X	97.00	32,743.50
Deposit	12/13/2006			X	11.00	32,754.50
Deposit	12/13/2006			X	1,930.96	34,685.46
Deposit	12/13/2006			X	38.00	34,723.46
Deposit	12/13/2006			X	32.00	34,755.46
Deposit	12/13/2006			X	20.00	34,775.46
Deposit	12/14/2006			X	321.50	35,096.96
Deposit	12/14/2006			X	85.50	35,182.46
Deposit	12/14/2006			X	986.50	36,168.96
Deposit	12/14/2006			X	37.00	36,205.96
Deposit	12/15/2006			X	1,898.00	38,103.96
Deposit	12/15/2006			X	108.00	38,211.96
Deposit	12/15/2006			X	524.00	38,735.96
Deposit	12/15/2006			X	210.50	38,946.46
Deposit	12/15/2006			X	290.00	39,236.46
Deposit	12/15/2006			X	533.00	39,769.46
Deposit	12/16/2006			X	390.00	40,159.46
Deposit	12/16/2006			X	968.50	41,127.96
Deposit	12/16/2006			X	214.50	41,342.46
Deposit	12/16/2006			X	367.00	41,709.46
Deposit	12/16/2006			X	208.00	41,917.46
Deposit	12/16/2006			X	422.50	42,339.96
Deposit	12/17/2006			X	481.00	42,820.96
Deposit	12/17/2006			X	819.00	43,639.96
Deposit	12/17/2006			X	344.50	43,984.46
Deposit	12/18/2006			X	10.00	43,994.46
Deposit	12/18/2006			X	12.00	44,006.46
Deposit	12/18/2006			X	14.00	44,020.46
Deposit	12/19/2006			X	3.00	44,023.46
Deposit	12/19/2006			X	563.00	44,586.46
Deposit	12/19/2006			X	64.00	44,650.46
Deposit	12/19/2006			X	38.00	44,688.46
Deposit	12/19/2006			X	286.00	44,974.46
Deposit	12/19/2006			X	318.00	45,292.46

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Grand Rapids-Kent County Convention/Arena Authority Reconciliation Detail

1050 - Operations - Cash, Period Ending 12/31/2006

Type	Date	Num	Name	Clr	Amount	Balance
Deposit	12/20/2006			X	261.50	45,553.96
Deposit	12/20/2006			X	174.50	45,728.46
Deposit	12/20/2006			X	123.50	45,851.96
Deposit	12/20/2006			X	31.00	45,882.96
Deposit	12/20/2006			X	49.50	45,932.46
Deposit	12/21/2006			X	267.50	46,199.96
Deposit	12/21/2006			X	91.00	46,290.96
Deposit	12/21/2006			X	7.00	46,297.96
Deposit	12/21/2006			X	97.00	46,394.96
Deposit	12/21/2006			X	360.00	46,754.96
Deposit	12/21/2006			X	58.50	46,813.46
Deposit	12/21/2006			X	44.00	46,857.46
Deposit	12/22/2006			X	332.00	47,189.46
Deposit	12/22/2006			X	84.50	47,273.96
Deposit	12/22/2006			X	514.00	47,787.96
Deposit	12/22/2006			X	35.00	47,822.96
Deposit	12/22/2006			X	273.00	48,095.96
Deposit	12/23/2006			X	279.50	48,375.46
Deposit	12/23/2006			X	227.50	48,602.96
Deposit	12/23/2006			X	156.00	48,758.96
Deposit	12/23/2006			X	292.50	49,051.46
Deposit	12/26/2006			X	13.00	49,064.46
Deposit	12/26/2006			X	200,000.00	249,064.46
Deposit	12/27/2006			X	24.00	249,088.46
Deposit	12/27/2006			X	40.00	249,128.46
Deposit	12/28/2006			X	52.00	249,180.46
Deposit	12/28/2006			X	88.00	249,268.46
Deposit	12/28/2006			X	52.50	249,320.96
Total Deposits and Credits					249,320.96	249,320.96
Total Cleared Transactions					-83,278.66	-83,278.66
Cleared Balance					-83,278.66	443,193.18
Uncleared Transactions						
Checks and Payments - 1 item						
Bill Pmt -Check	4/28/2005	6112	Priority Health		-398.73	-398.73
Total Checks and Payments					-398.73	-398.73
Deposits and Credits - 9 items						
Sales Receipt	9/14/2006		Grand Action Commi...		0.00	0.00
Deposit	12/29/2006				88.00	88.00
Deposit	12/29/2006				113.00	201.00
Deposit	12/29/2006				67.00	268.00
Deposit	12/31/2006				390.00	658.00
Deposit	12/31/2006				409.50	1,067.50
Deposit	12/31/2006				266.50	1,334.00
Deposit	12/31/2006				32.50	1,366.50
Deposit	12/31/2006				71.50	1,438.00
Total Deposits and Credits					1,438.00	1,438.00
Total Uncleared Transactions					1,039.27	1,039.27
Register Balance as of 12/31/2006					-82,239.39	444,232.45

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Grand Rapids-Kent County Convention/Arena Authority Reconciliation Detail

