

# Agenda

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## Board of Directors

**Friday, January 17, 2014**  
**Following CAA Finance Committee Meeting**  
**Kent County Commission Chambers**  
**300 Monroe, NW – Grand Rapids, MI**

- |    |   |               |
|----|---|---------------|
| 1. | Call to Order   | Steve Heacock |
| 2. | Minutes of December 6, 2013   | Action        |
| 3. | Election of Officers  | Action        |
| 4. | Committee Reports   |               |
|    | A. Operations Committee   | Information   |
|    | B. Finance Committee  |               |
|    | i. Financial Statements and Supplementary Information for Years Ended June 30, 2013 and 2012 – BDO USA, LLP   | Action        |
|    | ii. Audit Wrap-Up for Year Ended June 30, 2013 – BDO USA, LLP   | Information   |
|    | iii. Consolidated Financial Report FY 2013 Recap  | Information   |
|    | iv. History of SMG Net Operating Income by Facility   | Information   |
|    | v. Acceptance of CAA November 2013 Financial Statements   | Action        |
|    | vi. Acceptance of SMG November 2013 Financial Statements  | Action        |
|    | vii. Resolution Approving Revised Scope of Work Related to \$142,500 United States Department of Housing and Urban Development Economic Development Initiative Special Projects Grant | Action        |
| 5. | SMG Report and Facilities Calendars   | Information   |
| 6. | Public Comment  |               |
| 7. | Adjournment   |               |

**Next Meeting Date: Friday, February 7, 2014,**  
**Following the CAA Operations Committee Meeting**

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
BOARD OF DIRECTORS MEETING  
Friday, December 6, 2013**

**1. Call to Order**

Steve Heacock, Chairperson, called the meeting to order at 8:30 a.m. Secretary/Treasurer, Richard Winn, recorded the meeting minutes.

Attendance

Members Present: Steve Heacock, Chair  
Lew Chamberlin  
Charlie Secchia  
Floyd Wilson, Jr.  
Rick Winn

Members Absent: George Heartwell  
Birgit Klohs

Staff/Others:	Kathy Bart	SMG
	Chris Benevento	SAVOR
	Kristy Doak	SMG
	Jeff Dubin	SAVOR
	Bryan Dykema	Interested Citizen
	Tim Gortsema	Grand Rapids Griffins
	Jim Harger	<i>MLive/The Grand Rapids Press</i>
	Monica Hart	SMG
	George Helmstead	Experience Grand Rapids
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Joan Pratt	SMG
	Doug Small	Experience Grand Rapids
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jim Watt	SMG
	Richard Wendt	Dickinson Wright
	Robert White	CAA

**2. Introduction of SMG Sales Team**

Mr. MacKeigan introduced Kathy Bart, who started with SMG in the box office after leaving the educational field. Kathy was promoted to Director of Sales at DeVos Place® and does an exceptional job interacting with hotel and CVB staff. Kathy made a few opening comments and introduced the sales team. Joan Pratt, administrative assistant, has been with SMG for 8 months after working at Bissell. Joan is a great addition to the team and the first face you see when coming into the office. Joan is very friendly and welcoming. Monica Hart, sales assistant, was initially hired as a receptionist. Monica did such a great job that she was bumped into the sales department where she takes care of local sales activity.

Kristy Doak, sales manager, has been in the sales department for five years and with SMG for seven years. Kristy handles the state market, which is a heavy portion of convention business. Kristy is constantly nurturing client relationships and has become the face of the state market. Kathy oversees the regional and national markets. Kathy thanked the CAA for the financial resources it provides to Experience Grand Rapids and the Sports Commission. With those funds, staff is able to enhance the offers to prospective clients. On a corporate level, SMG offers sales training, seminars, and monthly peer-to-peer conference calls. The entire sales staff will complete the Certified Tourism Ambassador program offered by Experienced Grand Rapids. Notable upcoming conventions include WWW (twice annually, they take the entire building), NOBLE, and OrgPro, a conference of meeting planners that has not been to Grand Rapids since 2004. Chair Heacock extended appreciation to Kathy and the sales team for their great work.

### **3. Minutes of Prior Meeting**

*Motion by Mr. Wilson, support by Mr. Chamberlin, to approve the November 1, 2013, Minutes. Motion carried.*

### **4. Committee Reports**

#### **a. Operations Committee**

Mr. Chamberlin stated that the Operations Committee met earlier today and has nothing additional to report. The Operations Committee recommended approval of a resolution to extend the term of the SAVOR food and beverage services agreement that expires June 30, 2014, with the deletion of Section 9(c).

*Motion by Chamberlin, support by Wilson, to adopt of the Resolution to Extend Term of Food and Beverage Services Agreement with SMG Food and Beverage, LLC for the First Renewal Term, Authorize Notification to SMG, and Approve and Authorize Execution of First Amendment to Food and Beverage Services Agreement with SMG Food and Beverage Extending Term for the Period of the First Renewal Term, provided that Section 9(c) is deleted from the Agreement. Motion carried.*

#### **b. Finance Committee**

##### **i. CAA October 2013 Financial Statements**

Mr. White presented the CAA financial statements for the period ended October 31, 2013. Mr. White referred to the Consolidated Income Statement and stated that total operating net proceeds are down by (\$741,270) from a like period in the prior fiscal year. The Van Andel Arena® budget forecast a current-year net proceeds decrease of (37.6%). For the current fiscal year, net proceeds are at a decline of (60.0%) from prior-year performance. DeVos Place® budget forecast a current-year net proceeds decrease of (68.7%). For the current fiscal year, net proceeds are reported at a decline of (403.2%) from prior-year performance.

*Motion: Mr. Winn, supported by Mr. Wilson, moved to accept the CAA Financial Statements for the period ended October 31, 2013. The motion carried unanimously.*

##### **ii. SMG October 2013 Financial Statements**

Mr. Machuta stated that DeVos Place® performed fairly consistent with budget overall and better than prior year. Jersey Boys sold very well and was a major contributor to the overage seen in the month. The Van Andel Arena® performed consistent with budget overall, as the first two concerts of the fiscal

year were held successfully and the Grand Rapids Griffins started the defense of their Calder Cup Championship.

*Motion: Mr. Winn, supported by Mr. Chamberlin, moved to accept the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended October 31, 2013. The motion carried unanimously.*

**5. Ratification of Resolution Adopted November 1, 2013, to Extend Term of SMG Management Agreement for the First Renewal Term, Authorize Notification to SMG, and Approve and Authorize Execution of First Amendment to SMG Management Agreement**

At the November 2014 CAA Board meeting, Mr. Heartwell suggested that the CAA put together a clear set of evaluative criteria to measure SMG's performance. Mr. Heacock asked Attorney Wendt to assemble a list of parameters and identify items that measure SMG performance. Mr. MacKeigan offered to provide a list of measurables that he previously prepared. Included in this meeting's agenda packet was an Evaluation of SMG Management Services prepared by Attorney Wendt, along with a performance checklist submitted by Mr. MacKeigan. Chair Heacock praised Mr. MacKeigan for his tremendous work on behalf of the CAA. Rich responded that it "ain't done alone," and he has assistance from exceptional staff and partners. Rich appreciated the kind words and noted that they are shared with a lot of people.

*Motion by Mr. Chamberlin, Support by Mr. Wilson, to ratify the Resolution Adopted November 1, 2013, to Extend Term of SMG Management Agreement for the First Renewal Term, Authorize Notification to SMG, and Approve and Authorize Execution of First Amendment to SMG Management Agreement. Motion carried.*

**6. SMG Report and Facilities Calendars**

Mr. MacKeigan hopes to present a formal ShowSpan report on the International Wine, Beer & Food Festival at the next CAA Board meeting.

**7. Public Comment**

None.

**8. Adjournment**

The meeting adjourned at 9:10 a.m.

The date for next CAA Board meeting is **Friday, January 17, 2014**, in the Kent County Commission Chambers, Kent County Administration Building, 300 Monroe Avenue, NW, following the CAA Finance Committee meeting.

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Richard A. Winn, Recording Secretary



## Memorandum

**To:** CAA Board Members

**From:** Susan Waddell, Administrative Manager

**Date:** January 7, 2014

**Re:** Election of Officers

Convention

Arena

Authority

Steve Heacock,

Chairperson

Lew Chamberlin

Hon. George K. Heartwell

Birgit M. Klohs

Charlie Secchia

Floyd Wilson, Jr.

Richard A. Winn

According to Section 5.1 of the Grand Rapids-Kent County Convention/Arena Authority Bylaws, the officers of the Board are the Chairperson, Vice Chairperson, Secretary and Treasurer. The Chairperson and Vice Chairperson shall be selected by the Board from its directors. The Secretary and Treasurer shall be selected by the Board but need not be directors of the Board. The same person may hold the office of Secretary and Treasurer.

The Bylaws also provide that officers shall be elected at the initial organizational meeting of the Board and biannually at the Board meeting in January of every second year thereafter. The first officers were elected at the inaugural Board meeting on April 18, 2000. An election of officers should be held for terms expiring in January 2014.

The current officers are:

Chairman	Steven Heacock
Vice Chairperson	Birgit Klohs
Secretary/Treasurer	Richard Winn

Recommended slate:

Chairman	Steven Heacock
Vice Chairman	Birgit Klohs
Secretary/Treasurer	Richard Winn

**Action Requested:** Elect officers of the Board for terms expiring in January 2016.



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

**DEVOS PLACE**

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



## **Grand Rapids - Kent County Convention/Arena Authority**

**Financial Statements  
and Supplementary Information  
Years Ended June 30, 2013 and 2012**

# **Grand Rapids - Kent County Convention/Arena Authority**

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Financial Statements  
and Supplementary Information  
Years Ended June 30, 2013 and 2012

# **Grand Rapids - Kent County Convention/Arena Authority**

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## **Independent Auditor's Report**

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Grand Rapids - Kent County Convention/Arena Authority (the Authority) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Grand Rapids - Kent County Convention/Arena Authority as of June 30, 2013 and 2012, and the respective changes in its financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*BDO USA, LLP*

December 9, 2013

## **Management's Discussion and Analysis**

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This section of the Grand Rapids - Kent County Convention/Arena Authority's (the "Authority") financial report presents a discussion and analysis of the Authority's financial performance for the years ended June 30, 2013 and 2012. This discussion has been prepared by management, along with the financial statements and related footnote disclosures, and should be read in conjunction therewith. This discussion and analysis is designed to focus on current activities, resulting changes and currently known facts. The financial statements, footnotes and this discussion are the responsibility of Authority management.

### **Overview of the Financial Statements**

This financial report consists of three financial statements along with footnotes to the financial statements. One of the most important questions asked about the Authority's finances is whether the Authority is better off or worse off as a result of the year's activities. The keys to understanding this question are the statements of net position, the statements of revenues, expenses and changes in net position, and the statements of cash flows. These statements include all assets and liabilities of the Authority using the full accrual basis of accounting.

The statements of net position present all the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the Authority's net position are one indicator of whether the financial position of the Authority is improving or deteriorating.

The statements of revenues, expenses and changes in net position present information showing how the Authority's net position changed during the year. Revenues are reported when earned and expenses when incurred, regardless of the timing of the related cash flows. Activities are reported as operating or non-operating. Operating revenues and expenses generally result from providing services. All other revenues and expenses are reported as non-operating.

The statements of cash flows present changes in cash and cash equivalents resulting from operating, financing and investing activities. These statements present cash receipts and cash disbursements information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The notes to the financial statements provide required disclosures and other information that is essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

### **Analysis of the Authority**

The Authority's total net position increased from \$23,676,993 in 2011 to \$23,821,361 in 2012 and increased to \$24,604,186 in 2013. These changes result primarily from operations, as well as some decreased capital related upgrade and improvement projects at the facilities in the past two years. Our analysis below focuses on the net position and changes in net position of the Authority.

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## Statements of Net Position

<i>June 30,</i>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Assets</b>			
Current assets	\$ 28,133,290	\$ 26,870,756	\$ 27,391,426
Capital assets, net	1,400,394	1,587,656	1,611,131
<b>Total Assets</b>	<b>29,533,684</b>	<b>28,458,412</b>	<b>29,002,557</b>
<b>Liabilities</b>			
Current liabilities	4,929,498	4,637,051	5,325,564
<b>Net Position</b>			
Investment in capital assets	1,400,394	1,587,656	1,611,131
Unrestricted	23,203,792	22,233,705	22,065,862
<b>Total Net Position</b>	<b>\$ 24,604,186</b>	<b>\$ 23,821,361</b>	<b>\$ 23,676,993</b>

### ***Current Assets***

The decrease in current assets from 2011 to 2012 was related primarily to the timing of operating expenses and receipts from customers. The increase from 2012 to 2013 was related primarily to better than expected activity at both facilities, including increased concert activity and hockey championship games at the Van Andel Arena as well as increased patronage and spending at consumer shows at DeVos Place (the Convention Center) reflected an uptick in consumer confidence in the Grand Rapids area.

### ***Current Liabilities***

For 2012, the decrease in current liabilities was largely due to a decrease of approximately \$557,000 in advance ticket sales, advance deposits and settlement balances payable to customers for facility events. The remainder of the decrease in current liabilities from 2011 to 2012 was related to the timing of operating expenses. The increase from 2012 to 2013 was primarily related to the timing of operating expenses.

### ***Net Position***

#### ***Investment in Capital Assets***

Investment in capital assets of approximately \$1,611,000 at June 30, 2011, \$1,588,000 at June 30, 2012 and 1,400,000 at June 30, 2013 include the historical acquisition costs net of accumulated depreciation of movable building improvements and equipment not pledged as collateral on related bonds. See Note 4 for information related to capital assets.

### *Unrestricted Net Position*

Unrestricted net position includes funds that have been designated by management for specific purposes, as well as amounts that have been contractually committed for goods and services that have not yet been received. The following is a breakdown of the unrestricted net position as of June 30, 2013, 2012 and 2011:

	2013	2012	2011
Undesignated	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Facility replacement reserve	17,203,792	16,233,705	16,065,862
<b>Total Unrestricted Net Position</b>	<b>\$ 23,203,792</b>	<b>\$ 22,233,705</b>	<b>\$ 22,065,862</b>

### **Statements of Changes in Net Position**

<i>Year ended June 30,</i>	2013	2012	2011
Operating revenues, facilities	\$ 12,415,076	\$ 10,570,510	\$ 10,347,658
Operating expenses	11,877,451	10,687,439	11,440,080
Operating income (loss)	537,625	(116,929)	(1,092,422)
Non-operating revenues			
Other non-operating income	245,200	285,032	354,587
Income (loss) before transfers out	782,825	168,103	(737,835)
Transfer of constructed assets	-	(23,735)	(1,102,407)
<b>Increase (Decrease) in Net Position</b>	<b>782,825</b>	<b>144,368</b>	<b>(1,840,242)</b>
<b>Net Position, beginning of year</b>	<b>23,821,361</b>	<b>23,676,993</b>	<b>25,517,235</b>
<b>Net Position, end of year</b>	<b>\$ 24,604,186</b>	<b>\$ 23,821,361</b>	<b>\$ 23,676,993</b>

### *Operating Income (Loss)*

#### *Operating Revenues, Facilities*

Operating revenues, facilities are generated by the Authority's DeVos Place and Van Andel Arena. Management of these facilities is provided by SMG, headquartered in Philadelphia and an affiliate of American Capital Strategies, Ltd., with whom the Authority has a management agreement. Operating revenues include event revenues as well as ancillary revenues related to luxury seating, advertising and commissions on vendor sales of food, beverages and novelties. Although the two facilities continue to remain popular, revenues only slightly increased from 2011 to 2012 primarily due to the economic situation that surrounded the geographic area. This trend changed significantly in 2013; the total number of events held at both facilities has increased as well as spending per capita at events held. In general, spending by patrons and advertisers has increased, reflecting an uptick in consumer confidence in the Grand Rapids area.

