



Board of Directors

Wednesday, May 28, 2008

8:00 a.m. – 9:30 a.m.

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

AGENDA

Convention
Arena
Authority

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

I. Call to Order

II. Approval of April 23, 2008, Minutes

Action

III. Committee Reports

a. Operations Committee

i. Operations Committee Report

Information
Information

ii. CVB Report

b. Finance Committee

i. SMG April 2008 Financial Statements
DeVos Place® and Van Andel Arena®

Action

ii. CAA April 2008 Financial Statements

Action

iii. Consolidated Financial Statements

Information
Information

iv. Proposed FY 2009 SMG Facility Operating Budgets

v. Proposed FY 2009 CAA Administrative Budget

IV. SMG Report and Facilities Calendars

Information

V. Public Comment

VI. Next Meeting Date: Wednesday, June 25, 2008

VII. Adjournment



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

DEVOS PLACE

DeVos Place®
303 Monroe Ave. NW
Grand Rapids, MI 49503-2233
616.742.6500
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**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Wednesday, April 23, 2008**

I. Call to Order

Chair Steve Heacock called the meeting to order at 8:05 a.m. Chair Heacock presided and Susan Waddell recorded the meeting minutes in the absence of Treasurer/Secretary Birgit Klohs.

Attendance

Members Present: Steve Heacock, Chair
Lew Chamberlin
George Heartwell
Gary McInerney
Joseph Tomaselli

Members Absent: Clif Charles
Birgit Klohs

Staff/Others:	Scott Atchison	Michigan Flashcard
	David Czurak	<i>Grand Rapids Business Journal</i>
	Jim Day	Kent County
	Daryl Delabbio	Kent County
	George Helmstead	CVB
	Kurt Kimball	City of Grand Rapids
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Eric Messing	Broadway Grand Rapids
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Richard Wendt	Dickinson Wright
	Robert White	Kent County

II. Presentation by Broadway Grand Rapids

Eric Messing, Executive Director of Broadway Grand Rapids, presented a report on changes, programs, and growth of the organization since he was hired last year. Broadway Grand Rapids has a new name (formerly, Broadway Theater Guild) and logo and has updated its mission statement. On April 26th, Broadway Grand Rapids will host its 4th Annual Gala Benefit at the historic Lakewood Estate in East Grand Rapids. Local actress, Kim Zimmer of the Guiding Light, will provide an intimate evening of cabaret. The Broadway in Education series, funded by the Peter F. Secchia family and Alticor, provides over 500 tickets to students and seniors from the Kent Intermediate School District. For the upcoming 2008-2009 season, four of the five shows were picked by subscribers through an on-line poll. This will also be the first season that will not have shows over the holidays. The upcoming season will include exciting shows, such as Mama Mia, Avenue Q, Sweeney Todd, Rain (the Beatles Experience), and the 25th Annual Putnam County Spelling Bee.

III. Minutes of Prior Meeting

Motion: Mr. Heartwell, supported by Mr. Chamberlin, moved to approve the Minutes of the March 26, 2008, meeting of the Grand Rapids-Kent County Convention/Arena Authority. Motion carried unanimously.

IV. Committee Reports

a. Operations Committee

Mr. Chamberlin reported that Assistant General Manager Jim Watt presented two capital improvement projects that might be included in the FY '09 budget. The River City Building renovation project may include the installation of a snowmelt system in front of the building. DeVos Place® has a snowmelt system that runs from the entrance of the Grand Gallery to the performance hall doors. The plan would be to extend the snowmelt system in front of the convention center south from the DeVos Performance Hall entrance to the River City Building. By adding snow melt to this area, patrons would be provided clear sidewalks from Pearl Street past the Amway Hotel and completely to the main Grand Gallery entrance.

The second project proposed by Mr. Watt is the extension of the Arena concourse in northwest corner to the front window-wall to add 2,000 square feet and relieve congestion. The area is near the skywalk entrance and a women's restroom. A portable concession cart and merchandise stand also located in this area make it almost impossible for patrons to maneuver when an event crowd reaches 8,000. Roughly 30% - 40% of the Arena's events are attended by more than 8,000 patrons.

Mr. Helmstead presented a report on recent sales activities and major bid presentations. The CVB is working on speakers and break-out sessions for the RCMA Conference that will bring hundreds of religious meeting planners to Grand Rapids in January 2009. Amy Young, CVB Board Member and owner of Grand Connection, has agreed to donate her time to the CVB's RCMA planning team. Amy has extensive experience with producing large conventions for major corporations.

b. Finance Committee. The Finance Committee did not meet in April.