1050 - Operations - Cash, Period Ending 12/31/2006

Type	Date	Num	Name	Clr	Amount	Balance
New Transactions						
Checks and Payments - 13 items						
Bill Pmt -Check	1/2/2007	6577	Dickinson Wright PL...		-1,034.80	-1,034.80
Bill Pmt -Check	1/2/2007	6576	Consumers Energy		-68,860.88	-69,895.68
Bill Pmt -Check	1/2/2007	6578	DTE Energy		-1,603.84	-71,499.52
Bill Pmt -Check	1/2/2007	6579	Eastern Floral		-67.95	-71,567.47
Bill Pmt -Check	1/2/2007	6580	Grand Rapids City T...		-15,713.16	-87,280.63
Bill Pmt -Check	1/2/2007	6581	Hurst Industries		-2,213.50	-89,494.13
Bill Pmt -Check	1/2/2007	6582	ICMA Retirement Co...		-271.40	-89,765.53
Bill Pmt -Check	1/2/2007	6583	ICMA Retirement Co...		-50.00	-89,815.53
Bill Pmt -Check	1/2/2007	6584	Priority Health		-370.42	-90,185.95
Check	1/5/2007	10157	Rich MacKeigan		-183.57	-90,369.52
Check	1/5/2007	10158	Susan M. Waddell		-865.83	-91,235.35
Check	1/5/2007	10157	Rich MacKeigan		-870.67	-92,106.02
Check	1/5/2007	10158	Susan M. Waddell		-1,496.00	-93,602.02
Total Checks and Payments					-93,602.02	-93,602.02
Deposits and Credits - 22 items						
Deposit	1/2/2007				73.00	73.00
Deposit	1/2/2007				9.00	82.00
Deposit	1/2/2007				26,856.00	26,938.00
Deposit	1/2/2007				293.00	27,231.00
Deposit	1/2/2007				151.00	27,382.00
Deposit	1/2/2007				116.00	27,498.00
Deposit	1/3/2007				52.50	27,550.50
Deposit	1/3/2007				100,000.00	127,550.50
Deposit	1/3/2007				200,000.00	327,550.50
Deposit	1/3/2007				1,066.50	328,617.00
Deposit	1/3/2007				156.00	328,773.00
Deposit	1/3/2007				762.00	329,535.00
Deposit	1/3/2007				589.50	330,124.50
Deposit	1/3/2007				62.00	330,186.50
Deposit	1/3/2007				217.00	330,403.50
Deposit	1/4/2007				74.00	330,477.50
Deposit	1/4/2007				109.00	330,586.50
Deposit	1/4/2007				479.00	331,065.50
Deposit	1/4/2007				110.50	331,176.00
Deposit	1/4/2007				72.00	331,248.00
Deposit	1/4/2007				116.00	331,364.00
Deposit	1/4/2007				23.00	331,387.00
Total Deposits and Credits					331,387.00	331,387.00
Total New Transactions					237,784.98	237,784.98
Ending Balance					155,545.59	682,017.43

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Grand Rapids-Kent County Convention/Arena Authority Reconciliation Detail

01/10/07

1070 - Kent County - Operating, Period Ending 11/30/2006

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Beginning Balance							19,309,930.92
Cleared Transactions							
Deposits and Credits - 1 item							
Deposit	11/1/2006			Interest	X	84,209.50	84,209.50
Total Deposits and Credits						84,209.50	84,209.50
Total Cleared Transactions						84,209.50	84,209.50
Cleared Balance						84,209.50	19,394,140.42
Register Balance as of 11/30/2006						84,209.50	19,394,140.42
Ending Balance						84,209.50	19,394,140.42

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COUNTY OF KENT

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FUND LEDGER

11/01/06 THROUGH 11/30/06
FUND : CAA-OPERATING NUMBER: 0701 221 13913

DATE	TYPE	SOURCE	ADDITIONS	DEDUCTIONS	BALANCE	TIME POSTED	POSTED BY
11/01/06	3	APPINT	84,209.50		19,309,930.92		
					19,394,140.42	11/28/06 19:52:00	knt102

RECAP BY TYPE CODE

-----ADDITIONS-----		-----DEDUCTIONS-----		NET AMOUNT
TYPE	NO	AMOUNT	NO	AMOUNT
3	1	84,209.50	0	84,209.50
TOTAL		84,209.50		84,209.50 ✓
AVERAGE DAILY BALANCE				19,394,140.42



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12/21/06

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01/10/07
Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss
July through December 2006

	<u>Jul - Dec 06</u>
Income	
4040 · Private Support	0.00
4500 · Interest on Investments	394,922.06
4540 · Land Lease	61,488.00
4545 · Parking Revenues	278,106.50
Total Income	<u>734,516.56</u>
Expense	
6000 · Professional Services	37,383.55
6060 · Other Contractual Services	1,500.00
6065 · Pedestrian Safety	24,837.59
6068 · Parking Management	91,422.00
6100 · Other Supplies & Expenses	28,521.88
6200 · Capital Replacement Projects	974,945.46
6210 · F&B Repair & Maintenance	20,923.78
6300 · Utilities Expense	969,289.22
6600 · SMG Incentive Fees	229,259.00
8000 · Personal Services	49,376.11
Total Expense	<u>2,427,458.59</u>
Net Income	<u>-1,692,942.03</u>

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss by Fund
July through December 2006

	Admin & Capital Replacement (Operations)	TOTAL
Income		
4040 · Private Support	0.00	0.00
4500 · Interest on Investments	394,922.06	394,922.06
4540 · Land Lease	61,488.00	61,488.00
4545 · Parking Revenues	278,106.50	278,106.50
Total Income	734,516.56	734,516.56
Expense		
6000 · Professional Services		
6001 · Accounting/Auditing Services	21,502.23	21,502.23
6040 · Legal Services	15,881.32	15,881.32
Total 6000 · Professional Services	37,383.55	37,383.55
6060 · Other Contractual Services	1,500.00	1,500.00
6065 · Pedestrian Safety	24,837.59	24,837.59
6068 · Parking Management	91,422.00	91,422.00
6100 · Other Supplies & Expenses		
6010 · Bank Fees	9.00	9.00
6030 · Insurance-Property/Liability	19,196.86	19,196.86
6110 · Meeting Expense	207.48	207.48
6120 · Supplies	4,638.54	4,638.54
6140 · Printing and Binding	4,470.00	4,470.00
Total 6100 · Other Supplies & Expenses	28,521.88	28,521.88
6200 · Capital Replacement Projects	974,945.46	974,945.46
6210 · F&B Repair & Maintenance	20,923.78	20,923.78
6300 · Utilities Expense		
6301 · Electricity	535,459.58	535,459.58
6310 · Natural Gas	4,946.15	4,946.15
6320 · Steam	382,849.41	382,849.41
6340 · Water & Sewer	46,034.08	46,034.08
Total 6300 · Utilities Expense	969,289.22	969,289.22
6600 · SMG Incentive Fees	229,259.00	229,259.00
8000 · Personal Services		
8001 · Employee Wages	38,795.63	38,795.63
8030 · Employee Benefits	10,580.48	10,580.48
Total 8000 · Personal Services	49,376.11	49,376.11
Total Expense	2,427,458.59	2,427,458.59
Net Income	-1,692,942.03	-1,692,942.03

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Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss Budget vs. Actual
July through December 2006