### ***Operating Expenses***

Operating expenses include costs associated with the daily operation and continual upgrade and maintenance of DeVos Place and Van Andel Arena, as well as administrative costs related to the overall operation of the Authority. For 2012, operating costs decreased significantly more than the related revenues primarily due to an aggressive upgrade and improvement agenda for both facilities that included many repairs and maintenance projects in 2011 that were not repeated in 2012. Generally, administrative costs relate to insurance, personal services and professional services. In 2013, increases in operation expenses were primarily related to the increase in operating revenue, but not to the same level resulting in operating income for the facilities combined in 2013.

### ***Non-Operating Revenues***

Non-operating revenues result primarily from investment income. As cash is generated by operations, the Authority gauges future cash flow needs and invests "excess" cash as available to maximize return and value for the Authority. The Authority was unable to increase its investment of excess cash during 2011 and 2012 and, given the changes in market conditions, investment returns were less than anticipated and less than the prior year, resulting in a decrease in investment income from 2011 to 2012. The less than favorable investment return climate continued throughout 2012 and was primarily responsible for the decrease in non-operating revenues from 2011. In 2013, investment returns continue to be disappointing, but the decrease in returns has slowed resulting in a much less significant decrease from 2012 to 2013 than the prior year period.

### ***Transfer of Constructed Assets***

Bonds issued by the City County Building Authority and the Downtown Development Authority are collateralized by assets and construction expenses associated with DeVos Place Convention Center and Van Andel Arena, respectively. During fiscal years 2011 and 2012, construction expenses of \$1,102,400 and \$24,000, respectively, were transferred to the City County Building Authority and the Downtown Development Authority. When the bonds issued by the City County Building Authority have been retired, title to both the Arena and DeVos Place will be conveyed to the Authority. For fiscal year 2013, major capital related expenses were limited to repair and replacement projects not eligible for this transfer treatment.

### ***Economic Factors and Next Year's Budget***

Management believes the Grand Rapids - Kent County Convention/Arena Authority is in good condition both administratively and financially. This report covers the eleventh and twelfth years of operation. The Authority's operations and finance committees continue to monitor policies and practices governing facility rates, booking preferences and quality of service. Consolidated operating revenues at DeVos Place and Van Andel Arena continue to exceed operating expenses on an annual basis. Long-term booking activity, enhanced by the services of the Grand Rapids/Kent County Convention and Visitor's Bureau, continues to draw commitments for convention center activity, which is now booking through calendar year 2019.

The Authority's facilities include a 12,000+ seat capacity Van Andel Arena, a 2,400 seat DeVos Performance Hall, a 685 parking space facility below the convention center complex, a 160,000 square foot full-service exhibit hall, related meeting rooms offering over 24,000 square feet of additional space, as well as a 40,000 square foot ballroom.

The fiscal year 2014 (year beginning July 1, 2013) budget forecasts operating revenues of \$11.4 million with operating expenses (before depreciation) of \$10.8 million. Debt service obligations

related to Van Andel Arena and DeVos Place Convention Center are being financed by the Grand Rapids Downtown Development Authority and the City County Building Authority.

### **Contacting the Authority's Financial Management**

This financial report is designed to provide a general overview of the Authority's finances and show the Authority's accountability for the revenue it earns. Questions about this report or requests for additional financial information should be directed to the Grand Rapids - Kent County Convention/Arena Authority's Administrative Manager at 303 Monroe Avenue NW, Grand Rapids, Michigan 49503.

## **Financial Statements**

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# Grand Rapids - Kent County Convention/Arena Authority

## Statements of Net Position

<i>June 30,</i>	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 4,566,705	\$ 3,577,650
Investments (Note 2)	21,139,409	21,095,173
Accounts receivable, net (Note 3)	2,334,282	2,073,581
Prepaid expenses	92,894	124,352
<b>Total current assets</b>	<b>28,133,290</b>	<b>26,870,756</b>
Capital assets (Note 4):		
Buildings and structures	322,431	322,431
Equipment	2,669,435	2,643,235
Less accumulated depreciation	(1,591,472)	(1,378,010)
<b>Net capital assets</b>	<b>1,400,394</b>	<b>1,587,656</b>
<b>Total Assets</b>	<b>29,533,684</b>	<b>28,458,412</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable (Note 5)	867,185	807,725
Accrued expenses (Note 5)	1,595,945	977,486
Advance ticket sales	463,834	1,031,368
Advance deposits	331,808	327,627
Compensated absences	5,245	4,975
Deferred revenue	1,665,481	1,487,870
<b>Total Liabilities</b>	<b>4,929,498</b>	<b>4,637,051</b>
<b>Net Position</b>		
Investment in capital assets	1,400,394	1,587,656
Unrestricted	23,203,792	22,233,705
<b>Total Net Position</b>	<b>\$ 24,604,186</b>	<b>\$ 23,821,361</b>

*See accompanying notes to financial statements.*

# Grand Rapids - Kent County Convention/Arena Authority

## Statements of Revenues, Expenses and Changes in Net Position

<i>Year ended June 30,</i>	<b>2013</b>	<b>2012</b>
<b>Operating Revenues, facilities</b>	<b>\$ 12,415,076</b>	<b>\$ 10,570,510</b>
<b>Operating Expenses</b>		
Personnel services	3,945,964	3,820,707
Utilities	2,462,913	2,392,622
Supplies and expenses	1,646,790	885,951
Contractual services (Note 7)	2,832,751	2,586,247
Depreciation	213,462	218,638
Repairs and maintenance	727,211	731,917
Professional services	48,360	51,357
<b>Total Operating Expenses</b>	<b>11,877,451</b>	<b>10,687,439</b>
<b>Operating income (loss)</b>	<b>537,625</b>	<b>(116,929)</b>
<b>Non-Operating Revenues</b>		
Investment income	100,112	128,494
Miscellaneous	145,088	156,538
<b>Total Non-Operating Revenues</b>	<b>245,200</b>	<b>285,032</b>
<b>Income before transfers out</b>	<b>782,825</b>	<b>168,103</b>
<b>Transfer of Constructed Assets</b>	<b>-</b>	<b>(23,735)</b>
<b>Increase in Net Position</b>	<b>782,825</b>	<b>144,368</b>
<b>Net Position, beginning of the year</b>	<b>23,821,361</b>	<b>23,676,993</b>
<b>Net Position, end of the year</b>	<b>\$ 24,604,186</b>	<b>\$ 23,821,361</b>

*See accompanying notes to financial statements.*

# Grand Rapids - Kent County Convention/Arena Authority

## Statements of Cash Flows

<i>Year ended June 30,</i>	<b>2013</b>	<b>2012</b>
<b>Cash From (for) Operating Activities</b>		
Cash received from facility operations	\$ 11,786,685	\$ 9,998,429
Payments to employees	(3,914,192)	(4,015,558)
Payments to suppliers and contractors	(7,058,202)	(6,721,667)
<b>Net Cash From (for) Operating Activities</b>	<b>814,291</b>	<b>(738,796)</b>
<b>Cash From (for) Capital and Related Financing Activities</b>		
Capital assets constructed	-	(23,735)
Purchases of capital assets	(26,200)	(195,163)
Other receipts	145,088	156,538
<b>Net Cash From (for) Capital and Related Financing Activities</b>	<b>118,888</b>	<b>(62,360)</b>
<b>Cash From (for) Investing Activities</b>		
Interest and dividends	100,112	128,494
Proceeds from investment maturities	850,000	875,000
Purchases of investments	(894,236)	(623,835)
<b>Net Cash From Investing Activities</b>	<b>55,876</b>	<b>379,659</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>989,055</b>	<b>(421,497)</b>
<b>Cash and Cash Equivalents, beginning of the year</b>	<b>3,577,650</b>	<b>3,999,147</b>
<b>Cash and Cash Equivalents, end of the year</b>	<b>\$ 4,566,705</b>	<b>\$ 3,577,650</b>

# Grand Rapids - Kent County Convention/Arena Authority

## Statements of Cash Flows

<i>Year ended June 30,</i>	<b>2013</b>	<b>2012</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>		
<b>From (for) Operating Activities</b>		
Operating income (loss)	\$ 537,625	\$ (116,929)
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:		
Depreciation	213,462	218,638
Changes in assets and liabilities:		
Receivables, net	(260,701)	(222,247)
Prepaid expense	31,458	70,255
Accounts payable	59,460	(33,203)
Accrued expenses	618,459	(294,844)
Advance ticket sales	(567,534)	(261,709)
Advance deposits	4,181	(18,665)
Compensated absences	270	130
Deferred revenues	177,611	(80,222)
<b>Net Cash From (for) Operating Activities</b>	<b>\$ 814,291</b>	<b>\$ (738,796)</b>
<b>Non-Cash Transactions</b>		
Transfer of constructed assets	\$ -	\$ 23,735

*See accompanying notes to financial statements.*

# Grand Rapids - Kent County Convention/Arena Authority

## Notes to Financial Statements

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### 1. Summary of Significant Accounting Policies

#### *Description of the Authority*

The Grand Rapids - Kent County Convention/Arena Authority (the "Authority") was created by the City of Grand Rapids (the "City") and the County of Kent (the "County"), Michigan, under the provisions of Act 203 of the Public Acts of Michigan of 1999 effective June 20, 2000. The Authority was established for the purpose of acquiring, constructing, improving, enlarging, renewing, replacing, repairing, financing, refinancing, equipping and operating convention facilities (including all or part of, or any combination of, a convention hall, auditorium, arena, meeting rooms, exhibition area and related adjacent public areas, together with appurtenant property including parking lots and structures) and real property on which they are located.

The Authority includes the operations of DeVos Place which provides space for conventions, concerts, meetings and other performances. Capital assets of DeVos Place were transferred to the City County Building Authority (the "CCBA") where they are pledged until the related bonds are retired in 2031. At that time, ownership of these capital assets will be transferred to the Authority.

The Authority also includes the operations of the Van Andel Arena (the "Arena") which provides space for conventions, concerts, sporting events, meetings and other performances. The Grand Rapids Downtown Development Authority (the "DDA") maintains ownership of certain capital assets until the CCBA bonds are retired in 2031 according to the terms of the operating agreement signed by the CCBA, DDA and the Authority. At that time, ownership of these capital assets will be transferred to the Authority.

#### *Basis of Presentation*

The Authority is a special-purpose entity that uses proprietary fund reporting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the Authority's proprietary funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### *Measurement Focus and Basis of Accounting*

The Authority uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

#### *Budget*

Public Act 203 of 1999 requires the Authority to adopt an annual budget. The budget is adopted on the accrual basis of accounting.

# Grand Rapids - Kent County Convention/Arena Authority

## Notes to Financial Statements

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### ***Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### ***Assets, Liabilities and Net Position***

#### ***Cash and Cash Equivalents***

The Authority considers cash and all highly liquid investments with a maturity of three months or less to be cash equivalents for the statements of cash flows.

#### ***Investments and Accrued Interest***

The Authority participates in the Kent County Investment Pool (the "Pool") which is managed by the County Treasurer. Investments underlying the Pool consist primarily of certificates of deposit and U.S. Treasury notes, which are carried at fair value. The Pool is not subject to regulatory oversight, is not registered with the SEC and does not issue separate financial statements. The fair value of the Authority's position in the Pool is the same as the value of the Pool shares, and includes accrued interest. The Authority also has investments in money market mutual funds.

#### ***Capital Assets***

Capital assets having a useful life in excess of one year and whose costs exceed \$10,000 are capitalized. All assets are reported at historical cost except for donated assets, which are recorded at fair value. Depreciation and amortization are computed by the straight-line method based on the estimated useful lives of the related assets.

Estimated useful lives of the related assets by asset category are as follows:

	Years
Buildings and structures	1 - 34
Equipment	3 - 10

Expenditures for maintenance and repairs are charged to expense as incurred, whereas major additions are capitalized.

#### ***Net Position***

The Authority adopted the provisions of the Governmental Accounting Standards Board Statement No. 63 in fiscal year 2013. The only impact from the adoption of this pronouncement was a change from the description of "net assets" to "net position."

Net position represents the difference between assets and liabilities. Net position, investment in capital assets, consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when limitations are imposed on its use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

# **Grand Rapids - Kent County Convention/Arena Authority**

## **Notes to Financial Statements**

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### ***Revenue, Expenditures and Expenses***

#### ***Compensated Absences***

Employees are credited with 20 days of vacation each calendar year, which cannot be carried over. Accrued compensated absences totaled \$5,245 and \$4,975 at June 30, 2013 and 2012, respectively.

#### ***Revenues***

The Authority records facilities revenue upon completion of the event at DeVos Place or the Arena. Accordingly, amounts received for advance ticket sales or deposits are recorded as deferred revenue until that time. Costs incurred prior to an event are recorded as prepaid expenses and charged to expense upon completion of the event.

#### ***Subsequent Events***

Subsequent events have been evaluated by management through December 9, 2013, the date these financial statements were available to be issued.

## **2. Cash and Investments**

#### ***Deposits***

State statutes require that certificates of deposit, savings accounts, deposit accounts and depository receipts are made with banks doing and having a place of business in the State of Michigan, which are also members of a federal or national insurance corporation.

#### ***Custodian Credit Risk Related to Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. The Authority minimizes custodial credit risk by pre-qualifying financial institutions. At June 30, 2013, \$2,644,189 of the Authority's bank balances of \$3,394,189 was uninsured and uncollateralized. At June 30, 2012, \$1,519,806 of the Authority's bank balances of \$2,158,354 was uninsured and uncollateralized.

#### ***Investments***

State statutes authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services, bankers' acceptances of U.S. banks, United States government or federal agency obligation repurchase agreements, obligations of the State of Michigan or any of its political subdivisions rated as investment grade by not less than one standard rating service, and mutual funds composed of the types of investment vehicles named previously. The Authority's investment in money market mutual funds, which have a maturity of less than one year, at June 30, 2013 and 2012 was \$1,640,652 and \$1,640,399, respectively, and are classified as cash equivalents in the financial statements.

At June 30, 2013, the Authority's investment in the Kent County Investment Pool had a fair value of \$21,139,409 and a maturity of less than one year. At June 30, 2012, the Authority's investment

# Grand Rapids - Kent County Convention/Arena Authority

## Notes to Financial Statements

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in the Kent County Investment Pool had a fair value of \$21,095,173 and a maturity of less than one year.

### ***Interest Rate Risk***

Interest rate risk is the risk that the market value of securities will fall due to changes in market interest rates. The Authority mitigates interest rate risk by structuring the portfolio so that securities mature to meet cash requirements, thereby avoiding the need to sell securities prior to maturity and by investing in shorter-term securities.

### ***Custodial Credit Risk Related to Investments***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments that are in the possession of an outside party. The Authority had no investments subject to custodial credit risk at June 30, 2013 or 2012.

### ***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority mitigates credit risk by limiting investments to the safest types of securities, pre-qualifying financial institutions and diversifying the portfolio. The Pool is not rated, but the money market mutual funds are rated AAAM by S&P.