	Jul - Dec 06	Budget	\$ Over Budget	% of Budget
Income				
4040 · Private Support	0.00			
4500 · Interest on Investments	394,922.06	392,502.00	2,420.06	100.6%
4540 · Land Lease	61,488.00	77,298.00	-15,810.00	79.5%
4545 · Parking Revenues	278,106.50	367,284.00	-89,177.50	75.7%
4550 · Miscellaneous Revenue	0.00	7,500.00	-7,500.00	0.0%
Total Income	734,516.56	844,584.00	-110,067.44	87.0%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	21,502.23	13,002.00	8,500.23	165.4%
6040 · Legal Services	15,881.32	15,000.00	881.32	105.9%
Total 6000 · Professional Services	37,383.55	28,002.00	9,381.55	133.5%
6060 · Other Contractual Services	1,500.00	30,000.00	-28,500.00	5.0%
6065 · Pedestrian Safety	24,837.59	40,002.00	-15,164.41	62.1%
6068 · Parking Management	91,422.00	168,618.00	-77,196.00	54.2%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	9.00			
6030 · Insurance-Property/Liability	19,196.86	10,002.00	9,194.86	191.9%
6110 · Meeting Expense	207.48	1,998.00	-1,790.52	10.4%
6120 · Supplies	4,638.54	4,998.00	-359.46	92.8%
6140 · Printing and Binding	4,470.00			
Total 6100 · Other Supplies & Expenses	28,521.88	16,998.00	11,523.88	167.8%
6200 · Capital Replacement Projects	974,945.46	543,000.00	431,945.46	179.5%
6210 · F&B Repair & Maintenance	20,923.78			
6300 · Utilities Expense				
6301 · Electricity	535,459.58	597,000.00	-61,540.42	89.7%
6310 · Natural Gas	4,946.15	9,000.00	-4,053.85	55.0%
6320 · Steam	382,849.41	554,748.00	-171,898.59	69.0%
6340 · Water & Sewer	46,034.08	6,192.00	39,842.08	743.4%
Total 6300 · Utilities Expense	969,289.22	1,166,940.00	-197,650.78	83.1%
6500 · DID Assessment	0.00	24,828.00	-24,828.00	0.0%
6600 · SMG Incentive Fees	229,259.00			
8000 · Personal Services				
8001 · Employee Wages	38,795.63	29,400.00	9,395.63	132.0%
8030 · Employee Benefits	10,580.48	10,536.00	44.48	100.4%
Total 8000 · Personal Services	49,376.11	39,936.00	9,440.11	123.6%
Total Expense	2,427,458.59	2,058,324.00	369,134.59	117.9%
Net Income	-1,692,942.03	-1,213,740.00	-479,202.03	139.5%

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Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss Prev Year Comparison
July through December 2006

	Jul - Dec 06	Jul - Dec 05	\$ Change	% Change
Income				
4040 · Private Support	0.00	0.00	0.00	0.0%
4500 · Interest on Investments	394,922.06	377,721.03	17,201.03	4.6%
4540 · Land Lease	61,488.00	69,132.00	-7,644.00	-11.1%
4545 · Parking Revenues	278,106.50	242,920.25	35,186.25	14.5%
4550 · Miscellaneous Revenue	0.00	24,860.00	-24,860.00	-100.0%
Total Income	734,516.56	714,633.28	19,883.28	2.8%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	21,502.23	22,863.17	-1,360.94	-6.0%
6040 · Legal Services	15,881.32	5,347.40	10,533.92	197.0%
Total 6000 · Professional Services	37,383.55	28,210.57	9,172.98	32.5%
6060 · Other Contractual Services	1,500.00	0.00	1,500.00	100.0%
6065 · Pedestrian Safety	24,837.59	24,196.18	641.41	2.7%
6068 · Parking Management	91,422.00	114,897.40	-23,475.40	-20.4%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	9.00	0.00	9.00	100.0%
6020 · Computer Services	0.00	249.95	-249.95	-100.0%
6030 · Insurance-Property/Liability	19,196.86	8,630.00	10,566.86	122.4%
6110 · Meeting Expense	207.48	1,424.76	-1,217.28	-85.4%
6120 · Supplies	4,638.54	1,376.50	3,262.04	237.0%
6140 · Printing and Binding	4,470.00	0.00	4,470.00	100.0%
Total 6100 · Other Supplies & Expenses	28,521.88	11,681.21	16,840.67	144.2%
6160 · Facility Repair and Maintenance	0.00	27,306.25	-27,306.25	-100.0%
6200 · Capital Replacement Projects	974,945.46	984,449.98	-9,504.52	-1.0%
6210 · F&B Repair & Maintenance	20,923.78	0.00	20,923.78	100.0%
6300 · Utilities Expense				
6301 · Electricity	535,459.58	522,323.52	13,136.06	2.5%
6310 · Natural Gas	4,946.15	9,282.79	-4,336.64	-46.7%
6320 · Steam	382,849.41	184,355.03	198,494.38	107.7%
6340 · Water & Sewer	46,034.08	53,297.86	-7,263.78	-13.6%
Total 6300 · Utilities Expense	969,289.22	769,259.20	200,030.02	26.0%
6600 · SMG Incentive Fees	229,259.00	194,533.00	34,726.00	17.9%
8000 · Personal Services				
8001 · Employee Wages	38,795.63	17,690.72	21,104.91	119.3%
8030 · Employee Benefits	10,580.48	9,810.56	769.92	7.9%
Total 8000 · Personal Services	49,376.11	27,501.28	21,874.83	79.5%
Total Expense	2,427,458.59	2,182,035.07	245,423.52	11.3%
Net Income	-1,692,942.03	-1,467,401.79	-225,540.24	-15.4%



FISCAL SERVICES DEPARTMENT
MEMORANDUM

TO: Birgit Klohs
Chair- Convention/Arena Authority Finance Committee

FROM: Robert White *RGM*
Fiscal Services Director

SUBJECT: Proposal for Extension of Audit Services Contract

DATE: January 10, 2007

On March 16, 2006, the Finance Committee of the Convention/Arena Authority approved an audit services agreement with BDO Seidman LLP for the Fiscal Years ending June 30, 2004 through 2006 inclusive. A copy of the original bid tabulation is enclosed following this memorandum.

I have solicited, from BDO Seidman LLP, a quote for extension of the audit services agreement to include financial statements of the CAA for the year ending June 30, 2007. The quote is in the amount of \$14,500. This fee represents an increase of 3.5% over the agreed price for audit of the financial statements for the year ended June 30, 2006.

As a further comparison, the fee paid to Deloitte and Touche by SMG approximated \$46,000 for review of the financial statements for the year ended June 30, 2006.

Cc Steve Heacock, Board Chair

Grand Rapids - Kent County
Convention/Arena Authority
RFP - Audit Services - Response
Fiscal Years Ending June 30, 2004 - 2006, Inclusive
Bid Opening - March 10, 2006

Respondent	Fiscal Year Ending June 30			
	2004	2005	2006	TOTAL
BDO Seidman LLP	\$ 13,000 ⁽¹⁾	\$ 13,000 ⁽¹⁾	\$ 14,000 ⁽¹⁾	\$ 40,000
Rehmann Robson	---	28,000 ⁽²⁾	18,000	46,000
Plante & Moran PLLC	23,900	23,900	24,600	72,400
Deloitte & Touche LLP	37,500 ⁽³⁾	38,750 ⁽³⁾	40,000 ⁽³⁾	116,250
PricewaterhouseCoopers	---	---	---	Declined

NOTES:

⁽¹⁾ Plus out-of-pocket not to exceed \$250.

⁽²⁾ Combined fee for two-year 2004-2005 audit.

⁽³⁾ Plus project-related expenses not to exceed \$1,500.



BDO Seldman, LLP
Accountants and Consultants

99 Monroe Avenue NW, Suite 800
Grand Rapids, Michigan 49503-2654
Telephone: (616) 774-7000
Fax: (616) 776-3680

December 19, 2006

Members of the Grand Rapids – Kent County
Convention / Arena Authority
Grand Rapids, Michigan

Dear Members of the Board:

I have prepared the following quote for audit services for the Grand Rapids-Kent County Convention/Arena Authority (CAA) for the upcoming year:

We will audit the financial statements of the CAA for the year ending June 30, 2007, for \$14,500. This fee includes a management letter of recommendations, if applicable. We have held our fee increase to 3.5%.

It has been a pleasure working with Bob, Cheri and the CAA and I appreciate the opportunity to continue our involvement. If you have any questions about our quote or anything else feel free to contact me at 774-7000.

Sincerely,

A handwritten signature in cursive script that reads 'Patricia A. Duperron'.

Patricia A. Duperron, CPA
BDO Seidman, LLP

**VAN ANDEL ARENA
FOOD & BEVERAGE REVENUE & COMMISSIONS
FOR MONTH ENDED NOVEMBER 30, 2006**

MONTH	November Actual	November Budget	November Prior Year
Concession Events	13	13	17
Gross Concessions Revenue	463,645	388,000	159,418
Less: Concessionaire Share	(217,913)	(182,360)	(81,090)
Less: Griffins/Rampage Share	(29,640)	(44,000)	(25,544)
Total Net Concessions to Arena	216,092	161,640	52,784
Gross Catering Revenue	139,143	98,400	39,776
Less: Concessionaire Share	(109,505)	(79,212)	(33,326)
Less: Griffins/Rampage Share	(6,281)	(6,088)	(2,134)
Total Net Catering to Arena	23,357	13,100	4,316
Total SMGFB Payment to Arena	239,449	174,740	57,100
Less: Branded Sales Commissions	(2,347)		
Net Food & Beverage Revenue	237,102	174,740	57,100

YEAR TO DATE	YTD 2007 Actual	YTD 2007 Budget	YTD 2007 Prior Year
Concession Events	38	41	42
Gross Concessions Revenue	994,572	979,500	750,987
Less: Concessionaire Share	(467,449)	(460,365)	(380,395)
Less: Griffins/Rampage Share	(49,633)	(77,000)	(49,229)
Total Net Concessions to Arena	477,490	442,135	321,363
Gross Catering Revenue	274,370	236,900	162,101
Less: Concessionaire Share	(215,124)	(190,708)	(134,703)
Less: Griffins/Rampage Share	(8,806)	(10,651)	(4,282)
Total Net Catering to Arena	50,440	35,541	23,116
Total SMGFB Payment to Arena	527,930	477,676	344,479
Less: Branded Sales Commissions	(5,860)		
Net Food & Beverage Revenue	522,070	477,676	344,479

MONTHLY EVENTS - PER CAP COMPARISON

	Previous Visit	Current Year	Percentage Change
MSU v GVSU Basketball	\$4.69	\$4.14	-11.68%
Red Hot Chili Peppers	\$5.45	\$6.89	26.48%
Bob Seger #1	\$5.37	\$8.47	57.73%
Bob Seger #2	\$5.37	\$7.99	48.79%
Martina McBride	\$2.86	\$2.92	2.10%
Griffins Games 7-14	\$4.98	\$4.68	-6.03%
Griffins - Season to Date	\$5.15	\$4.85	-5.83%

**VAN ANDEL ARENA
FOOD & BEVERAGE REVENUE & COMMISSIONS
FOR MONTH ENDED DECEMBER 31, 2006**

MONTH	December Actual	December Budget	December Prior Year
Concession Events	12	11	12
Gross Concessions Revenue	325,976	278,000	351,309
Less: Concessionaire Share	(153,209)	(130,660)	(177,581)
Less: Griffins/Rampage Share	(41,619)	(44,000)	(39,039)
Total Net Concessions to Arena	131,148	103,340	134,689
Gross Catering Revenue	91,377	79,400	90,431
Less: Concessionaire Share	(73,559)	(63,918)	(75,020)
Less: Griffins/Rampage Share	(5,301)	(6,088)	(4,736)
Total Net Catering to Arena	12,517	9,394	10,675
Total SMGFB Payment to Arena	143,665	112,734	145,364
Less: Branded Sales Commissions	(2,101)		
Net Food & Beverage Revenue	141,564	112,734	145,364

YEAR TO DATE	YTD 2007 Actual	YTD 2007 Budget	YTD 2007 Prior Year
Concession Events	50	52	54
Gross Concessions Revenue	1,320,548	1,257,500	1,102,297
Less: Concessionaire Share	(620,658)	(591,025)	(557,976)
Less: Griffins/Rampage Share	(91,252)	(121,000)	(88,268)
Total Net Concessions to Arena	608,638	545,475	456,053
Gross Catering Revenue	365,748	316,300	252,532
Less: Concessionaire Share	(288,683)	(254,626)	(209,723)
Less: Griffins/Rampage Share	(14,107)	(16,739)	(9,018)
Total Net Catering to Arena	62,958	44,935	33,791
Total SMGFB Payment to Arena	671,596	590,410	489,844
Less: Branded Sales Commissions	(7,961)		
Net Food & Beverage Revenue	663,635	590,410	489,844

MONTHLY EVENTS - PER CAP COMPARISON

	Previous Visit	Current Year	Percentage Change
The Who	\$7.30	\$7.77	6.44%
Tran Siberian Orchestra	\$2.02	\$2.28	12.87%
Cheetah Girls	\$5.37	\$2.63	-51.02%
Griffins Games 15-22	\$5.10	\$5.10	0.00%
Griffins - Season to Date	\$5.13	\$4.96	-3.31%



December 22, 2006

Ms. Sue Waddell, Administrative Manager
Grand Rapids-Kent County Convention & Arena Authority

Dear Sue:

I am writing in response to your letter earlier this month regarding Clif Charles of Gordon Food Service, whose term with the Convention and Arena Authority (CAA) expires at the end of this year. On behalf of the Board of Directors of the Grand Rapids/Kent County Convention & Visitors Bureau, I recommend that Clif Charles continue to serve another term for the CAA.