## **3. Accounts Receivable**

Accounts receivable at June 30, 2013 and 2012 were as follows:

	2013	2012
Facility customers/events	\$ 1,786,439	\$ 1,560,165
Ancillary revenues	699,717	648,290
Allowance for uncollectable accounts	(151,874)	(134,874)
	<b>\$ 2,334,282</b>	<b>\$ 2,073,581</b>

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# Grand Rapids - Kent County Convention/Arena Authority

## Notes to Financial Statements

### 4. Capital Assets

Capital asset activity for the years ended June 30, 2013 and 2012 was as follows:

	Balance July 1, 2012	Additions	Disposals/ Transfers	Balance June 30, 2013
Cost of capital assets				
Buildings and structures	\$ 322,431	\$ -	\$ -	\$ 322,431
Equipment	2,643,235	26,200	-	2,669,435
<b>Total Cost of Capital Assets</b>	<b>2,965,666</b>	<b>26,200</b>	<b>-</b>	<b>2,991,866</b>
Accumulated depreciation				
Buildings and structures	317,434	4,997	-	322,431
Equipment	1,060,576	208,465	-	1,269,041
<b>Total Accumulated Depreciation</b>	<b>1,378,010</b>	<b>213,462</b>	<b>-</b>	<b>1,591,472</b>
<b>Capital Assets, net</b>	<b>\$ 1,587,656</b>	<b>\$ (187,262)</b>	<b>\$ -</b>	<b>\$ 1,400,394</b>
	Balance July 1, 2011	Additions	Disposals/ Transfers	Balance June 30, 2012
Cost of capital assets				
Buildings and structures	\$ 322,431	\$ -	\$ -	\$ 322,431
Equipment	2,448,072	195,163	-	2,643,235
<b>Total Cost of Capital Assets</b>	<b>2,770,503</b>	<b>195,163</b>	<b>-</b>	<b>2,965,666</b>
Accumulated depreciation				
Buildings and structures	307,440	9,994	-	317,434
Equipment	851,932	208,644	-	1,060,576
<b>Total Accumulated Depreciation</b>	<b>1,159,372</b>	<b>218,638</b>	<b>-</b>	<b>1,378,010</b>
<b>Capital Assets, net</b>	<b>\$ 1,611,131</b>	<b>\$ (23,475)</b>	<b>\$ -</b>	<b>\$ 1,587,656</b>

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# Grand Rapids - Kent County Convention/Arena Authority

## Notes to Financial Statements

### 5. Accounts Payable and Accrued Expenses

Accounts payable at June 30, 2013 and 2012 were as follows:

	2013	2012
Professional services	\$ -	\$ 2,777
Facility customers	574,733	432,496
Vendors	292,452	372,452
	<b>\$ 867,185</b>	<b>\$ 807,725</b>

Accrued expenses at June 30, 2013 and 2012 were as follows:

	2013	2012
Facility customers	\$ 320,400	\$ 444,584
Vendors	884,025	180,142
Professional services	66,032	58,773
Salaries and benefits	325,488	293,987
	<b>\$ 1,595,945</b>	<b>\$ 977,486</b>

### 6. Risk Management

The Authority is exposed to various risks of loss related to torts, theft of and damage to assets, errors and omissions, injuries to employees and natural disasters. The Authority carries insurance for most risks of loss, including employee life, health and accident insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

### 7. Commitments and Contingencies

The Authority has entered into an agreement with SMG to manage the operations of DeVos Place and the Arena through June 30, 2014.

The Authority pays SMG an annual base management fee and an incentive fee based on the results of operations of DeVos Place and the Arena. For the years ended June 30, 2013 and 2012, respectively, total management and incentive fees earned by SMG were approximately \$661,100 and \$325,000 and are recorded in contractual services expense.

The Authority is exposed to a number of asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the financial position of the Authority.

## **Supplementary Information**

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# Grand Rapids - Kent County Convention/Arena Authority

## Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

<i>Year ended June 30, 2013</i>	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues, facilities</b>	<b>\$ 10,953,531</b>	<b>\$ 12,415,076</b>	<b>\$ 1,461,545</b>
<b>Operating Expenses</b>			
Personnel services	3,843,681	3,945,964	(102,283)
Utilities	2,559,000	2,462,913	96,087
Supplies and expenses	528,000	1,646,790	(1,118,790)
Contractual services	2,530,903	2,832,751	(301,848)
Depreciation	-	213,462	(213,462)
Repairs and maintenance	756,771	727,211	29,560
Professional services	200,000	48,360	151,640
<b>Total Operating Expenses</b>	<b>10,418,355</b>	<b>11,877,451</b>	<b>(1,459,096)</b>
<b>Operating income</b>	<b>535,176</b>	<b>537,625</b>	<b>2,449</b>
<b>Non-Operating Revenues</b>			
Investment income	106,000	100,112	(5,888)
Miscellaneous	81,000	145,088	64,088
<b>Total non-operating revenues</b>	<b>187,000</b>	<b>245,200</b>	<b>58,200</b>
<b>Transfer of Constructed Assets <sup>(1)</sup></b>	<b>(1,903,000)</b>	<b>-</b>	<b>1,903,000</b>
<b>Net non-operating revenues</b>	<b>(1,716,000)</b>	<b>245,200</b>	<b>1,961,200</b>
<b>Increase (Decrease) in Net Position</b>	<b>(1,180,824)</b>	<b>782,825</b>	<b>1,963,649</b>
<b>Net Position, beginning of the year</b>	<b>23,821,361</b>	<b>23,821,361</b>	<b>-</b>
<b>Net Position, end of the year</b>	<b>\$ 22,640,537</b>	<b>\$ 24,604,186</b>	<b>\$ 1,963,649</b>

<sup>(1)</sup> The budget and actual presentation includes construction expenses, which are generally capitalized under accounting principles generally accepted in the United States of America.

## Grand Rapids - Kent County Convention/Arena Authority

# AUDIT WRAP-UP

For the Year Ended June 30, 2013



The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (Board of Directors) and, if appropriate, management of the Authority, and is not intended and should not be used by anyone other than these specified parties.

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200 Ottawa Avenue NW, Suite 300  
Grand Rapids, MI 49503

December 12, 2013

Members of the Board of Directors  
Grand Rapids - Kent County Convention/Arena Authority  
Grand Rapids, Michigan

Dear Board Members:

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On September 20, 2013, we presented an overview of our plan for the audit of the financial statements of Grand Rapids - Kent County Convention/Arena Authority (the Authority) as of and for the year ended June 30, 2013, including a summary of our overall objectives for the audit, and the nature, scope and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Authority's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Authority and look forward to meeting with you at your convenience to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

*BDO USA, LLP*

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# Discussion Outline

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# Status of Our Audit

## AUDIT OF FINANCIAL STATEMENTS

- We have completed our audit of the financial statements as of and for the year ended June 30, 2013. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- We have issued an unmodified opinion on the financial statements dated December 9, 2013.
- All records and information requested by BDO were freely available for our inspection.
- Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of the Authority personnel throughout the course of our work.



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# Results of Our Audit

## ACCOUNTING PRACTICES, POLICIES AND ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the Authority's accounting practices, policies and estimates:

The Authority's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- The Authority adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The only effect from implementing this pronouncement was to change the term "Net Assets" to "Net Position" in the financial statements.
- There were no other changes in significant accounting policies and practices during fiscal year 2013.

## CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements related to accounts and/or disclosures that we brought to the attention of management that might not have been detected except through the audit procedures performed.

There were no uncorrected misstatements related to accounts and/or disclosures that we presented to management.

## QUALITY OF THE COMPANY'S FINANCIAL REPORTING

The Authority's significant accounting policies and financial statement disclosures are reasonable and in accordance with generally accepted accounting principles applicable to governmental entities.

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# Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Authority's internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Deficiency in Internal Control	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses.

---

## Other Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the Authority:

Requirement	Discussion Points
<b>Significant changes to planned audit strategy or significant risks initially identified</b>	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
<b>Obtain information from those charged with governance relevant to the audit</b>	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the Authority's financial reporting that we were made aware of.
<b>Consultations with other accountants</b>	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
<b>Disagreements with management</b>	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the Authority's financial statements or to our auditor's report.
<b>Significant difficulties encountered during the audit</b>	There were no significant difficulties encountered during the audit.
<b>Representations requested from management</b>	Please refer to the management representation letter.

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# Independence Communication

Our engagement letter to you dated September 20, 2013 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the Authority with respect to independence as agreed to by the Authority. Please refer to that letter for further information.

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# Significant Accounting and Reporting Matters

## **GASB STATEMENT NO. 67, AMENDS GASB 25 AND APPLIES TO QUALIFIED TRUSTS**

- Financial statements are basically the same as under Statement 25.
- Plan is required to recognize net pension liability equal to the total liability less plan net position.
- Actuarial valuations are required at least every two years.
- Discount rate will be long-term rate to extent of plan net position and bond rate once net position is depleted; however, one blended rate is calculated.
- Entry age normal actuarial cost method as a level percentage of pay is required.
- Enhanced note disclosures.
- RSI to include 10 years of information on:
  - ✓ Schedule of changes in pension liability and related ratios
  - ✓ Schedule of employer contributions if actuarially determined
  - ✓ Schedule of investment returns
- This pronouncement will be effective for years ending June 30, 2014.

## **GASB STATEMENT NO. 68, AMENDS GASB 27 AND APPLIES TO PENSION PLANS THAT ARE QUALIFIED TRUSTS**

- Governments will be required to recognize net pension liability in full accrual statements.
- The liability will be equal to total liability less plan net position.
- Will require more expense to be recognized immediately than in the past.
- For modified accrual statements the net pension liability is recognized to the extent it is liquidated with available expendable resources.
- Applies concepts of deferred inflows and outflows.
- Enhanced note disclosure and RSI schedules required by GASB 67.
- This pronouncement will be effective for years ending June 30, 2015.

## **GASB STATEMENT NO. 69, GOVERNMENT COMBINATIONS AND DISPOSALS OF GOVERNMENT OPERATIONS**

Applies to mergers, acquisition or transfers of operations but doesn't apply to acquisition of another organization that continues to exist as a separate entity or acquisition of an equity interest in a separate entity.

- Government merger is a combination of legally separate entities where no significant consideration is exchanged and either:
  1. Two or more governments cease to exist as legally separate entities and are combined to form one new government, or
  2. One or more legally separate governments cease to exist and their operations are absorbed into one or more continuing governments.



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# Significant Accounting and Reporting Matters

- Government acquisition is a combination in which one government acquires another (or the operations of another) in exchange for significant consideration.
- Transfer of operations is a government combination involving the operations of a government with no significant consideration exchanged.
- This pronouncement will be effective for years ending June 30, 2015.

## **GASB STATEMENT NO. 70, ACCOUNTING AND FINANCIAL REPORTING FOR NONEXCHANGE FINANCIAL GUARANTEES**

A nonexchange financial guarantee is a guarantee of an obligation of a legally separate entity, including component units, which requires guarantor to indemnify a third-party holder under specified conditions.

- Requires a government to recognize a liability when there are qualitative factors that make it more likely than not (more than 50%) that the government will make a payment on the guarantee.
- Recognize expense and liability in full accrual statements but subject to expenditure recognition criteria in modified accrual statements.
- This pronouncement will be effective for years ending June 30, 2014.

## **GASB STATEMENT NO. 71, PENSION TRANSITION FOR CONTRIBUTIONS MADE SUBSEQUENT TO THE MEASUREMENT DATE**

- The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*.
- The issue relates to amounts associated with contributions, if any, made by a state or local government employer contributing to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.
- This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.
- This pronouncement will be effective for years ending June 30, 2015 or when an entity implements GASB Statement No. 68.

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# BDO Resources

BDO is a national professional services firm providing assurance, tax, financial advisory, and consulting services to a wide range of publicly traded and privately held companies. Guided by core values including competence, honesty and integrity, professionalism, dedication, responsibility, and accountability for 100 years, we have provided quality service and leadership through the active involvement of our most experienced and committed professionals.

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## **BDO KNOWS FINANCIAL REPORTING LETTERS AND FLASH REPORTS**

Our *BDO Knows* financial reporting newsletters address significant financial reporting developments, relating to both public and private businesses, that occur throughout the year. In addition, our Flash reports are intended to highlight certain financial reporting developments in a timely and brief "flash" format.

## **TAX ALERTS AND NEWSLETTERS**

BDO's National Tax Organization (NTO) provides a multitude of alerts and newsletters spanning considerations involving expatriate, federal, state, and local jurisdictions and includes such areas as compensation and benefits, and credits and incentives. NTO further provides Tax Seminars/Webinars on a variety of topics, whose archives are readily available to clients and contacts.

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## Memorandum

**To:** CAA Board  
CAA Finance Committee

**From:** Robert J. White

**Subject:** Consolidated Financial Report  
FY 2013 Recap – Budget to Actual

**Date:** December 12, 2013

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The attached material summarizes the CAA administrative operating budget and consolidated income statement for fiscal years ended June 30, 2012-2013 and provides a comparison to the current fiscal year (FY 2014) budget.

Table D provides a summary of the consolidated budget by facility for the fiscal year ending June 30, 2014 along with actual results for FY 2012 and FY 2013. ***The FY 2013 budget, as originally adopted, forecasted a (\$1,180,824) draw on unrestricted fund balance. Upon completion of the fiscal year and release of the audited financial statements, it was determined that the Authority had added \$970,087 to its unrestricted fund balance.*** The variances are summarized in the following manner:

### Van Andel Arena®

The original budgeted operating revenues forecast a 10.5% increase for this facility. At fiscal year end, the facility recorded just over \$5.5 million in actual operating revenues, representing a 22.4% increase from prior year. Increased concert activity and the Griffins' playoff games had a significant impact on this operating account. The originally budgeted "net proceeds," totaled \$1.1 million. Actual results totaled almost \$1.7 million.

### DeVos Place® Convention Center

The FY 2013 budget forecast a decline in operating revenues of (3.8%). Increased activity at DeVos Place® resulted in an actual increase of 16.5% over prior year. The result was a significant improvement in "net proceeds," from a budgeted net of \$104,842 to a margin of \$548,647.

### Other - Operating

The original budget provided for a total of \$671,177 in other operating expenses. Final "Other" expenses totaled \$514,214, leaving a 23% appropriation lapse. Generally, all line-items experienced declines in spending.



## **Capital Expenditures**

The original budget included a spending allowance of \$1,903,000. Four projects, with appropriations totaling \$420,000, were not completed and carried over to the FY 2014 budget. The \$400,000 appropriation for Lyon Street improvements was allowed to lapse.

All of these revenue/expenditure variances resulted in a significant swing from a forecasted \$1.2 million draw on unrestricted fund balance to an increase of \$.97 million for the Fiscal Year ended June 30, 2013.

The Fiscal Year 2014 budget, as adopted, forecasted a draw of \$2.6 million from unrestricted fund balance. This draw is required as a result of a capital spending appropriation of almost \$3.3 million. Current year cash flow will provide \$.7 million for these capital projects, with the remaining \$2.6 million to be drawn from unrestricted fund balance.