Please feel free to contact Steve Wilson or me if you have any questions regarding this matter.

Very Truly Yours,

Kathleen Stewart Ponitz, Chairwoman



January 15, 2007

Mr. Steven R. Heacock
Chairman
Grand Rapids-Kent County
Convention Arena/Authority
303 Monroe Avenue, NW
Grand Rapids, MI 49503

Dear Steve:

It's with regret I'm writing to notify you that I must relinquish my position as Vice Chair of the Grand Rapids-Kent County Convention/Arena Authority (CAA). However, I do plan to continue my service on the CAA Board of Directors.

I'm finding that repeated schedule conflicts could prevent me from being able to fulfill my duties as Vice Chair. Participation as the Vice Chair is something that deserves the best I have to offer, and when I am not able to serve accordingly, I must make difficult choices.

Please accept my resignation as Vice Chair, effective immediately.

Yours truly,


Clif Charles

Convention
Arena
Authority

Steven Heacock,
Chairman
Birgit Klohs
Clif Charles
Gary McInerney
George Heartwell
Joseph Tomaselli
Lew Chamberlin



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

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Grand Rapids, MI 49503-2233
616.742.6500
Fax 616.742.6590





**Van Andel Arena®
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Memorandum

To: CAA Board
From: Richard MacKEIGAN
Date: January 20, 2007
Re: VanAndel Arena Food & Beverage Upgrades

Background

You will recall a portion of the SMG F&B negotiations and contract included plans for a new 'Club/Bar' area within the arena. All agreed that this would be a necessary upgrade for the arena to maintain some "new/fresh" food and beverage options for our guests.

Many areas were considered, but Banquet Room A was designated as the most attractive option due to current use, external access and access to the kitchen.

The SMG proposal included a capital expenditure plan for F&B totalling \$850,000, with \$315,000 allocated for a 'Sports Bar Buildout' (see attachment 1). The CAA approved all of the capital items with the exception of this one. The decision was made to hold off approval of this capital expenditure until such time that a suitable percentage could be negotiated as well as an assessment on the return on investment. These numbers are now available.

CAA Percentage

The SMG F&B contract clearly outlines percentages to be paid to the CAA for concessions and catering, but not for a the club/bar area. The contract states that this number would be negotiated, but be no greater than concessions rate (53%) and no less than catering rate (20%). Over the last few months we have worked with SMG F&B to assess a percentage that would be acceptable. Currently, a rate of 30% is being proposed

for the first year of operation with the CAA maintaining an option to renegotiate after one year.

Construction/Budget

With many of the capital items already completed or in the works, we have seen a savings which has allowed us to upgrade the funds available for this capital item to \$350,000. Based on these numbers, SMG requested proposals from three companies, Partners By Design (a company SMG works with in many markets), Pioneer Construction and Progressive A & E (two local companies). All three met with SMG and SMG F&B to gauge the needs and desires.

The proposals were reviewed by Richard MacKeigan, Chris Reynolds (SMG F&B Grand Rapids) and Martin Thorson (SMG F&B Philadelphia). All submitted proposals appeared to meet our needs. Pioneer's proposal was selected as the best. The design elements were strong and the financial elements were the best of the three. Work could begin on this project early February with a completion date of late early April.

Return on Investment

Attachment 2 is a pro-forma provided by SMG F&B on the bar area. The return on investment appear to be quite favorable. Ideally, SMG tries to maintain a return on investment under ten years. The return on the Video Board investment was just over 7 years. Cannibalization was taken into consideration, as seen on attachment 2. Opportunity costs are also mitigated due to the ability to "open up" the entire banquet room area for larger groups. For this reason, no consideration was given to lost banquet use.

Perhaps more importantly, the "new" amenity we can provide to our customers and sports tenants is significant. All agree this is an element that is needed within the arena.

Recommendations

I would request the CAA approve SMG, on the Authority's behalf, to enter into an agreement with Pioneer Construction for the construction of a sports club themed area with a cost not to exceed \$350,000.

I would request the CAA to approve an expenditure of no more than \$350,000 for this construction. Bear in mind, the overall dollar amount for F&B Capital is not being increased.

I would request the CAA approve Rich MacKeigan to work with Dick Wendt to draft an addendum to the SMG F&B contract to incorporate the new percentage for sales within the sports club area. This language will assure the CAA has an opportunity to assess and evaluate the percentage after the first year of operation.

Capital Investment Budget for Van Andel Arena

Project	Budget Cost
Sports Bar Buildout	\$315,000
POS System	\$125,000
Portable Kiosk Enhancement	\$125,000
Menu Signange	\$45,000
Concession Stand Upgrades	\$150,000
Smallwares and Serviceware Upgrades	\$75,000
Uniform Program	\$15,000
Total Investment	\$850,000

TANGENTPOS-TABLE SERVICE



NOW A CROWD OF HUNDREDS SEEMS LIKE AN INTIMATE GATHERING.

TangentPOS Table Service systems give you complete control over the dining facility, from seating to guest relations to kitchen prep and inventory. It provides full capabilities for traditional wait staff service to tables, including item menus with modifiers in "pizza" style form, user enabled setup of all touch-screen, table reservations, check splitting and authorizing processes.