## **Attachments:**

Table A – SMG Facilities Budget

Table B – Administrative-Operating/Capital Replacement Budget

Table B - Notes

Table B-1 – Detail of Expenditure Estimates

Table C – Consolidated Income Statement

Table D – Budget Summary by Facility/Other

**Table A**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**SMG Facilities Budget**  
**Fiscal Years Ending June 30, 2012 - 2014**

	<b>FY 2012</b>		<b>FY 2013</b>		<b>FY 2014</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Actual</b>	<b>Budget</b>
Van Andel Arena					
Operating - Revenues	\$ 4,523,881	\$ 4,997,896	\$ 5,352,781	\$ 5,538,964	\$ 5,023,466
- Expenses - Facilities	(3,470,372)	(3,818,869)	(3,768,125)	(3,632,692)	(3,848,986)
- Management Fees	(162,500)	(167,375)	(250,606)	(261,282)	(187,929)
Net Operating Income	<u>\$ 891,009</u>	<u>\$ 1,011,652</u>	<u>1,334,050</u>	<u>1,644,990</u>	<u>986,551</u>
DeVos Place					
Operating - Revenues	\$ 5,031,222	\$ 4,838,806	\$ 5,418,430	\$ 5,860,533	\$ 5,268,030
- Expenses - Facilities	(5,250,815)	(5,274,049)	(5,484,782)	(5,617,236)	(5,354,821)
- Management Fees	(162,500)	(167,375)	(410,443)	(399,768)	(420,002)
Net Operating Loss	<u>\$ (382,093)</u>	<u>\$ (602,618)</u>	<u>\$ (476,795)</u>	<u>\$ (156,471)</u>	<u>\$ (506,793)</u>
Net Available to CAA:					
Van Andel Arena	\$ 891,009	\$ 1,011,652	\$ 1,334,050	\$ 1,644,990	\$ 986,551
DeVos Place	(382,093)	(602,618)	(476,795)	(156,471)	(506,793)
	<u>\$ 508,916</u>	<u>\$ 409,034</u>	<u>\$ 857,255</u>	<u>\$ 1,488,519</u>	<u>\$ 479,758</u>

**Table B**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative - Operating / Capital Replacement Budget**  
**FY 2014 Budget**

	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>		<b><u>FY 2014</u></b>	
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b>Revenues:</b>					
Facility Operations	\$ 508,916	\$ 409,034	\$ 857,255	\$ 1,488,519	\$ 479,758
Utility Reimbursement	<u>2,244,580</u>	<u>2,404,804</u>	<u>2,025,633</u>	<u>2,300,543</u>	<u>2,339,808</u>
Transfers from SMG	2,753,496	2,813,838	2,882,888	3,789,062	2,819,566
DeVos Place Parking	942,120	950,000	912,000	914,491	912,000 <sup>(1)</sup>
VanAndel Parking	156,538	166,829	156,538	145,088	160,066 <sup>(1)</sup>
Interest	119,327	106,000	88,116	92,900	84,000 <sup>(2)</sup>
Miscellaneous	<u>82,455</u>	<u>81,000</u>	<u>100,300</u>	<u>108,301</u> <sup>(7)</sup>	<u>100,300</u> <sup>(7)</sup>
Total Revenues	<u>4,053,936</u>	<u>4,117,667</u>	<u>4,139,842</u>	<u>5,049,842</u>	<u>4,075,932</u>
<b>Expenditures:</b>					
Utilities	2,244,580	2,404,804	2,025,633	2,300,543	2,339,808 <sup>(4)</sup>
Other Operating	372,683	389,510	367,726	355,919	389,353 <sup>(5)</sup>
Administration/Other	606,599	601,177	452,323	461,088	632,843 <sup>(6)</sup>
Facility Maintenance	443,332	-	-	936,005	-
Capital	<u>218,898</u>	<u>1,903,000</u>	<u>999,739</u>	<u>26,200</u>	<u>3,329,000</u> <sup>(3)</sup>
Total Expenditures	<u>3,886,092</u>	<u>5,298,491</u>	<u>3,845,421</u>	<u>4,079,755</u>	<u>6,691,004</u>
Net Excess (Deficit)	<u>\$ 167,844</u>	<u>\$ (1,180,824)</u>	<u>\$ 294,421</u>	<u>\$ 970,087</u>	<u>\$ (2,615,072)</u>

**Notes: See Following Page**

**Table B-1**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative - Operating / Capital Replacement Budget**  
**FY 2014 Budget**

**Notes:**

<sup>(1)</sup> DeVos Place Parking Rates:		FY 2011	FY 2012	FY 2013	FY 2014
30 Minutes		\$ 1.00	\$ 1.00	\$ 1.25	\$ 1.25
Daily Maximum		10.00	12.00	12.00	12.00
Event		7.00	8.00	8.00	8.00
Monthly -Public		142.50	150.00	152.00	152.00
-Reserved Premium		52.00	55.00	56.00	57.00
-County/SMG (O+M)		18.31	45.62	28.47	39.10

Van Andel Arena Parking Rates:					
Event		\$ 8.00	\$ 8.00	\$ 9.00	\$ 9.00
Non-Event Coin Unit		3.00	5.00	5.00	5.00
Monthly -Public		67.00	69.00	71.00	75.00

<sup>(2)</sup> \$21.1million (3/31/13 pool balance) in invested funds at .4%.

<sup>(3)</sup> FY 2013 Carry Over Projects:			
Dock Doors - rebuild Michigan Street vertical lift doors	DVP	\$160,000	
Chillers - rebuild main Trane chillers	DVP	90,000	
Replace theater shell ceiling hoist motors and controls	DVP	45,000	
Lighting controls plus \$53,300 supplement	VAA	125,000	

FY 2014 Eligible Projects:			
Replace meeting room airwall fabric	DVP	\$ 50,000	
Sound system upgrades	DVP	110,000	
Lyon Street dock - concrete repairs	DVP	50,000	
Replace Phase 2 sloan valves for water conservation	DVP	40,000	
HVAC control system upgrades/technology	DVP	30,000	
Theater exterior - concrete repairs	DVP	50,000	
Replace theater spotlights	DVP	60,000	
Theater show sound system - replace 20-year old system	DVP	500,000	
Technology needs/upgrades	DVP	25,000	
Grand Gallery - reconstruct drainage system	DVP	50,000	
Parking Area - new LED (efficient) lights	DVP	94,000	
Refrigerant - replace R22 that is being phased out	VAA	\$ 250,000	
Electrical room HVAC	VAA	80,000	
Reconfigure entryway for temperature control of main lobby	VAA	120,000	
Standby hot water unit - currently no backup	VAA	60,000	
Replace main fire alarm panel - old technology	VAA	30,000	
Replace south video wall - old technology	VAA	900,000	
Upgrade HD TV system	VAA	25,000	
Concrete repairs	VAA	30,000	
Elevators - refurbishments/upgrades	VAA	100,000	
Wireless clear-com show communication	VAA	40,000	
Relocate SMG offices	VAA	215,000	

Total FY 2014 Capital Request	<u><u>\$3,329,000</u></u>
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**Table B-1**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Detail of Expenditure Estimates**  
**FY 2014 Budget**

		<b>FY 2012</b>	<b>FY 2013</b>		<b>FY 2014</b>
		<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Budget</u></b>
<b>Utilities<sup>(4)</sup>:</b>					
	Electricity	\$ 1,531,053	\$ 1,485,004	\$ 1,284,773	\$ 1,458,004
	Steam/Gas	587,885	809,000	601,994	769,004
	Water/Sewer	125,642	112,800	138,866	112,800
		<u>\$ 2,244,580</u>	<u>\$ 2,406,804</u>	<u>\$ 2,025,633</u>	<u>\$ 2,339,808</u>
<b>Other Operating<sup>(5)</sup>:</b>					
	Parking Management	\$ 236,056	\$ 198,000	\$ 186,700	\$ 155,665
	Landscaping	20,608	30,000	25,000	20,100
	Pedestrian Safety	116,019	121,510	123,000	147,128
	Repairs - F&B	-	40,000	33,026	33,026
		<u>\$ 372,683</u>	<u>\$ 389,510</u>	<u>\$ 367,726</u>	<u>\$ 355,919</u>
<b>Administration/Other<sup>(6)</sup>:</b>					
	Wages	\$ 86,482	\$ 90,719	\$ 85,517	\$ 85,649
	Benefits	27,366	23,958	22,530	26,870
	Accounting/Audit	30,950	37,000	30,000	28,347
	Legal Services	20,407	35,000	25,000	20,013
	DID Assessment	38,398	60,000	39,000	38,124
	Consulting Services	175,544	35,900	35,676	35,688
	Insurance	27,502	28,600	25,300	25,303
	Marketing - CVB	75,000	75,000	75,000	75,000
	Marketing - Sports Commission	25,000	25,000	25,000	25,000
	Diversity Initiative	62,078	100,000	75,000	59,383
	Procurement of Art (ArtPrize)	18,368	30,000	9,300	17,554
	Other	19,504	60,000	20,000	24,157
		<u>\$ 606,599</u>	<u>\$ 601,177</u>	<u>\$ 467,323</u>	<u>\$ 461,088</u>
					<u>\$ 632,843</u>

**Notes:**

<sup>(A)</sup> Downtown Improvement District special assessment contribution from CAA based on benefit allocation formula.

<sup>(7)</sup> Miscellaneous Revenue (FY 2012/2013/2014) includes a \$50,000 annual (5-year) amortization of a capital contribution from SMG under the terms of the new food and beverage agreement.

**Table C**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Consolidated Income Statement**  
**Fiscal Years Ending June 30, 2012-2014**

		<b>FY 2012</b>	<b>FY 2013</b>			<b>FY 2014</b>
		<u><b>Actual</b></u>	<u><b>Budget</b></u>	<u><b>Estimate</b></u>	<u><b>Actual</b></u>	<u><b>Budget</b></u>
<b>Operating Revenue:</b>						
Event	- VanAndel Arena	\$ 773,593	\$ 1,313,521	\$ 1,282,488	\$ 1,167,725	\$ 1,262,321
	- DeVos Place	2,648,220	2,650,740	2,901,503	3,043,972	2,918,040
Ancillary	- VanAndel Arena	1,231,912	1,134,935	1,461,127	1,593,609	1,231,195
	- DeVos Place	2,181,738	1,974,616	2,243,949	2,523,208	2,105,540
Other	- VanAndel Arena	2,518,376	2,549,440	2,609,166	2,777,630	2,529,950
	- DeVos Place	201,264	213,450	272,978	293,353	244,450
	-Administration	32,455	31,000	50,300	58,301	50,300
Parking	- VanAndel Arena	156,538	166,829	156,538	145,088	160,066
	- DeVos Place	942,119	950,000	912,000	914,491	912,000
		<u>10,686,215</u>	<u>10,984,531</u>	<u>11,890,049</u>	<u>12,517,377</u>	<u>11,413,862</u>
<b>Operating Expense / Appropriations:</b>						
<b>Facility Operations</b>						
	- VanAndel Arena	3,470,372	3,818,869	3,768,125	3,632,692	3,848,986
	- DeVos Place	5,250,815	5,274,049	5,484,782	5,617,236	5,354,821
	- Management	325,000	334,750	330,524	330,525	335,482
	- Incentive	-	-	330,525	330,525	272,449
	- Parking/Maintenance	372,683	389,510	367,726	355,919	389,353
Other Operating		443,332	-	-	936,005	-
Administration/Other		606,599	601,177	452,323	461,088	632,843
		<u>10,468,801</u>	<u>10,418,355</u>	<u>10,734,005</u>	<u>11,663,990</u>	<u>10,833,934</u>
Operating Income		217,414	566,176	1,156,044	853,387	579,928
<b>Non-Operating Revenue:</b>						
Interest/Capital Contribution		169,327	156,000	138,116	142,900	134,000
Transfer (to) from Capital Acct.		(218,898)	(1,903,000)	(999,739)	(26,200)	(3,329,000)
		<u>(49,571)</u>	<u>(1,747,000)</u>	<u>(861,623)</u>	<u>116,700</u>	<u>(3,195,000)</u>
Net Income (Loss)		167,843	(1,180,824)	294,421	970,087	(2,615,072)
Fund Balance, beg. of yr.		22,065,862	22,233,705	22,233,705	22,233,705	23,203,792
Fund Balance, end of yr.		<u>\$ 22,233,705</u>	<u>\$ 21,052,881</u>	<u>\$ 22,528,126</u>	<u>\$ 23,203,792</u>	<u>\$ 20,588,720</u>

**Table D**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Budget Summary by Facility/Other**  
**FY 2014 Budget**

	<b>FY 2012</b>		<b>FY 2013</b>		<b>FY 2014</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Actual</b>	<b>Budget</b>
<b>Van Andel Arena</b>					
Operating - Revenues	\$4,523,881	\$4,997,896	\$ 5,352,781	\$ 5,538,964	\$ 5,023,466
- Expenses - Facilities	(3,470,372)	(3,818,869)	(3,768,125)	(3,632,692)	(3,848,986)
- Base Management Fees	(162,500)	(167,375)	(165,262)	(165,262)	(167,741)
- Incentive Fee	-	-	(85,344)	(96,020)	(20,187)
Net Operating Income (Loss)	891,009	1,011,652	1,334,050	1,644,990	986,552
Parking	156,538	166,829	156,538	145,088	160,066
Pedestrian Safety	(71,864)	(76,970)	(77,000)	(93,420)	(87,767)
<b>Net Proceeds (Cost) of VAA</b>	<b>975,683</b>	<b>1,101,511</b>	<b>1,413,588</b>	<b>1,696,658</b>	<b>1,058,851</b>
<b>DeVos Place Convention Center</b>					
Operating - Revenues	5,031,222	4,838,806	5,418,430	5,860,533	5,268,030
- Expenses - Facilities	(5,250,815)	(5,274,049)	(5,484,782)	(5,617,236)	(5,354,821)
- Base Management Fees	(162,501)	(167,375)	(165,263)	(165,263)	(167,741)
- Incentive Fee	-	-	(245,181)	(234,505)	(252,262)
Net Operating Loss	(382,093)	(602,618)	(476,796)	(156,471)	(506,794)
Parking	706,064	752,000	725,300	758,826	725,300
Pedestrian Safety	(44,155)	(44,540)	(46,000)	(53,708)	(44,886)
<b>Net Proceeds (Cost) of DVP</b>	<b>279,816</b>	<b>104,842</b>	<b>202,504</b>	<b>548,647</b>	<b>173,620</b>
<b>Other</b>					
Revenues					
Interest	119,327	156,000	138,116	142,900	134,000
Miscellaneous	82,455	31,000	50,300	58,301	50,300
	201,782	187,000	188,416	201,201	184,300
Expenses					
Administration	(606,599)	(601,177)	(452,323)	(461,088)	(632,843)
Other Operating	(20,608)	(70,000)	(58,026)	(53,126)	(70,000)
	(627,207)	(671,177)	(510,349)	(514,214)	(702,843)
<b>Net Other</b>	<b>(425,425)</b>	<b>(484,177)</b>	<b>(321,933)</b>	<b>(313,013)</b>	<b>(518,543)</b>
<b>Total Net Proceeds/Operating</b>	<b>830,074</b>	<b>722,176</b>	<b>1,294,159</b>	<b>1,932,292</b>	<b>713,928</b>
Capital Expenditures	(662,230)	(1,903,000)	(999,739)	(962,205)	(3,329,000)
Results Net of Capital Expenditures	<u>\$ 167,844</u>	<u>\$ (1,180,824)</u>	<u>\$ 294,420</u>	<u>\$ 970,087</u>	<u>\$ (2,615,072)</u>



## Memorandum

**To:** CAA Finance Committee  
Grand Rapids-Kent County  
Convention/Arena Authority

**From:** Robert J. White

**Date:** January 9, 2014

**Re:** History/Projection of Net Operating Income

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The attached table provides a seven-year history (FY 2007-2014) /projection of net operating income generated by the facilities under the management of SMG.

During this time period, Net Operating Income has ranged from a high of \$1.8 million, in FY2013, to a FY 2011 low of \$.4 million. The column entitled "Less SMG Incentive" refers to a provision in the management contract which provides additional compensation if certain financial benchmarks are attained. No incentive payment was earned for FY2011 and FY2012, as the first required benchmark (minimum Net Operating Income of \$700,000) was not attained.

This drop-off in Net Operating Income was driven primarily by a fall off in facility revenues. The second table, bottom half of the attachment, breaks out revenue/expense performance by facility from FY2007 to FY2014. During this seven year time period, revenues at the Van Andel Arena® and DeVos Place® have fallen/gained (11.5%) and +8.4% respectively. SMG has mitigated this revenue decline/marginal increase by implementing expenditure controls which resulted in minimal spending increases of 2.3% and 2.1% over the same seven year time period.

Going forward, continued improvement in the general economy and the return of concert activity will be the most significant factors affecting revenue performance. In the interim, you will need to continue to rely on SMG's expenditure controls to generate net positive results.



## History of SMG Net Operating Income by Facility

<b>Fiscal Year</b>	<b><u>Van Andel</u></b>	<b><u>DeVos Place</u></b>	<b><u>Total</u></b>	<b><u>Less SMG Incentive</u></b>	<b><u>Net Available to CAA</u></b>
2014 Budget	\$ 1,006,739	\$ (254,532)	\$ 752,207	\$ (272,449)	\$ 479,758
2013 Actual	1,741,010	78,034	1,819,044	(330,525)	1,488,519
2012 Actual	891,009	(382,093)	508,916	-	508,916
2011 Actual	842,960	(474,835)	368,125	-	368,125
2010 Actual	1,489,319	(572,959)	916,360	(238,379)	677,981
2009 Actual	1,385,188	(521,235)	863,953	(211,249)	652,704
2008 Actual	1,570,808	(466,413)	1,104,395	(308,100)	796,295
2007 Actual	1,753,074	(550,701)	1,202,373	(301,000)	901,373
2002 Actual <sup>(1)</sup>	1,659,480	(60,089)	1,599,391	(224,228)	1,375,163

	<b><u>Van Andel Arena</u></b>		<b><u>DeVos Place</u></b>	
	<b><u>Revenues</u></b>	<b><u>Expenses</u></b>	<b><u>Revenues</u></b>	<b><u>Expenses</u></b>
7-Year Change	-11.5%	2.3%	8.4%	2.1%
FY 2014 Budget	\$ 5,023,466	\$ 4,016,727	\$ 5,268,030	\$ 5,522,562
FY 2007 Actual	\$ 5,678,843	\$ 3,925,769	\$ 4,860,098	\$ 5,410,799

RJW/smw-12/17/2013

<sup>(1)</sup> Last complete fiscal year prior to beginning construction on new DeVos Place®.



## Memorandum

**To:** CAA Board Members

**From:** Robert J. White

**Subject:** November 2013 Financial Statements

**Date:** January 13, 2014

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The attached interim Balance Sheet, Administrative Income Statement, and Consolidated Income Statement are formatted to provide information concerning the Convention/Arena Authority administrative accounts.

These statements are prepared on a cash basis. The Balance Sheet includes a two-year comparative financial position at November 30 for Fiscal Years 2013 (subject to audit) and 2014. The Administrative Income Statement provides a line item comparison of accounts for the current fiscal year as compared to a similar period in the prior fiscal year. In addition, the Administrative Income Statement provides a comparison of current year budget to prior year (FY 2013). It will allow the reader to compare expenditure trends with full-year budgetary allowances. The Consolidated Income Statement is formatted by functional area. The columnar format is the same as in the Administrative Income Statement.

Items of interest in the three financial statements are explained as follows:

### Balance Sheet (Unconsolidated):

- The cash and investments position decreased by \$1.9 million from June 30, 2013. This is generally in line with the budget forecast, with no summer activity at the Arena and a significantly increased capital program.
- Fund balance decreased by \$2.7 million from the June 30, 2013 level.

### November Administrative Revenue/Expense:

- In FY 2013, the October 2012 monthly deposit was not received until January 1, 2013. When adjusted for the late deposit, current-year revenue is up by 1.4% over prior year.
- Utilities (electric) are significantly increased due to a "stuck" meter in the prior year. This trend will continue to run over budget until year-end when a prior year catch-up payment will bring the trend in line with budget.

- Marketing - On September 1st, a \$50,000 payment was made to the West Michigan Sports Commission. A \$25,000 payment was made (prior year) on October 11, 2012.
- DID Assessment - On September 16+23, \$38,990 in payments were made to Grand Rapids. A \$36,124 payment was made (prior year) on May 2, 2013.
- Capital R/R/C - Spending for the first four months has totaled \$2.0 million compared to \$.3 million in the prior fiscal year.
- Overall Expense - Activity picked up in the fifth month. Spending totaled 47.4% of annual operating budget. Operating expenses are budgeted at a 7.8% annual increase. For the current fiscal year, actual operating expenses totaled a 28.2% increase from prior year.

**Consolidated Income Statement (five months):**

- The Van Andel Arena® budget forecast a current year “Net Proceeds” decrease of (37.6%). For the current fiscal year, “Net Proceeds” are reported at a decline of (208.0%) from prior-year performance.
- The DeVos Place® budget forecast a current year “Net Proceeds” decrease of (68.4%). For the current fiscal year, “Net Proceeds” are reported at a decline of (232.1%) from prior-year performance.
- Total operating “Net Proceeds” are down by (\$811,152) from a like period in the prior fiscal year. The budget forecast a full year decline of (\$1,218,364).

These reports are intended to provide a summary analysis of administrative activities over the course of the fiscal year.

**Grand Rapids-Kent County Convention/Arena Authority**  
**Preliminary Year-End Balance Sheet (Unconsolidated)**  
**November 30, 2013**

		<u>11/30/2012</u>	<u>11/30/2013</u>
<b><u>Assets</u></b>			
Cash	- Operating	\$ 629,433	\$ 446,702
Investments	- Kent County	20,287,283	18,973,840
Capital Assets (Net)		<u>1,587,656</u>	<u>1,400,394</u>
Total Assets		<u><u>\$ 22,504,372</u></u>	<u><u>\$ 20,820,936</u></u>

<b><u>Liabilities &amp; Fund Balance</u></b>			
Accounts Payable		\$ 54,003	\$ 287,667
Fund Balance		<u>22,450,369</u>	<u>20,533,269</u>
Total Liabilities & Fund Balance		<u><u>\$ 22,504,372</u></u>	<u><u>\$ 20,820,936</u></u>

**Grand Rapids-Kent County Convention/Arena Authority**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ending June 30, 2014**

	Annual			Year-To-Date		
	FY 2013 Final	(1) FY 2014 Budget	Percentage Change	FY 2013 7/1 - 11/30	FY 2014 7/1 - 11/30	Percentage Change
Revenues:						
Transfers from SMG	\$ 3,789,062	\$ 2,819,566	(25.6)	\$ 650,000	\$ 1,331,456	104.8
Parking	1,059,579	1,072,066	1.2	270,413	316,465	17.0
Interest	92,900	84,000	(9.6)	32,883	26,540	(9.3)
Miscellaneous	108,301	100,300	(7.4)	9,816	2,540	(74.1)
Total Revenues	5,049,842	4,075,932	(19.3)	963,112	1,677,001	74.1
Expenditures:						
Operations						
- Utilities	2,300,543	2,339,808	1.7	744,224	913,368	22.7
- Parking Management	155,665	186,700	19.9	28,020	46,861	67.2
- Pedestrian Safety	147,128	132,653	(9.8)	19,686	17,269	(12.3)
- Marketing - CVB/Sports	100,000	125,000	25.0	25,000	50,000	100.0
- DID Assessment	38,124	60,000	57.4	-	38,990	+100.0
- Landscaping	20,100	30,000	49.3	9,268	9,268	-
- Food & Beverage Repairs	33,026	40,000	21.1	-	3,554	+100.0
Administration						
- Wages/Benefits	112,519	114,339	1.6	35,239	41,616	18.1
- Consulting Services	35,688	31,004	(13.1)	4,852	11,442	135.8
- Professional Services	48,360	61,000	26.1	10,309	16,290	58.0
- Diversity Initiative	59,383	125,000	110.5	10,537	13,387	27.0
- Procurement of Art	17,554	30,000	70.9	14,343	9,561	(33.3)
- Insurance	25,303	26,500	4.7	20,934	19,401	(7.3)
- Supplies/Other	24,157	60,000	148.4	9,530	3,893	(59.2)
Operating Expenditures	3,117,550	3,362,004	7.8	931,942	1,194,900	28.2
Capital R/R/A						
Total Expenditures	962,205	3,329,000	246.2	269,738	1,979,352	633.8
Excess (Deficiency) of Revenues	4,079,755	6,691,004		1,201,680	3,174,252	
Over Expenditures	970,087	(2,615,072)	(269.6)	\$ (238,568)	\$ (1,497,251)	(627.6)
Balance, beginning of period	22,233,705	23,203,792				
Balance, end of period	\$ 23,203,792	\$ 20,588,720				

NOTES:

4 (1) Subject to audit.

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

**Budget Summary by Facility/Other**

**Financial Trends for Year Ending June 30, 2014**

	Annual		Year-To-Date	
	FY 2013 Final	FY 2014 Budget	FY 2013 7/1 - 11/30	FY 2014 7/1 - 11/30
			Percentage Change	Percentage Change
<b>Van Andel Arena</b>				
Operating - Revenues	\$5,538,964	\$5,023,466	(9.3)	\$1,248,569
- Expenses - Facilities	(3,632,692)	(3,848,986)	6.0	(1,480,110)
- Base Management Fees	(165,262)	(167,741)	1.5	(70,099)
- Incentive Fee	(96,020)	(20,187)	(79.0)	-
Net Operating Income (Loss)	1,644,990	986,552	(40.0)	(301,640)
Parking	145,088	160,066	10.3	66,310
Pedestrian Safety	(93,420)	(87,767)	(6.1)	(11,896)
<b>Net Proceeds (Cost) of VAA</b>	<b>1,696,658</b>	<b>1,058,851</b>	<b>(37.6)</b>	<b>(247,226)</b>
				<b>(208.0)</b>
<b>DeVos Place Convention Center</b>				
Operating - Revenues	5,860,533	5,268,030	(10.1)	1,980,804
- Expenses - Facilities	(5,617,236)	(5,354,821)	(4.7)	(2,248,201)
- Base Management Fees	(165,263)	(167,741)	1.5	(69,355)
- Incentive Fee	(234,505)	(252,262)	7.6	-
Net Operating Loss	(156,471)	(506,794)	(223.9)	(336,752)
Parking	758,826	725,300	(4.4)	203,294
Pedestrian Safety	(53,708)	(44,886)	(16.4)	(5,374)
<b>Net Proceeds (Cost) of DVP</b>	<b>548,647</b>	<b>173,620</b>	<b>(68.4)</b>	<b>(138,832)</b>
				<b>(232.1)</b>
<b>Other</b>				
Revenues	201,201	184,300	(8.4)	29,080
Expenses	(514,214)	(702,843)	36.7	(217,402)
<b>Net Other</b>	<b>(313,013)</b>	<b>(518,543)</b>	<b>(65.7)</b>	<b>(188,322)</b>
<b>Total Net Proceeds/Operating</b>	<b>1,932,292</b>	<b>713,928</b>		<b>(574,380)</b>
Capital Expenditures	(962,205)	(3,329,000)		(1,979,352)
<b>Results Net of Capital Expenditures</b>	<b>\$ 970,087</b>	<b>\$ (2,615,072)</b>		<b>\$ (2,553,732)</b>

(1) Subject to Audit.

# DEVOS PLACE

## DE VOS PLACE

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED NOVEMBER 30, 2013**

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Harry Cann

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



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*An SMG Managed Facility*

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

	<b>YTD Actual</b>	<b>Roll</b>	<b>TOTAL FYE</b>	<b>BUDGET FYE</b>	<b>VARIANCE</b>
<b>NO. EVENTS</b>	185	377	562	507	55
<b>ATTENDANCE</b>	137,914	387,529	525,443	498,100	27,343
<b>DIRECT EVENT REVENUE</b>	960,728	1,896,328	2,857,056	2,918,040	(60,984)
<b>ANCILLARY REVENUE</b>	879,101	1,163,609	2,042,710	2,105,540	(62,830)
<b>TOTAL EVENT REVENUE</b>	1,839,829	3,059,937	4,899,766	5,023,580	(123,814)
<b>TOTAL OTHER REVENUE</b>	140,975	111,114	252,089	244,450	7,639
<b>TOTAL OPERATING REVENUE</b>	1,980,804	3,171,051	5,151,855	5,268,030	(116,175)
<b>INDIRECT EXPENSES</b>					
<b>EXECUTIVE</b>	78,173	111,309	189,482	189,482	-
<b>FINANCE</b>	101,506	152,181	253,687	253,687	-
<b>MARKETING</b>	38,028	73,121	111,149	111,149	-
<b>OPERATIONS</b>	603,052	846,302	1,449,354	1,449,354	-
<b>EVENT SERVICES</b>	362,813	671,468	1,034,281	1,034,281	-
<b>BOX OFFICE</b>	52,314	38,398	90,712	90,712	-
<b>SALES</b>	149,194	238,157	387,351	387,351	-
<b>OVERHEAD</b>	932,477	1,074,064	2,006,541	2,006,541	-
<b>TOTAL OPERATING EXP.</b>	2,317,556	3,205,000	5,522,557	5,522,557	-
<b>NET REVENUE ABOVE EXPENSES</b>	(336,752)	(33,949)	(370,702)	(254,527)	(116,175)
<b>INCENTIVE FEE</b>			0	252,261	(252,261)
<b>NET OPERATING REVENUE OVER OPERATING EXPENSES</b>	(336,752)	(33,949)	(370,702)	(506,788)	136,086

**Comments:**

DeVos Place had one of its most successful months in history during the month of November. The Wolverine World Wide and New Platinum conventions, 5 concerts in the Theater, and another successful Wine, Beer, and Food Festival helped push the overage.

  
General Manager

  
Finance Director



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

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

<b>MONTH</b>	<b>November Actual</b>	<b>November Budget</b>	<b>November FY 2013</b>
Number of Events	48	48	41
Attendance	54,971	52,186	39,313
Direct Event Income	\$377,343	\$305,330	\$203,511
Ancillary Income	257,620	183,499	209,644
Other Event Income	66,754	40,186	20,612
Other Operating Income	1,923	2,666	1,730
Indirect Expenses	(476,368)	(460,212)	(489,454)
Net Income	<u>\$227,272</u>	<u>\$71,469</u>	<u>(\$53,957)</u>

<b>YTD</b>	<b>YTD 2014 Actual</b>	<b>YTD 2014 Budget</b>	<b>YTD 2013 Prior Year</b>
Number of Events	185	180	197
Attendance	137,914	150,196	157,950
Direct Event Income	\$960,728	\$911,322	\$964,005
Ancillary Income	879,101	748,745	1,006,786
Other Event Income	126,334	72,290	76,207
Other Operating Income	14,641	13,330	14,009
Indirect Expenses	(2,317,556)	(2,301,060)	(2,128,858)
Net Income	<u>(\$336,752)</u>	<u>(\$555,373)</u>	<u>(\$67,851)</u>

**EVENT INCOME**

Event income came in higher than budget with most of the overage being from the sold out Gabriel Iglesias and Straight no Chaser concerts in the Theater.

**ANCILLARY INCOME**

Ancillary income came in higher than budget as spending in most areas, especially catering, far exceeded overall expectations for the month.

**INDIRECT EXPENSES**

Indirect expenses came in consistent with budget overall.

**DeVos Place**  
**Income Statement**  
**For the Five Months Ending November 30, 2013**

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$346,024	\$299,130	\$46,894	\$205,585	\$971,011	\$959,170	\$11,841	\$1,068,275
Service Revenue	407,979	271,775	136,204	209,536	892,109	674,927	217,182	793,494
Service Expenses	(376,680)	(265,575)	(111,085)	(211,610)	(902,392)	(722,775)	(179,617)	(897,764)
<b>Total Direct Event Income</b>	<b>377,343</b>	<b>305,330</b>	<b>72,013</b>	<b>203,511</b>	<b>960,728</b>	<b>911,322</b>	<b>49,406</b>	<b>964,005</b>
<b>Ancillary Income</b>								
F&B Concession	11,037	15,178	(4,141)	16,971	33,289	32,134	1,155	54,289
F&B Catering	110,088	54,517	55,551	70,151	323,198	263,876	59,322	343,409
Novelty Sales	2,915	2,829	86	8	4,362	4,383	(21)	4,206
Booth Cleaning	22,917	22,221	696	11,178	84,545	74,630	9,915	89,336
Telephone/Long Distance	0	0	0	0	900	0	900	0
Electrical Services	23,657	35,480	(11,823)	29,801	147,809	136,975	10,834	192,332
Audio Visual	46,204	27,932	18,272	54,590	177,730	144,532	33,198	192,704
Internet Services	11,623	7,442	4,181	7,210	42,286	36,875	5,411	53,650
Equipment Rental	29,199	17,900	11,299	19,735	64,982	55,340	9,642	76,860
<b>Total Ancillary Income</b>	<b>257,620</b>	<b>183,499</b>	<b>74,121</b>	<b>209,644</b>	<b>879,101</b>	<b>748,745</b>	<b>130,356</b>	<b>1,006,786</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	66,754	40,186	26,568	20,612	126,334	72,290	54,044	76,207
<b>Total Other Event Income</b>	<b>66,754</b>	<b>40,186</b>	<b>26,568</b>	<b>20,612</b>	<b>126,334</b>	<b>72,290</b>	<b>54,044</b>	<b>76,207</b>
<b>Total Event Income</b>	<b>701,717</b>	<b>529,015</b>	<b>172,702</b>	<b>433,767</b>	<b>1,966,163</b>	<b>1,732,357</b>	<b>233,806</b>	<b>2,046,998</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	1,461	1,333	128	1,186	7,305	6,665	640	5,932
Other Income	462	1,333	(871)	544	7,336	6,665	671	8,077
<b>Total Other Operating Income</b>	<b>1,923</b>	<b>2,666</b>	<b>(743)</b>	<b>1,730</b>	<b>14,641</b>	<b>13,330</b>	<b>1,311</b>	<b>14,009</b>
<b>Adjusted Gross Income</b>	<b>703,640</b>	<b>531,681</b>	<b>171,959</b>	<b>435,497</b>	<b>1,980,804</b>	<b>1,745,687</b>	<b>235,117</b>	<b>2,061,007</b>
<b>Operating Expenses</b>								
Salaries and Wages	420,699	258,942	161,757	294,123	1,244,177	1,294,710	(50,533)	1,152,817
Payroll Taxes and Benefits	38,707	74,362	(35,655)	52,676	321,484	371,810	(50,326)	335,624
Labor Allocations to Events	(279,821)	(147,870)	(131,951)	(148,936)	(679,063)	(739,350)	60,287	(620,402)
<b>Net Salaries and Benefits</b>	<b>179,585</b>	<b>185,434</b>	<b>(5,849)</b>	<b>197,863</b>	<b>886,598</b>	<b>927,170</b>	<b>(40,572)</b>	<b>868,039</b>
Contracted Services	27,031	20,718	6,313	29,967	160,873	103,590	57,283	137,184
General and Administrative	27,847	28,110	(263)	23,557	123,629	140,550	(16,921)	134,580
Operations	5,735	9,771	(4,036)	5,858	51,098	48,855	2,243	56,184
Repair and Maintenance	41,577	41,645	(68)	56,081	189,755	208,225	(18,470)	176,534
Operational Supplies	9,606	20,908	(11,302)	35,917	69,197	104,540	(35,343)	89,112
Insurance	20,249	16,248	4,001	15,609	81,934	81,240	694	71,324
Utilities	150,718	123,400	27,318	110,830	685,117	617,000	68,117	527,041
SMG Management Fees	14,020	13,978	42	13,772	69,355	69,890	(535)	68,860
<b>Total Operating Expenses</b>	<b>476,368</b>	<b>460,212</b>	<b>16,156</b>	<b>489,454</b>	<b>2,317,556</b>	<b>2,301,060</b>	<b>16,496</b>	<b>2,128,558</b>
<b>Net Income(Loss) From Operations</b>	<b>227,272</b>	<b>71,469</b>	<b>155,803</b>	<b>(53,957)</b>	<b>(336,752)</b>	<b>(555,373)</b>	<b>218,621</b>	<b>(67,851)</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>227,272</b>	<b>71,469</b>	<b>155,803</b>	<b>(53,957)</b>	<b>(336,752)</b>	<b>(555,373)</b>	<b>218,621</b>	<b>(67,851)</b>