FEATURES

- Touch-screen point of sale functions with programmable table grid
- Table reservation module
- Open tabs and pre-authorization of orders
- Auto selection of modifiers
- Ability to split down between several checks
- Item countdown for out-of-stock items to inventory system
- Gift certificate tracking
- Drink recipe database
- House accounts with personalized statements
- Kitchen video displays
- Ingredient tracking with food cost by item
- Fast "scan out" button on all screens for quick check close
- Integrated pre-opening and labor scheduling
- Customer database for reward programs

TECHNICAL SPECIFICATIONS

- Internet credit card authorization
- Counting with multiple print formats
- Front of the house reporting base all terminals
- Completely user maintainable
- Customer and historical database for loyalty and frequent customer programs

SYSTEM REQUIREMENTS

- Windows 2000 or XP Server
- All front of house work stations are touchscreen PC, Pentium IV
- All back of house work stations are standard PC, Pentium IV



SMG - Van Andel Arena
Sports Bar - Summary of Revenue

	High	Medium	
Gross Sales	325,000	200,000	125,000
CAA percentage 30%			CAA percentage 30%
less Cannibalization...			less Cannibalization...
Suites 5%	3,169	1,950	Suites 5%
Concessions 20%	34,450	40,000	Concessions 20%
Less total cannibalization	37,619	21,200	Less total cannibalization
Net to CAA	59,881	23,150	Net to CAA
Plus Ancillary Revenue	50,000	36,850	Plus Ancillary Revenue
Total Net Revenue	<u>109,881</u>	<u>71,850</u>	<u>48,031</u>
Payback on Investment of \$350,000	3.19 years	4.87 years	7.29 years

Please Note:

1. Facility receives 19.5% of Suite Revenue and 53% of Concessions Revenue
2. Cannibalization is calculated on Sports Bar sales that would normally have been sales in one of the two revenue categories.
3. Ancillary Revenue represents rental fees, AV fees and other marketing dollars
4. All numbers are estimates based on conversations with other SMG F&B venues.

DATE	EVENT	EC	MOD	ROOM	TIME	FUNCTION
Wed, Jan 17	SMG			Arena	8:00 AM	Lay out new football field
Thur, Jan 18	Pro Championship Bull Riding	GC		Arena	8:00 AM	Dirt Load-in
Fri, Jan 19	Pro Championship Bull Riding	GC	ROD	Arena	7:30 PM	Performance
	Pro Championship Bull Riding	AC		Banquet B	6P-7P	Pre-party
Sat, Jan 20	Pro Championship Bull Riding	JW	LYNNE	Arena	7:30 PM	Performance
	Pro Championship Bull Riding	AC		Banquet B	6P-7P	Pre-party
Sun, Jan 21	Available					
Mon, Jan 22	Available					
Tue, Jan 23	Available					
Wed, Jan 24	Available					
Thur, Jan 25	Booth Family Services	GC	LYNNE	Banquet B/C/D, Lobby, Concourse	7:00 AM 10A-3P 3P-6P	Set-up/Load-in Project Homeless Connect Clean-up/Load-out
Fri, Jan 26	Available					
Sat, Jan 27	Griffins vs Toronto	JW	TODD	Arena	10A-12:30P 6:00 PM 7P-9:30P 9:30P-10P	Teams practice Doors Hockey game Post-game skate
	Griffins	AC		Banquet B		Ace Young Meet-n-Greet
	Families of International Children	AC		Banquet C	5:30P-7P	Banquet
	Griffins	AC		Banquet D	6P-7:30P	Group giveaways
Sun, Jan 28	Harlem Globetrotters	GC	CHRIS	Arena	2:00 PM	Performance
Mon, Jan 29	Jam @ the Van	GC	CHRIS	Arena	6:15 PM	Basketball game
	Jam @ the Van	AC		Banquet B	5P-6P	Coaches/AD Reception
	Jam @ the Van	AC		Banquet C	8:00 PM 10:00 PM	Players' meals Players' meals
Tue, Jan 30	Cirque du Soleil – Delirium	GC		Arena	8:00 AM	Load-in/Rehearsal
Wed, Jan 31	Cirque du Soleil – Delirium	GC	JIM	Arena	8:00 PM	Performance
		AC		Banquet B	8A-11P	Changing rooms
		AC		Banquet C/D	8A-9:30P	Backstage catering
Thur, Feb 1	Cirque du Soleil – Delirium	GC		Arena	8:00 PM	Performance
		AC		Banquet B	8A-11P	Changing rooms
		AC		Banquet C/D	8A-9:30P	Backstage catering
	Howard Mullin	AC		Arbor Prem Club	6:30P-10:30P	Banquet
Fri, Feb 2	Cirque du Soleil – Delirium	JW		Arena	8:00 PM	Performance
		AC		Banquet B	8A-11P	Changing rooms
		AC		Banquet C/D	8A-9:30P	Backstage catering
	Arbor Mortgage	AC		Arbor Prem Club	6:30P-10:30P	Contest winners banquet
Sat, Feb 3	Griffins vs Peoria	JW		Arena	10A-12:30P	Teams practice
					6:00 PM	Doors
					7P-9:30P	Hockey game
					9:30P-10P	Post game autographs
					10P-10:30P	Post-game skate
Sun, Feb 4	Available					
Mon, Feb 5	Available					
Tue, Feb 6	Available					
Wed, Feb 7	Griffins vs Syracuse	GC		Arena	10A-12:30P 6:00 PM 7P-9:30P	Teams practice Doors Hockey game
Thur, Feb 8	USHRA Thunder Nationals	GC		Arena	8:00 AM	Load-in
Fri, Feb 9	USHRA Thunder Nationals	GC		Arena	7:30 PM	Performance

Sat, Feb 10	USHRA Thunder Nationals	GC		Arena	2:00 PM 7:30 PM	Performance Performance
Sun, Feb 11	USHRA Thunder Nationals	GC		Arena	2:00 PM	Performance
Mon, Feb 12	Available					
Tue, Feb 13	Aces of Hearts	GC		Arena	6:30 PM	Tennis match
Wed, Feb 14	Available					
Thur, Feb 15	Available					
Fri, Feb 16	Griffins vs San Antonio	GC		Arena	10A-12:30P 6:00 PM 7P-9:30P	Teams practice Doors Hockey game
Sat, Feb 17	Griffins vs San Antonio	GC		Arena	10A-12:30P 6:00 PM 7P-9:30P	Teams practice Doors Hockey game
Sun, Feb 18	Lipizzaner Stallions	GC		Arena	2:00 PM 6:00 PM	Performance Performance