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**SMG DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Year to Date Event Summary Report**  
**For the Five Months ended November 30, 2013**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	46	46	44,720	44,160	993,131	726,708
Consumer/Gated Shows	8	8	13,710	18,501	86,499	137,597
DeVos Performance Hall	47	42	54,055	50,510	453,831	323,984
Banquets	14	14	9,514	9,100	121,630	112,798
Meetings	55	55	10,835	21,175	262,285	304,040
Other	15	15	5,080	6,750	48,787	127,230
GRAND TOTALS	185	180	137,914	150,196	1,966,163	1,732,357

**As Percentage of Overall**

Convention/Trade Shows	24.86%	25.56%	32.43%	29.40%	50.51%	41.95%
Consumer/Gated Shows	4.32%	4.44%	9.94%	12.32%	4.40%	7.94%
Devos Performance Hall	25.41%	23.33%	39.19%	33.63%	23.08%	18.70%
Ballroom Exclusive	7.57%	7.78%	6.90%	6.06%	6.19%	6.51%
Meetings	29.73%	30.56%	7.86%	14.10%	13.34%	17.55%
Other	8.11%	8.33%	3.68%	4.49%	2.48%	7.34%

**DeVos Place  
Balance Sheet  
As of November 30, 2013**

**ASSETS**

**Current Assets**

Cash	903,660
Account Receivable	1,392,555
Prepaid Expenses	16,759

<b>Total Current Assets</b>		<b>\$2,312,974</b>
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**Total Assets**

**\$2,312,974**

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	15,496
Accrued Expenses	347,578
Deferred Income	50,173
Advanced Ticket Sales & Deposits	1,087,248

<b>Total Current Liabilities</b>		<b>\$1,500,495</b>
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**Other Liabilities**

**Equity**

Funds Remitted to CAA	(1,031,456)
Expenses Paid Direct by CAA	619,862
Beginning Balance Equity	1,560,825
Current Year Equity	(336,752)

<b>Total Equity</b>		<b>\$812,479</b>
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<b>Total Liabilities and Equity</b>		<b>\$2,312,974</b>
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**SMG - DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of November 30, 2013**

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Current - Under 30 Days	
Food & Beverage	219,615
Ticketing	70,069
Merchandise	1,399
Decorating	22,916
Audio/Visual	23,181
Van Andel Arena	31,586
Operating	894,282
 Over 30 Days	 88,296
 Over 60 Days	 41,211
 Over 90 Days	
 Total Accounts Receivable	 1,392,555

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

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2013 Actual
Net Revenue above Expenses	842,544	(370,702)	471,842	1,743,309
Benchmark ++			750,000	750,000
Excess	842,544	(370,702)	(278,158)	993,309

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	167,741	167,741	335,482	330,525
Incentive Fee				
Revenue	4,859,271	5,151,856	10,011,127	11,289,192
Benchmark Revenue	4,950,000	4,350,000	9,300,000	9,200,000
Revenue Excess	(90,729)	801,856	711,127	2,089,192
Incentive Fee **	-	-	-	330,525
Total SMG Management Fee	167,741	167,741	335,482	661,050

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

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



## **VAN ANDEL ARENA**

### **FINANCIAL STATEMENT FOR THE PERIOD ENDED NOVEMBER 30, 2013**

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



**Distribution:**

**Grand Rapids – Kent County Convention / Arena Authority**

**Robert White**

**Harry Cann**

**Gary McAneney**

**John Szudzik**

**Richard MacKeigan**

**Chris Machuta**



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***An SMG Managed Facility***

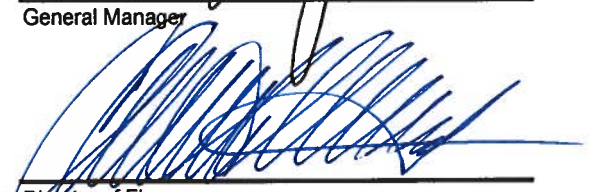
VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2014

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	26	70	96	96	-
ATTENDANCE	99,274	461,732	561,006	543,200	17,806
DIRECT EVENT INCOME	170,605	993,493	1,164,098	1,262,321	(98,223)
ANCILLARY INCOME	219,723	982,670	1,202,393	1,231,195	(28,802)
TOTAL EVENT INCOME	390,328	1,976,163	2,366,491	2,493,516	(127,025)
TOTAL OTHER INCOME	858,241	1,634,539	2,492,780	2,529,950	(37,170)
TOTAL INCOME	1,248,569	3,610,702	4,859,271	5,023,466	(164,195)
INDIRECT EXPENSES					
EXECUTIVE	85,181	94,300	179,481	179,481	-
FINANCE	80,244	148,254	228,498	228,498	-
MARKETING	107,653	213,830	321,483	321,483	-
OPERATIONS	682,056	990,444	1,672,500	1,672,500	-
BOX OFFICE	39,899	106,052	145,951	145,951	-
LUXURY SEATING	22,467	70,825	93,292	93,292	-
SKYWALK ADMIN	13,632	6,328	19,960	19,960	-
OVERHEAD	519,076	836,486	1,355,562	1,355,562	-
TOTAL INDIRECT EXP.	1,550,209	2,466,519	4,016,727	4,016,727	-
NET REVENUE ABOVE EXPENSES	(301,640)	1,144,183	842,544	1,006,739	(164,195)
LESS INCENTIVE FEE		-	0	20,187	20,187
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	(301,640)	1,144,183	842,544	986,552	(144,008)

Comments:

The Arena performed consistent with budget overall for the month of November with the John Mayer concert offsetting lower than expected sales for Sesame Street Live.

  
General Manager

  
Director of Finance



**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED OCTOBER 31, 2013**

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

<b>MONTH</b>	<b>November Actual</b>	<b>November Budget</b>	<b>November FY 2013</b>
Number of Events	12	12	19
Attendance	41,268	41,000	61,308
Direct Event Income	\$38,038	\$38,037	\$170,093
Ancillary Income	90,302	91,049	198,502
Other Event Income	26,541	30,100	117,031
Other Operating Income	170,090	168,674	245,058
Indirect Expenses	(323,035)	(334,727)	(341,598)
Net Income	\$1,936	(\$6,867)	\$389,086

<b>YTD</b>	<b>YTD 2014 Actual</b>	<b>YTD 2014 Budget</b>	<b>YTD 2013 Prior Year</b>
Number of Events	26	25	41
Attendance	99,274	107,700	144,195
Direct Event Income	\$170,605	\$152,990	\$344,639
Ancillary Income	219,723	245,767	351,633
Other Event Income	74,413	80,300	147,886
Other Operating Income	783,828	782,778	839,446
Indirect Expenses	(1,550,209)	(1,673,635)	(1,504,374)
Net Income	(\$301,640)	(\$411,800)	\$179,230

**EVENT INCOME**

Direct event income came in lower than budget due to Sesame Street Live falling well below expectations and past visits.

**ANCILLARY INCOME**

Ancillary income came in at budgeted numbers overall with stronger than expected per caps for John Maye and Griffins games offsetting the lower attendance for Sesame Street.

**INDIRECT EXPENSES**

Indirect expenses came in at expected levels for the month.

**Van Andel Arena**  
**Income Statement**  
**For the Five Months Ending November 30, 2013**

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$97,919	\$103,500	(5,581)	\$268,743	\$344,475	\$321,400	23,075	\$530,992
Service Revenue	73,801	52,751	21,050	250,108	198,525	169,648	28,877	453,599
Service Expenses	(133,682)	(118,214)	(15,468)	(348,758)	(372,395)	(338,058)	(34,337)	(639,952)
<b>Total Direct Event Income</b>	<b>38,038</b>	<b>38,037</b>	<b>1</b>	<b>170,093</b>	<b>170,605</b>	<b>152,990</b>	<b>17,615</b>	<b>344,639</b>
<b>Ancillary Income</b>								
F&B Concession	81,403	82,606	(1,203)	164,681	193,712	219,503	(25,791)	297,590
F&B Catering	8,019	4,825	3,194	11,117	18,920	12,010	6,910	23,501
Novelty Sales	880	3,618	(2,738)	22,704	7,091	14,254	(7,163)	29,671
Booth Cleaning	0	0	0	0	0	0	0	871
<b>Total Ancillary Income</b>	<b>90,302</b>	<b>91,049</b>	<b>(747)</b>	<b>198,502</b>	<b>219,723</b>	<b>245,767</b>	<b>(26,044)</b>	<b>351,633</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	26,541	30,100	(3,559)	117,031	74,413	80,300	(5,887)	147,886
<b>Total Other Event Income</b>	<b>26,541</b>	<b>30,100</b>	<b>(3,559)</b>	<b>117,031</b>	<b>74,413</b>	<b>80,300</b>	<b>(5,887)</b>	<b>147,886</b>
<b>Total Event Income</b>	<b>154,881</b>	<b>159,186</b>	<b>(4,305)</b>	<b>485,626</b>	<b>464,741</b>	<b>479,057</b>	<b>(14,316)</b>	<b>844,158</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	114,044	109,675	4,369	180,822	501,607	499,443	2,164	545,613
Advertising	52,136	52,083	53	54,000	262,546	260,419	2,127	270,000
Other Income	3,910	6,916	(3,006)	10,236	19,675	22,916	(3,241)	23,833
<b>Total Other Operating Income</b>	<b>170,090</b>	<b>168,674</b>	<b>1,416</b>	<b>245,058</b>	<b>783,828</b>	<b>782,778</b>	<b>1,050</b>	<b>839,446</b>
<b>Adjusted Gross Income</b>	<b>324,971</b>	<b>327,860</b>	<b>(2,889)</b>	<b>730,684</b>	<b>1,248,569</b>	<b>1,261,835</b>	<b>(13,266)</b>	<b>1,683,604</b>
<b>Operating Expenses</b>								
Salaries and Wages	193,571	169,319	24,252	268,575	755,158	846,595	(91,437)	814,199
Payroll Taxes and Benefits	41,774	47,535	(5,761)	62,127	165,136	237,675	(72,539)	194,032
Labor Allocations to Events	(72,317)	(70,483)	(1,834)	(166,585)	(227,985)	(352,415)	124,430	(339,820)
<b>Net Salaries and Benefits</b>	<b>163,028</b>	<b>146,371</b>	<b>16,657</b>	<b>164,117</b>	<b>692,309</b>	<b>731,855</b>	<b>(39,546)</b>	<b>668,411</b>
Contracted Services	16,468	20,928	(4,460)	18,385	88,312	104,640	(16,328)	92,138
General and Administrative	32,916	22,535	10,381	17,582	151,278	112,675	38,603	111,731
Operations	3,163	6,800	(3,637)	907	9,997	34,000	(24,003)	19,296
Repair and Maintenance	11,113	21,417	(10,304)	27,555	100,315	107,085	(6,770)	87,518
Operational Supplies	5,320	15,417	(10,097)	15,096	67,851	77,085	(9,234)	80,912
Insurance	9,705	10,251	(546)	14,651	30,592	51,255	(20,663)	40,214
Utilities	67,302	77,030	(9,728)	69,533	339,456	385,150	(45,694)	335,295
SMG Management Fees	14,020	13,978	42	13,772	70,099	69,890	209	68,859
<b>Total Operating Expenses</b>	<b>323,035</b>	<b>334,727</b>	<b>(11,692)</b>	<b>341,598</b>	<b>1,550,209</b>	<b>1,673,635</b>	<b>(123,426)</b>	<b>1,504,374</b>
<b>Net Income(Loss) From Operations</b>	<b>1,936</b>	<b>(6,867)</b>	<b>8,803</b>	<b>389,086</b>	<b>(301,640)</b>	<b>(411,800)</b>	<b>110,160</b>	<b>179,230</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>1,936</b>	<b>(6,867)</b>	<b>8,803</b>	<b>389,086</b>	<b>(301,640)</b>	<b>(411,800)</b>	<b>110,160</b>	<b>179,230</b>

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**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary**  
**For the Five Months Ended November 30, 2013**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	12	12	25,811	25,000	56,549	62,391
Sporting Event	2	2	7,932	10,000	93,854	84,900
Concert	3	3	19,350	25,500	192,212	216,558
Team Home Games	8	8	45,181	47,200	121,022	115,208
Other	1	-	1,000	-	1,102	-
GRAND TOTALS	26	25	99,274	107,700	464,741	479,057

**As Percentage of Overall**

Family Show	46.15%	48.00%	26.00%	23.21%	12.17%	13.02%
Sporting Event	7.69%	8.00%	7.99%	9.29%	20.19%	17.72%
Concert	11.54%	12.00%	19.49%	23.68%	41.36%	45.21%
Team Home Games	30.77%	32.00%	45.51%	43.83%	26.04%	24.05%
Other	3.85%	0.00%	1.01%	0.00%	0.24%	0.00%

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**Van Andel Arena  
Balance Sheet  
As of November 30, 2013**

**ASSETS**

**Current Assets**

Cash	3,399,810
Account Receivable	1,305,605
Prepaid Expenses	47,858

<b>Total Current Assets</b>	<b>\$4,753,273</b>	
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<b>Total Assets</b>	<b>\$4,753,273</b>	
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**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	14,300
Accrued Expenses	458,850
Deferred Income	2,151,317
Advanced Ticket Sales & Deposits	1,579,028

<b>Total Current Liabilities</b>	<b>\$4,203,495</b>	
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**Other Liabilities**

**Equity**

Funds Remitted to CAA	(300,000)
Expenses Paid Direct by CAA	319,101
Beginning Balance Equity	832,318
Current Year Equity	(301,640)

<b>Total Equity</b>	<b>\$549,778</b>	
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<b>Total Liabilities and Equity</b>	<b>\$4,753,273</b>	
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**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of November 30, 2013**

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Current - Under 30 Days	
Food & Beverage	223,480
Ticketing	112,103
Merchandise	2,901
Permanent Advertising	633,091
DeVos Place	(31,586)
Operating	147,419
 Over 30 Days	 173,293
 Over 60 Days	 44,904
 Over 90 Days	
 Total Accounts Receivable	 1,305,605

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

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2013 Actual
Net Revenue above Expenses	842,544	(370,702)	471,842	1,743,309
Benchmark ++			750,000	750,000
Excess	842,544	(370,702)	(278,158)	993,309

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	167,741	167,741	335,482	330,525
Incentive Fee				
Revenue	4,859,271	5,151,856	10,011,127	11,289,192
Benchmark Revenue	4,950,000	4,350,000	9,300,000	9,200,000
Revenue Excess	(90,729)	801,856	711,127	2,089,192
Incentive Fee **	-	-	-	330,525
Total SMG Management Fee	167,741	167,741	335,482	661,050

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

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



**Van Andel Arena® /  
DeVos Place**

# Memorandum

**To:** CAA Finance Committee  
CAA Board Members

**From:** Rich MacKeigan – Regional General Manager

**Date:** Tuesday, January 14, 2014

**Re:** Revised Scope of Work Related to \$142,500 HUD Economic Development Initiative Special Projects Grant

You may recall that the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), in fiscal year 2009/2010, applied for and received a United States Department of Housing and Urban Development ("HUD") Economic Development Initiative Special Projects Grant in the amount of \$142,500. The approved grant was designated for preliminary design engineering and topographic survey work in connection with the realignment and reconfiguration of Butterworth Street, S.W. from the west City limit to the Wealthy Street/ Garfield Avenue SW intersection (the "Segment 1 Project"). The Office of the City Engineer is administering the HUD Grant for the CAA pursuant to a Memorandum of Understanding dated June 22, 2010, between the CAA and the City,

Subsequently, the City received a congressionally directed grant from the Michigan Department of Transportation ("MDOT") in the amount of \$499,915, which may be used for design engineering costs for the realignment and reconfiguration of Butterworth Street, S.W. west from the Wealthy Street/Garfield Avenue, S.W. intersection to an entrance/connection to I-196 west of the City limits; which includes the Segment 1 Project and two additional segments referred to as Segment 2 and Segment 3. In order for the City to receive the MDOT Grant, MDOT requires that an environmental assessment be done for all three segments of the Project.