FEBRUARY 2007

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURIT
THURS. FEB 1	AUTOWARES	BALL A-B	8am - 8pm	MOVE IN	RC	0	0	0	Lyon Dock
	MI INTERNATIONAL AUTOSHOW	EH A-C G A-F O A-H	3p-10p	SHOW	TJ	5 Ticket Takers 1 super 1 coat check	2	1 roaming 2 traffic control	See event ord
FRI. FEB 2	AUTOWARES	BALL A-B BALL C BALL D RO A-F	8am - 10pm	EXHIBITS SET UP MEETINGS	RC	0	0	0	Lyon Dock Welsh Lobby
	MI INTERNATIONAL AUTOSHOW	EH A-C G A-F O A-H	11a-10p	SHOW	TJ	5 Ticket Takers 1 super 1 coat check	2	1 roaming 2 traffic control	See event ord
	WEST MICHIGAN DENTAL SOCIETY CONTINUING ED.	BALL D BALL P-FUNC	8:00AM-6:00PM	MEETING LUNCH	KR	0	0	0	Monroe
	RON WHITE: YOU CAN'T FIX STUPID	DEVOS HALL	2P-6P 7:30PM-9:10PM 10PM-11:40PM 11:30PM-1AM	MOVE IN PERFORMANCE PERFORMANCE MOVE OUT	AK	14 USHERS 8 TD 6P-12A	2 EMT 6P-12A	2 TRAFFIC 6:30P-12A	1 BUS 1 SD 2P-1A 1 SUPER 2 PTT 1 LOBBY 2 ROAM 6P-12A
SAT. FEB 3	AUTOWARES	BALL B BALL C BALL D RO A-F	7am - 12am	MEALS MEETINGS MEETINGS	RC	0	0	0	Lyon Dock Welsh Lobby
	MI INTERNATIONAL AUTOSHOW	EH A-C G A-F O A-H	10a-10p	SHOW	TJ	5 Ticket Takers 1 super 1 coat check	2	1 roaming 2 traffic control	See event ord
	KENDALL ELECTRIC	BALL A-B	12pm - 12am	DINNER	SL	0	0	0	Welsh Lobby
	ROMEO ET JULIETTE-OPERA	RECITAL HALL	1PM-4PM	SYMPHONY REHEARSAL	AK	0	0	0	1 SD 11:30AM - 4:30PM
	CME SEMINAR	MON A	6:00AM-6:00PM	MEETING	KR	0	0	0	Monroe
SUN. FEB 4	MI INTERNATIONAL AUTOSHOW	EH A-C G A-F O A-H	10a-6p	SHOW	TJ	5 Ticket Takers 1 super 1 coat check	2	1 roaming 2 traffic control	See event ord
	ROMEO ET JULIETTE-OPERA	DV/Lyon Dock	8AM-6PM 6:30PM-10:30PM	SET UP REHEARSAL	AK	0	0	0	1 SD 5P-11P
MON. FEB 5	MI INTERNATIONAL AUTOSHOW	EH A-C G A-F	8a-5p	MOVE OUT	TJ	0	0	0	See event ord
	ROMEO ET JULIETTE-OPERA	DV	8AM-6PM 7:30PM-11:30PM	SET UP REHEARSAL	AK	0	0	0	1 SD 5P-12A
TUES. FEB 6	MICHIGAN ASPHALT PAVING ASSN.	EH C		SET UP	KR	0	0	0	3 MI Loading 1 Freight Roamer Overnight Airwall
	ROMEO ET JULIETTE-OPERA	DV	8AM-6PM 7:30PM-10:30PM	SET UP REHEARSAL	AK	0	0	0	1 SD 5P-12A
WED. FEB 7	MICHIGAN ASPHALT PAVING ASSN.	EH C G A-G		EXHIBIT BREAKOUT ROOMS	KR	0	0	0	Roamer Overnight Airwall
	MI RECREATION & PARKS ASSN. ANNUAL CONVENTION	BALL A-D		SET UP	RC				

FEBRUARY 2007

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURIT
	ROMEO ET JULIETTE-OPERA	DV	8AM-6PM 7:30PM-10:30PM	SET UP OPEN REHEARSAL	AK	8 USHERS 4 TTX	2 EMT 6P-11P	2 TRAFFIC 6:30P-10:30P	1 SD 5P-12A 1 FOH 6P-11
THURS. FEB 8	MICHIGAN ASPHALT PAVING ASSN.	EH C G A-G		EXHIBIT BREAKOUT ROOMS	KR	0	0	0	Rosner 3 MI Loading 1 Freight
	MI RECREATION & PARKS ASSN. ANNUAL CONVENTION	BALL A-D RO A-F BOARDROOM		MEETING MEETING MEETING	RC				
	ROMEO ET JULIETTE-OPERA	DV		DARK	AK				
	WEST MICHIGAN GOLF SHOW	EH A-C		SET UP	KR				
FRI. FEB 9	WEST MICHIGAN GOLF SHOW	EH A-C		EXHIBIT	KR	Tix	2	2	MI Loading
	GVSU-PRESIDENT'S BALL	BALL B-D		DINNER	SL	0	0	0	Welsh
	ROMEO ET JULIETTE-OPERA	DV	6:30PM-7PM 7:30PM-10:30PM	PRE OPERA TALK PERFORMANCE	AK	12 USHERS 6 TTX 6P-10:30P	2 EMT 6P-11P	2 TRAFFIC 6:30P-11P	1 SD 5P-11P 1 FOH 6P-11
	2007 MICHIGAN REPUBLICAN STATE COMMITTEE	G A-F GO G-H EH C		BREAKOUT ROOMS BREAKOUT ROOMS GENERAL SESSION	RC				
	SMITH, HAUGHEY, RICE & ROEGGE	BOARDROOM		MEETING	SL				
	CITY MANAGER'S MEETING	GO D	8:00AM-11:00AM	MEETING	SL				
SAT. FEB 10	WEST MICHIGAN GOLF SHOW	EH A-C		EXHIBIT	KR	Tix	2	2	MI Loading
	ROMEO ET JULIETTE-OPERA	DV DV/LYON DOCK	6:30PM-7PM 7:30PM-10:30PM 10:30P-3:30A	PRE OPERA TALK PERFORMANCE MOVE OUT	AK	12 USHERS 6 TTX 6P-10:30P	2 EMT 6P-11P	2 TRAFFIC 6:30P-11P	1 SD 5P-11P 1 FOH 6P-11
	SMITH, HAUGHEY, RICE & ROEGGE	BOARDROOM		MEETING	SL				
	2007 MICHIGAN REPUBLICAN STATE COMMITTEE	EH C		GENERAL SESSION	RC				
SUN. FEB 11	WEST MICHIGAN GOLF SHOW	EH A-C		EXHIBIT	KR	Tix	2	2	MI Loading
	GRAND RAPIDS BOAT SHOW	EH A-C	11:00am - 6:00pm	MOVE IN	MJ	None	None	None	6 Dock
MON. FEB 12	GRAND RAPIDS BOAT SHOW	EH A-C, G A-F, O A-H	7:00am - 8:00pm	MOVE IN	MJ	None	None	None	6 Dock
	HILLSDALE COLLEGE	BOARDROOM		RECEPTION	SL				
TUES. FEB 13	GRAND RAPIDS BOAT SHOW	EH A-C, G A-F, O A-H	7:00am - 8:00pm	MOVE IN	MJ	None	None	None	6 Dock
	GRS-CLASSICAL 6	DV	8AM-1PM 3:30PM-6PM 7:30PM-10PM	MOVE IN REHEARSAL REHEARSAL	AK	0	0	0	1 SD 2P-10:30P
WED. FEB 14	GRAND RAPIDS BOAT SHOW	EH A-C, G A-F, O A-H	7:00am- 12p 3:00pm - 9:30pm	MOVE-IN SHOW	MJ	5 Ticket takers 2:30 -9:00pm	2 EMTS 2:30pm - 9:00pm	2 Traffic 1 Uniform 2:30pm - 9:00pm	Supervisor 12 guards
	GRS-CLASSICAL 6	DV	3:30PM-6PM 7:30PM-10PM	REHEARSAL REHEARSAL	AK	0	0	0	1 SD 2P-10:30P
THURS. FEB 15	GRAND RAPIDS BOAT SHOW	EH A-C, G A-F, O A-H	3:00pm - 9:30pm	SHOW	MJ	5 Ticket takers 2:30 -9:00pm	2 EMTS 2:30pm - 9:00pm	2 Traffic 1 Uniform 2:30pm - 9:00pm	Supervisor 12 guards