The Office of the City Engineer has recommended that the CAA request HUD to expand the scope of the work to be performed with proceeds of the HUD grant to include an environmental assessment of all three segments of the Project. The shifting the HUD grant proceeds to pay for an environmental assessment of all three segments of the Project will not reduce the original preliminary engineering work and topographic survey work related to Segment 1 Project.

**ACTION REQUESTED:** APPROVE THE RESOLUTION APPROVING REVISED SCOPE OF WORK RELATED TO \$142,500 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ECONOMIC DEVELOPMENT INITIATIVE SPECIAL PROJECTS GRANT



**DEVOS PLACE**

# MEMORANDUM

CITY OF GRAND RAPIDS

DATE: January 10, 2014

TO: Grand Rapids – Kent County Convention Arena Authority

FROM: Mark A. DeClercq, P.E. *MAD*  
City Engineer

**SUBJECT: Realignment and Reconstruction of Butterworth Street -  
Revised project scope**

The Grand Rapids - Kent County Convention Arena Authority (CAA) has previously submitted a request for funding from the Department of Housing and Urban Development (HUD). The approved amount of \$142,500 was designated to be for activities described in the application as preliminary design engineering and topographic survey work in connection with the realignment and reconfiguration of Butterworth Street, S.W. from the west City limit to the Wealthy Street/ Garfield Avenue SW intersection. A Memorandum of Understanding between the CAA and the City of Grand Rapids (City) has previously been approved on June 22, 2010 which outlines the method by which this work will be accomplished.

In addition the City has received a congressionally directed grant from the Michigan Department of Transportation (MDOT) in the amount of \$499,915 which may be used for design engineering costs from the recommendations of the HUD grant work.

Site visits by MDOT staff have resulted in the requirement that an Environmental Assessment (EA) be conducted for all three segments of the project prior to these funds being released.

The City has subsequently issued a Request for Proposals (RFP) for engineering firms to conduct an EA and prepare a preliminary design report to satisfy these requirements. The RFP was issued utilizing an open and competitive process, allowing all firms to respond to the RFP. The City received one response to the RFP. That response was from Fishbeck, Thompson, Carr and Huber, Inc (FTCH). FTCH's proposal addressed all the issues in the RFP and was within budget.

The City is requesting approval by the CAA for FTC&H to conduct an EA and Preliminary Design Engineering Services in accordance with the RFP and their Proposal dated 10/25/2013. The City is requesting that the CAA approve the expanded scope of work to include an EA and that the limits be extended to all three segments of the project to align with the requirements of the MDOT to facilitate transition into the design phase after completion of this effort.



HUD requires that any change in project scope or budget must be approved by HUD prior to use of any grant funds for the project. The City is requesting authorization to prepare and submit a request to HUD, on behalf of the CAA, for approval of same.

Upon these approvals the City will authorize the FTC&H to proceed with the preliminary design report and EA phase services. It is estimated that this effort could take as long as 18 months to complete. As the project develops we will continue to provide updates to CAA staff.

Any questions should be directed to the Senior Project Engineer, Breese Stam, at 616-456-3078 or email, [bstam@grcity.us](mailto:bstam@grcity.us). Thank you.

MAD/icm

T:09069/HUD grant/Memo to CAA

Cc: Breese Stam, Senior Project Engineer  
Imelda C. Martinez, Administrative Analyst

**GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY**

**RESOLUTION APPROVING REVISED SCOPE OF WORK  
RELATED TO \$142,500 UNITED STATES DEPARTMENT  
OF HOUSING AND URBAN DEVELOPMENT ECONOMIC  
DEVELOPMENT INITIATIVE SPECIAL PROJECTS  
GRANT**

Boardmember \_\_\_\_\_, supported by Boardmember \_\_\_\_\_,  
moved the adoption of the following resolution:

**WHEREAS**, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") in fiscal year 2009/2010 applied for and received a United States Department of Housing and Urban Development ("HUD") Economic Development Initiative Special Projects Grant in the amount of \$142,500 (the "HUD Grant"); and

**WHEREAS**, pursuant to the application for the HUD Grant submitted by the CAA, HUD's notice of award of the Grant and a Grant Agreement dated September 30, 2010 (the "Grant Agreement"), between HUD and the CAA, the HUD Grant was to be used for preliminary design engineering and topographic survey work in connection with the realignment and reconfiguration of Butterworth Street, S.W. from the west City of Grand Rapids (the "City") limits to the Wealthy Street/Garfield Avenue, S.W. intersection (the "Segment 1 Project") ; and

**WHEREAS**, the City has received a congressionally directed grant from the Michigan Department of Transportation ("MDOT") in the amount of \$499,915 (the "MDOT Grant") which may be used for design engineering costs for the realignment and reconfiguration of Butterworth Street, S.W. west from the Wealthy Street/Garfield Avenue, S.W. intersection to an entrance/connection to I-196 west of the City limits; which includes the Segment 1 Project and two additional segments referred to as Segment 2 and Segment 3 (collectively, the "Project"); and

**WHEREAS**, in order to receive the MDOT Grant, MDOT requires that an environmental assessment be done for all three segments of the Project (the “EA”); and

**WHEREAS**, the Office of the City Engineer, which is administering the HUD Grant for the CAA pursuant to a Memorandum of Understanding dated June 22, 2010, between the CAA and the City, has recommended that the CAA request HUD to expand the scope of the work to be performed with proceeds of the HUD Grant to include an EA of all three segments of the Project; and

**WHEREAS**, the shifting of a portion of the proceeds of the HUD Grant to pay for an EA of all three segments of the Project will not reduce the original preliminary engineering work and topographic survey work related to Segment 1 Project; and

**WHEREAS**, the CAA has determined to (i) approve the expanded scope of the work to be paid for from the proceeds of the HUD Grant to include an EA for all three segments of the Project (the “Expanded Work Scope”) and (ii) request that HUD approved such Expanded Work Scope.

**RESOLVED:**

1. That the CAA hereby approves the Expanded Work Scope and requests that HUD approve the Expanded Work Scope.
2. That the Chairperson of the CAA is authorized and directed to execute an amendment to the Grant Agreement in such other document(s) to reflect the Expanded Work Scope approved as to form by CAA legal counsel.
3. That all resolutions or parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.

YEAS: Boardmembers \_\_\_\_\_  
\_\_\_\_\_

NAYS: Boardmembers \_\_\_\_\_

ABSTAIN: Boardmembers \_\_\_\_\_

ABSENT: Boardmembers \_\_\_\_\_

**RESOLUTION DECLARED ADOPTED.**

Dated: January 17, 2014

\_\_\_\_\_  
Susan M. Waddell  
Administrative Manager/Recording Secretary

**CERTIFICATION**

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a meeting held January 17, 2014, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: January 17, 2014

\_\_\_\_\_  
Susan M. Waddell  
Administrative Manager/Recording Secretary



DATE '14	EVENT	EC	MOD	ROOM	TIME	FUNCTION			
Fri, Jan 17	Griffins vs. Abbotsford	KP	ROD	Arena	10A-12:30P 6:00 PM 7P-9:30P	Team practice Doors Hockey Game			
		AK		Banquet D	9:30P-10:30P	Post-game meal			
	Calvary Church	KS		Banquet All	6P-7P	Banquet			
	Steelcase Young Professionals			Section A	6P-9:30P	Banquet			
	All Phase Electric			West Nest	6P-9:30P	Banquet			
	Cambridge Partners			East Nest	6P-9:30P	Banquet			
	Hedrick Associates			MOS Corner Office	6P-9:30P	Banquet			
	Consumers Energy			Suite 101A/B	6P-9:30P	Banquet			
	Hill Machinery Company			Suite 120A	6P-9:30P	Banquet			
	Con-way Transportation			Suite 302	6P-9:30P	Banquet			
	Gentex			Suite 316	6P-9:30P	Banquet			
	Sat, Jan 18			Griffins vs. Abbotsford	KP	LYNNE	Arena	10A-12:30P 6:00 PM 7P-9:30P	Team practice Doors Hockey Game
					Crease Club		6P-9P	Drumline	
	Plummers Environmental Svcs			AK	Banquet B		6P-7P	Banquet	
HR Screw	KS	Banquet C	6P-7P	Banquet					
Amway		Section A	6P-9:30P	Banquet					
Powell Relocation		West Nest	6P-9:30P	Banquet					
Hickey Combs		East Nest	6P-9:30P	Banquet					
Tennant Company		MOS Corner Office	6P-9:30P	Banquet					
Nestle Purina PetCare Co		Suite 101A	6P-9:30P	Banquet					
Hill Machinery Company		Suite 120A	6P-9:30P	Banquet					
SignComp		Suite 302	6P-9:30P	Banquet					
Medtronic		Suite 307	6P-9:30P	Banquet					
Epoch Robotics		Suite 316	6P-9:30P	Banquet					
Sun, Jan 19		Available							
Mon, Jan 20		Closed – SMG Holiday							
Tue, Jan 21	WWE Smackdown	KP	ROD	Arena	7:00 PM	Performance			
Wed, Jan 22	Available								
Thur, Jan 23	Winter Jam	KP	LYNNE	Arena	7:00 PM	Performance			
Fri, Jan 24	Nuclear Cowboyz	KP	KATHY	Arena	7:30 PM	Performance			
Sat, Jan 25	Nuclear Cowboyz	KP	CHRIS	Arena	7:30 PM	Performance			
Sun, Jan 26	Harlem Globetrotters	KP	LYNNE	Arena	2:00 PM	Performance			
Mon, Jan 27	Available								
Tue, Jan 28	Available								
Wed, Jan 29	Available								
Thur, Jan 30	Available								
Fri, Jan 31	Griffins vs. Chicago	KP	KATHY	Arena	10A-12:30P 6:00 PM 7P-9:30P	Team practice Doors Hockey Game			
		AK		Crease Club	6P-9P	Drumline/Body Language Dance			
		KS		Banquet C	6P-7P	Elite Marketing Interactions			
	Earthlink			West/East Nests MOS Corner Office	6P-9:30P	Banquet			
	Kelly Lister			Suite 101A	6P-9:30P	Banquet			
	W. Mich Cabinet Supply			Suite 101B	6P-9:30P	Banquet			
	KI			Suite 302	6P-9:30P	Banquet			
Sat, Feb 1	Available								
Sun, Feb 2	Available								

## REVISED WEEKLY – 2013

DATE	EVENT NAME	ROOMS IN USE	TIME	DETAILS	EC	EST. ATTEND.
MON, JAN 13	Michigan Music Conference	De Vos Place Boardroom	2:00 pm	EC Pre-Event Meeting with Client	JD	N/A
	Kendall College of Art and Design	North Skywalk	8:00 am – 5:00 pm	Art Exhibit	ET	
	FLOOR MAINTENANCE WORK	GRAND GALLERY	8:00AM-11:59PM	FLOOR MAINTENANCE		
TUE, JAN 14	Michigan Music Conference	De Vos Place Boardroom	11:00 am	Pre-Event Meeting	JD	N/A
		Lyon Dock/Welsh Lobby/Show Office A	4:00 pm	Client Arrival/Drop Off		
		Lyon Dock/Welsh Lobby/Show Office A	8:00 pm	Client Arrival/ Drop Off		
	CTA Class	Monroe Room A	12:00pm – 12:30pm 1:00pm – 5:00pm 6:00pm – 10:00pm 10:00pm – 10:30pm	Client Arrival/ Set Up Class 1 Class 2 Move Out	JH	25 per class
	Kendall College of Art and Design LAST DAY	North Skywalk	8:00 am – 5:00 pm	Art Exhibit	ET	
	FLOOR MAINTENANCE WORK	GRAND GALLERY	8:00AM-11:59PM	FLOOR MAINTENANCE		
WED, JAN 15	Michigan Music Conference	Welsh Lobby/Skywalk	6:00 am	Client Arrival	JD	N/A
		Ballroom A Show Office	All Day	Show Office Set-Up		
		Welsh Lobby	All Day	AC Set-Up		
		Ballrooms A-C	All Day	AC Set-Up		
		Lyon Street Loading Docks and Meeting Rooms	8:00 am- 3:00 pm	WMP Deliveries		
		Lyon Street Loading Docks and Meeting Rooms	12:30 pm- 3:30 pm	Music Equipment Delivery and Move In		
		GG OL, RO OL, Ballrooms	1:00 pm	AV Load In		
		Welsh Lobby	4:00 pm- 10:00 pm	Will Call		
		All Entrances	10:00 pm	Client Departure and Building Locked		
	GRS Pops 4: 60's Hits with the Midtown Men	De Vos Performance Hall/Lyon Dock	1:00pm – 6:00pm	Move In	AK	N/A
		De Vos Performance Hall	7:00pm – 10:00pm	Rehearsal		
THU, JAN 16	Michigan Music Conference	Welsh Lobby/Skywalk	6:00 am	Client Arrival	JD	10,000 over three days
		River Overlook AB, CD, EF	6:30 am	Apple Computer Set-Up		
		Ballroom A Show Office	6:00 am- 10:00 pm	Office		
		Scene Shop	All day	Equipment Storage		
		Women's and Men's Chorus Rooms	All day	Men and Women's Changing Rooms		
		Monroe A	All day	Coat Room		
		Welsh Lobby	7:00am- 10:00 pm	Registration		
		Welsh Lobby	7:00 am- 10:00 pm	Will Call		
		Welsh Lobby	7:00 am- 10:00 pm	Ticket Sales		
		Ballroom A Coat Closet	7:00 am- 10:00 pm	Coat Room		
		River Overlook AB, CD, EF	8:00 am- 5:00 pm	Technology Sessions and Open Lab		
		Lyon Dock	8:30 am	Army Band Equipment Load-In		
		De Vos Place Performance Hall	8:30 am- 12:00 pm	Army Band Rehearsal		
		GG AB, DE	11:00 am- 5:00 pm	Check In and Rehearsals		
		GG C, F	11:00 am- 5:00 pm	Buffer Rooms		
		GGOL A-F	11:00 am- 6:30 pm	Check In and Rehearsals		
		Monroe BCD	11:00 am- 5:00 pm	Check In and Rehearsals		
		Chase Boardroom	11:00 am- 5:00 pm	Check in and Rehearsals		
		Recital Hall	11:00 am- 5:00 pm	Check in and Rehearsals		