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DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURITY
	GRS-CLASSICAL 6	DV	3:30PM-6PM 7:30PM-10PM	REHEARSAL REHEARSAL	AK	0	0	0	1 SD 2P-10:30P Supervisor 12 guards
FRI. FEB 16	GRAND RAPIDS BOAT SHOW	EH A-C, G A-F, O A-H	11:00am - 9:30pm	SHOW	MJ	5 Ticket takers 10:30 - 9:00pm	2 EMTS 10:30am - 9:00pm	2 Traffic 1 Uniform 10:30am - 9:00pm	Supervisor 12 guards
	GRSO- CLASSICAL 6	RECITAL HALL DV	7PM-7:20PM 8PM-10PM	UPBEAT PERFORMANCE	AK	6 USHERS 6 TTX 6:30P-10:30P	2 EMT 6:30P-11P	2 TRAFFIC 7P-10:30P	1 SD, 1 FOH 6P-11P
SAT. FEB 17	GRAND RAPIDS BOAT SHOW	EH A-C, G A-F, O A-H	10:00am - 9:00pm	SHOW	MJ	5 Ticket takers 9:30 - 9:00pm	2 EMTS 9:30am - 9:00pm	2 Traffic 1 Uniform 9:30am - 9:00pm	Supervisor 12 guards
	GRSO- CLASSICAL 6	RECITAL HALL DV	7PM-7:20PM 8PM-10PM	UPBEAT PERFORMANCE	AK	6 USHERS 6 TTX 6:30P-10:30P	2 EMT 6:30P-11P	2 TRAFFIC 7P-10:30P	1 SD, 1 FOH 6P-11P
SUN. FEB 18	GRAND RAPIDS BOAT SHOW	EH A-C, G A-F, O A-H	11:00am - 6:00pm	SHOW	MJ	5 Ticket takers 10:30 - 9:00pm	2 EMTS 10:30am - 9:00pm	2 Traffic 1 Uniform 10:30am - 9:00pm	Supervisor 12 guards
	GRSO-FAMILY II	DV	9AM - 12:30PM 1:15PM-2:15PM 3PM-4:15PM	CHANGEVER REHEARSAL PERFORMANCE	AK	8 USHERS 6 TTX 1:30P-5P	2 EMT 1:30P-5P	2 TRAFFIC 2P-5P	1 SD 12P-5P 1 FOH 1:30P-5P
MON. FEB 19	GRAND RAPIDS BOAT SHOW	EH A-C, G A-F	8:00am - 3:00pm	MOVE OUT	MJ	None	None	None	6 Guards
TUES. FEB 20	S. ABRAHAM & SONS TRADE SHOW	EH B-C	8am - 6pm	SET UP	RC	0	0	0	2 MI Dock
	GRSO- 5 TH GRADE	DV	9:40AM-10:40AM 11:10AM-12:10AM	PERFORMANCE	AK	12 USHERS 8:30A-12:30P	2 EMT 8:30A-12:30P	2 TRAFFIC 9AM-12:30P	1 SD 2 FOH 1 SCRIBNEI 8:30A-12:20
WED. FEB 21	S. ABRAHAM & SONS TRADE SHOW	EH B-C	8am - 6pm	SET UP	RC	0	0	0	4 MI Dock
	GRSO- 5 TH GRADE	DV	9:40AM-10:40AM 11:10AM-12:10AM	PERFORMANCE	AK	12 USHERS 8:30A-12:30P	2 EMT 8:30A-12:30P	2 TRAFFIC 9AM-12:30P	1 SD 2 FOH 1 SCRIBNEI 8:30A-12:20
THURS. FEB 22	GVSU- WEST MICHIGAN CAREER CONNECTIONS	BALL A	8:00AM-7PM	EXHIBIT	KR	0	0	0	Welsh
	S. ABRAHAM & SONS TRADE SHOW	EH B-C		EXHIBIT	RC	2 Cost Check	0	0	1 GG 1 Welsh 1 EH C 2 MI Dock
	GRSO- 5 TH GRADE	DV	9:40AM-10:40AM 11:10AM-12:10AM	PERFORMANCE	AK	12 USHERS 8:30A-12:30P	2 EMT 8:30A-12:30P	2 TRAFFIC 9AM-12:30P	1 SD 2 FOH 1 SCRIBNEI 8:30A-12:20
	ADDIE AWARDS	BALL B-C BALL P-FUNC	8:00AM-11:59PM 8:00AM-11:59PM	RECEPTION RECEPTION	SL/ RC	0	0	0	Lyon dock Welsh lobby
FRI. FEB 23	WEST MICHIGAN MOTORCYCLE & ORV SHOW	EH A	8:00am - 11:00pm	SET UP	MJ	None	None	None	4 Dock
	S. ABRAHAM & SONS TRADE SHOW	EH B-C G E-F BALL A-D	8am - 12am	EXHIBIT BREAKOUT ROOMS DINNER		2 Cost Check	0	0	1 GG 1 Welsh 1 EH C 2 MI Dock
	GRSO- 5 TH GRADE	DV	9:40AM-10:40AM 11:10AM-12:10AM	PERFORMANCE	AK	12 USHERS 8:30A-12:30P	2 EMT 8:30A-12:30P	2 TRAFFIC 9AM-12:30P	1 SD 2 FOH

FEBRUARY 2007

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