EH A-C = Exhibit Halls A-C

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

RO A-F = River Overlook A-F

GGO A-H = Overlook Meeting Rooms A-H

MON A-D = Monroe Meeting Rooms

DYPH = DeVos Performance Hall

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		Ballrooms A-C, Lyon Dock DeVos Place Performance Hall DeVos Place Performance Hall DeVos Place Performance Hall Overlook Pre-Function Space Performance Hall Lobby Performance Hall Doors DeVos Place Performance Hall DeVos Place Performance Hall DeVos Place Performance Hall Lyon Dock GG OL A-F Building	12:00 pm- 7:00 pm 12:00 pm- 1:00 pm 1:00 pm- 4:30 pm 4:30pm- 6:00 pm 4:00 pm- 5:30 pm 4:30 pm 5:30 pm 6:00 pm- 7:30 pm 7:30 pm- 8:30 pm 8:30 pm- 10:30 pm 10:30 pm 6:30 pm- 10:00 pm 10:00 pm 11:00 pm	Exhibitor Load In Stage Re-Set HC Rehearsal Stage Re-Set Honors Choir Dinner Ticket Takers Ushers in Place Open Doors into Hall (For Seating) Honors Choir Performance Stage Re-Set Army Band Performance Parent Pick-Up Rooms Building Locked Client Departure		
		DeVos Performance Hall	8:00am - 11:59pm	Michigan Music Conference	AL	
FRL JAN 17	GRS Pops 4: 60's Hits with the Midtown Men	Welsh Lobby/Skywalk Ballroom A Show Office Scene Shop Women's and Men's Chorus Rooms Monroe A Multi-Purpose Room Ballrooms A-C Welsh Lobby Welsh Lobby Welsh Lobby Ballroom A Coat Closet Performance Hall Lobby Performance Hall Doors DeVos Place Performance Hall Ballrooms A-C GG OL A-H GG AB, DE GG C, F Monroe BCD Chase Boardroom Recital Hall River Overlook AB, CD, EF Overlook Pre-Function Overlook Pre-Function Overlook Pre-Function Overlook Pre-Function Building	6:00 am 6:00 am- 9:00 pm All day All day All day 7:00 am- 5:00 pm 7:00 am- 8:00 am 7:00am- 9:00 pm 7:00 am- 9:00 pm 7:00 am- 9:00 pm 7:00 am- 10:00 pm 7:00 am 7:30 am 8:00 am- 5:00 pm 8:00 am- 6:00 pm 8:00 am- 5:00 pm 9:00 am- 5:00 pm 9:00 am- 5:00 pm 9:00 am- 5:00 pm 9:00 am- 5:00 pm 9:00 am- 4:45 pm 9:00 am- 1:00 pm 11:00 am- 1:00 pm 12:00 pm- 1:30 pm 1:30 PM 5:00 pm- 7:00 pm 7:00 pm 9:00 pm 10:00 pm	Client Arrival Office Equipment Storage Men and Women's Changing Rooms Coat Room Warm Ups Exhibitor Entrance Only Registration Will Call Ticket Sales Coat Room Ticket Takers and Ushers in Place Open Doors into Hall (For Seating) Band and Orchestra Performances Exhibits Open Check In and Rehearsals Rehearsals Buffer and Set-Up Rehearsals Rehearsals Rehearsals Technology Sessions Honors Choir Lunches All State Lunches OPS QUICK CHANGE CMU Reception OPS CHANGEOVER Building Locked Client Departure	JD	10,000 over three days
	Kids & Family Expo	Exhibit Hall A / MI Loading Dock	7:30 am 8:30 am 10:00 am - 6:00 pm 7:00 pm	Client / Staff Arrival Zip Line Arrival Exhibitor Move In Client / Staff Departure	RP	N/A
	GRS Pops 4: 60's Hits with the Midtown Men	DeVos Performance Hall	8:00am - 5:00pm 5:00pm - 6:30pm 6:30pm 7:00pm 7:30pm	Michigan Music Conference Changeover Outside Doors Open Lobby Open Seating Open	AL	1500 per show



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		De Vos Performance Hall	8:00pm – 10:00pm	Performance	JD	10,000 over three days
SAT, JAN 18	Michigan Music Conference	Welsh Lobby/Skywalk Ballroom A Show Office Scene Shop Women's and Men's Chorus Rooms Monroe A Overlook Pre-Function Monroe BCD Ballrooms A-C Welsh Lobby Welsh Lobby Ballroom A Coat Closet GG AB, DE GG C Recital Hall Performance Hall Lobby Performance Hall Doors GG OL A-H DeVos Place Performance Hall Ballrooms A-C Chase Boardroom River Overlook AB, CD, EF GG AB, D, DE DeVos Place Performance Hall Overlook Pre-Function Ballroom D DeVos Place Performance Hall Ballroom D Ballroom D Ballrooms A-C, Lyon Dock DeVos Place Performance Hall DeVos Place Performance Hall Ballroom D Ballroom D GG OL, RO OL, Ballrooms GG OL A-H Lyon Dock and Meeting Rooms Building Welsh Lobby	6:00 am 6:00 am- 6:30 pm All day All day All day 7:00 am- 9:00 am 7:00 am- 10:00 am 7:00 am- 8:00 am 7:00 am- 6:30 pm 7:00 am- 6:30 pm 7:00 am- 6:30 pm 7:00 am- 6:30 pm 7:00 am- 11:00 am 7:00 am- 6:30 pm 7:00 am- 4:15 pm 7:00 am- 11:30 am 7:00 am 7:30 am 8:00 am- 5:00 pm 8:00 am- 12:00 pm 8:00 am- 1:00 pm 8:45 am- 3:00 pm 9:00 am- 4:00 pm 11:00 am- 4:15 pm 11:00 am- 12:00 pm 11:00 am- 12:00 pm 11:30 am 12:00 pm- 2:30 pm 12:00 pm 12:30 pm- 3:30 pm 1:00 pm- 5:00 pm 2:30 pm- 3:00 pm 3:00 pm- 4:30 pm 3:30 pm 3:30 pm- 5:30 pm 4:00 pm 5:00 pm- 6:30 pm 5:00 pm- 9:00 pm 6:30 pm 6:30 pm- 9:30 pm 9:30 pm	Client Arrival Office Equipment Storage Men and Women's Changing Rooms Coat Room All State Breakfast Rehearsal Exhibitor Entrance Only Registration Will Call Ticket Sales Coat Room Rehearsals Buffer Room Rehearsals Ticket Takers and Ushers in Place Open Doors into Hall (For Seating) Rehearsals and Sectional All State and Orchestra Performances Exhibits Rehearsals Technology Sessions Coat Rooms Stage Re-Set Honors Choir Lunch Ticket Takers in Place Rehearsal Doors Jazz Band Performances Exhibitor Move Out Stage Set HC Performance OPS QUICK CHANGE MSBOA Membership Meeting AV Load Out Parent Pick-Up Rooms Music Equipment to Move to Lyon Dock Lock Building Client Load Out Client Departure		
	Kids & Family Expo	Exhibit Hall A  Exhibit Hall A / MI Loading Dock	7:45 am 8:00 am 8:00 am – 9:00 am 9:30 am – 5:30 pm 10:00 am – 6:00 pm 6:00 pm – 9:00 pm 9:30 pm	Client Arrival Fire Inspection Small Exhibitor Move In Box Office / Ticket Taker Hours Show Hours Exhibitor Move Out Client Departure Michigan Music Conference Changeover Outside Doors Open Lobby Open Seating Open	RP	1,000 – 2,000
	GRS Pops 4: 60's Hits with the Midtown Men	De Vos Performance Hall	8:00am – 5:00pm 5:00pm – 6:30pm 6:30pm 7:00pm 7:30pm		AK	1500 per show

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		DeVos Performance Hall	8:00pm – 10:00pm	Performance		
SUN, JAN 19	Michigan Music Conference	No Activity	8:00AM-11:59PM	No Activity	JD	N/A
	GRS Pops 4: 60's Hits with the Midtown Men	DeVos Performance Hall	1:30pm 2:00pm 2:30pm 3:00pm – 5:00pm 5:00pm – 7:00pm	Outside Doors Open Lobby Open Seating Open Performance Move Out	AK	1500 per show
MON, JAN 20	West Side Beer Annual Sales Meeting	DeVos Performance Hall/Lyon Dock				
		Ballroom C Ballroom C, D Ballroom C Ballroom D Ballroom C	6:00am-8:00am 7:00 am 11:00 am- 12:30 pm 12:30 pm- 1:30 pm 12:30pm 2:00 pm	Production Load In Client Arrival/ Set-Up Meeting Lunch Production Load Out Client departure	RH	175
	Michigan Music Conference	Lyon Street Loading Docks	8:00 am- 1:00 pm 11:30 am- 3:30 pm	Music Equipment Move Out West Michigan Piano Equipment Pick Up and Move Out	JD	N/A
TUES, JAN 21	Camper, Travel, & RV Show	Exhibit Hall A-C / GG C& D Grand Gallery E Grand Gallery F Exhibit Hall B Storage	6:30 am 7:00 am 7:00 am – 6:00 pm All Day All Day All Day	Client Arrival Power Washer Arrival Exhibitor Load In Show Office Exhibitor Lounge Storage	RP	N/A
WED, JAN 22	Camper, Travel, & RV Show	Grand Gallery E Grand Gallery F Exhibit Hall B Closet Exhibit Hall A-C / GG C& D Exhibit Hall A-C BALL A COAT, BALL A SHOW BALL D COAT BUSCTR	7:00 am All Day All Day All Day 8:00 am – 6:00 pm 2:30 pm 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	Client Arrival Show Office Exhibitor Lounge Storage Exhibitor Load In Fire Inspection STORAGE STORAGE STORAGE STORAGE	RP	N/A
THU, JAN 23	Camper, Travel, & RV Show	Grand Gallery E Grand Gallery F Exhibit Hall B Closet Exhibit Hall A-C Grand Gallery B Grand Gallery A	7:00 am All Day All Day All Day 8:00 am – 12:00 pm 3:00 pm – 9:30 pm 4:00 pm 4:00 pm 5:00 pm 6:00 pm 7:00 pm 8:00 pm	Client Arrival Show Office Exhibitor Lounge Storage Exhibitor Load In Show Hours RV Living – Be Prepared Rocky Mountain RV Adventure Session Alaska RV Adventure Session Route 66 RV Adventure Session Rocky Mountain RV Adventure Session Alaska RV Adventure Session	RP	17,000-18,000 over 4 days
	WEST MICHIGAN WHITECAPS ANNUAL BANQUET	BALL A COAT BALL A SHOW BALL CD BALL D COAT	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	STORAGE STORAGE BANQUET STORAGE		
	WEST MICHIGAN WHITECAPS ANNUAL BANQUET	BALL A COAT BALL A SHOW BALL CD BALL D COAT	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	STORAGE STORAGE BANQUET STORAGE		

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			BUSCTR SECCHIA LOBBY WELSH LOBBY CHASE BOARDROOM	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	STORAGE RECEPTION RECEPTION RECEPTION		
FRI, JAN 24	Camper, Travel, & RV Show		Grand Gallery E Grand Gallery F Exhibit Hall B Closet Exhibit Hall A-C  Grand Gallery A Grand Gallery B Grand Gallery A  Grand Gallery B Grand Gallery A	9:00 am All Day All Day All Day 10:00 am <b>12:00 pm –9:30 pm</b> 1:00 pm 2:00 pm 2:00 pm 3:00 pm 4:00 pm 5:00 pm 6:00 pm 7:00 pm 8:00 pm	Client Arrival Show Office Exhibitor Lounge Storage Exhibitors allowed in Hall <b>Show Hours</b> Rocky Mountain RV Adventure Session RV Living – Be Prepared Alaska RV Adventure Session East Coast RV Adventure Route 66 RV Adventure Rocky Mountain RV Adventure Alaska RV Adventure RV Living – Buying an RV Route 66 RV Adventure East Coast RV Adventure	RP	17,000-18,000 over 4 days
SAT, JAN 25	Camper, Travel, & RV Show		Grand Gallery E Grand Gallery F Exhibit Hall B Closet Skywalk Exhibit Hall A-C  Grand Gallery A  Grand Gallery B Grand Gallery A  Grand Gallery B Grand Gallery A Grand Gallery B Grand Gallery A  Grand Gallery B Grand Gallery A	7:00 am All Day All Day All Day 9:00 am –11:00 am 8:00 am <b>10:00 am-9:00 pm</b> 11:00 am 12:00 pm 1:00 pm 1:00 pm 2:00 pm 2:00 pm 3:00 pm 3:30 pm 4:00 pm 4:30 pm 5:00 pm 6:00 pm 6:00 pm 7:00 pm 8:00 pm	Client Arrival Show Office Exhibitor Lounge Storage Pancake Breakfast Exhibitors allowed in Hall <b>Show Hours</b> Rocky Mountain RV Alaska RV Route 66 RV Alaska Marine Highway East Coast RV Adventure RV Living – Be Prepared Rocky Mountain RV Alaska By Road, Sea, & Air Alaska RV Adventure RV Living – Selecting a Home Base Route 66 RV East Coast RV Adventure Alaska Marine Highway RV Living – Buying an RV Alaska RV Adventure Rocky Mountain RV Adventure	RP	17,000-18,000 over 4 days
	GRCC GIANTS DINNER		BALL BCD PRE BALL BCD BALL D COAT BUSCTR	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	REGISTRATION BANQUET STORAGE COATROOM/OFC	ES	
SUN, JAN 26	Camper, Travel, & RV Show		Grand Gallery E Grand Gallery F Exhibit Hall B Closet	8:00 am All Day All Day All Day	Client Arrival Show Office Exhibitor Lounge Storage	RP	17,000-18,000 over 4 days

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	Exhibit Hall A-C	9:00 am 11:00 am – 5:00 pm 12:00 pm 12:00 pm 1:00 pm 1:30 pm 2:00 pm 2:30 pm 3:00 pm 4:00 pm 5:00 pm 5:15 pm – 12:00 am	Vendors allowed in Exhibit Hall Show Hours Rocky Mountain RV Adventure RV Living – Be Prepared Alaska RV Adventure Alaska Marine Highway Route 66 RV RV Living – What does it cost? Rocky Mountain RV Adventure Alaska RV Adventure Alaska by Road, Sea, & Air East Coast RV Adventure Exhibitor Load Out		
MON, JAN 27	Camper, Travel, & RV Show	Exhibit Hall A-C / Michigan Dock	Client Arrival Exhibitor Load Out	RP	N/A
TUE, JAN 28	GRS CLASSICAL PRESENTS RUSSIAN MASTERS	DVPH	Move In Rehearsal	JH	
WED, JAN 29	GRS CLASSICAL PRESENTS RUSSIAN MASTERS	DVPH	Rehearsal Rehearsal	JH	
THU, JAN 30	COLLIERS INT'L: W. MI ECONOMIC & COMMERCIAL REAL ESTATE FORECAST	BALL AB A COAT AB PRE-FUNC WLESH DVPH	MEETING MEETING MEETING MEETING Rehearsal	RH	
FRI, JAN 31	WORLD AFFAIRS COUNCIL	BALL CD, BALL CD PRE-FUNC, BALL DCOAT, BUS CNTR	BANQUET BANQUET BANQUET BANQUET		
	VISALUS REGIONAL SALES TRAINING	BALL A BALL A COAT BALL AB PREF BALL B GGF	VISTORE STORAGE REGISTRATION SALES MTG MEETING		
	GRS CLASSICAL PRESENTS RUSSIAN MASTERS	RECITAL HALL DVPH	UpBeat Performance	JH	