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

Motion: Mr. McInerney, supported by Mr. Tomaselli, moved to approve the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended March 31, 2008. After review and discussion, the motion was unanimously adopted.

ii. CAA Financial Statements

Motion: Mr. Heartwell, supported by Mr. Chamberlin, moved to approve the CAA Financial Statements for the period ended March 31, 2008. After review and discussion, the motion was unanimously adopted.

V. SMG Report and Facilities Calendar

Mr. MacKeigan presented a summary of the upcoming events that will be held at DeVos Place® and the Van Andel Arena®. Mr. MacKeigan introduced Eddie Tadlock, the new Assistant General Manager for

DeVos Place®. Eddie was general manager for the Lynnwood Convention Center in Lynnwood, Washington, and has a strong background in sales, customer service, and event services.

VI. Public Comment

Scott Atchison of Michigan Flashcard proposed that a Directions & Information Booth be installed downtown, at an estimated minimum annual cost of \$350,000.

VII. Next Meeting Date

The date for next CAA Board meeting is Wednesday, May 28, 2008.

VIII. Adjournment

There being no other business, the meeting adjourned at 8:55 a.m.

Susan M. Waddell, Recording Secretary

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED APRIL 30, 2008

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Bob McClintock

Lewis Dawley

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



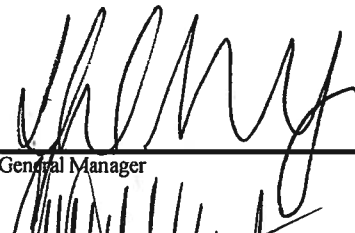
An SMG Managed Facility

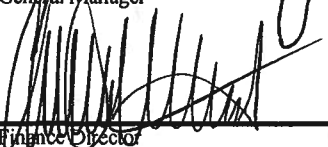
DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2008

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	502	77	579	647	(68)
ATTENDANCE	563,677	83,575	647,252	723,350	(76,098)
DIRECT EVENT REVENUE	2,292,548	292,687	2,585,235	2,541,693	43,542
ANCILLARY REVENUE	1,879,848	115,595	1,995,443	2,060,745	(65,302)
TOTAL EVENT REVENUE	4,172,396	408,282	4,580,678	4,602,438	(21,760)
TOTAL OTHER REVENUE	154,396	42,382	196,778	229,000	(32,222)
TOTAL OPERATING REVENUE	4,326,792	450,664	4,777,456	4,831,438	(53,982)
INDIRECT EXPENSES					
EXECUTIVE	120,534	20,648	141,182	166,596	25,414
FINANCE	175,324	45,780	221,104	208,548	(12,556)
MARKETING	51,752	31,882	83,634	104,657	21,023
OPERATIONS	1,130,653	258,665	1,389,318	1,385,380	(3,938)
EVENT SERVICES	831,749	133,829	965,578	944,447	(21,131)
BOX OFFICE	59,328	7,842	67,170	77,626	10,456
SALES	171,202	37,399	208,601	248,723	40,122
OVERHEAD	2,012,891	263,742	2,276,633	2,217,749	(58,884)
TOTAL OPERATING EXP.	4,553,433	799,787	5,353,220	5,353,726	506
NET REVENUE ABOVE EXPENSES	(226,641)	(349,123)	(575,764)	(522,288)	(53,476)
INCENTIVE FEE		153,300	153,300	153,300	-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(226,641)	(502,423)	(729,064)	(675,588)	(53,476)

Comments:

DeVos Place ended April a little ahead of budget and forecast as ancillary income for the month came in higher than expected. It is still expected that DeVos Place will end the fiscal year behind budget, there is some potential to make up some of the shortfall if ancillary spending continues to come in strong, as well as, if the Theater events during the final two months continue their strong sales.


General Manager


Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED APRIL 30, 2008**

The following schedule summarizes operating results for the current month ending April 30, 2008 and the YTD ending June 30, 2008, compared to budget and to the prior year:

MONTH	April Actual	April Budget	April FY 2007
Number of Events	57	58	74
Attendance	45,648	55,775	57,316
Direct Event Income	\$239,094	\$247,887	\$207,083
Ancillary Income	222,071	205,394	245,328
Other Income	10,497	19,083	26,847
Indirect Expenses	(444,863)	(460,523)	(426,126)
Net Income	\$26,798	\$11,841	\$53,132

YTD	YTD 2008 Actual	YTD 2008 Budget	YTD 2007 Prior Year
Number of Events	502	571	570
Attendance	563,677	640,575	581,894
Direct Event Income	\$2,292,548	\$2,301,181	\$2,214,032
Ancillary Income	1,879,848	1,949,285	1,828,889
Other Income	154,396	190,830	193,242
Indirect Expenses	(4,553,433)	(4,583,670)	(4,427,541)
Net Income	(\$226,641)	(\$142,374)	(\$191,378)

EVENT INCOME

Event income came in at expected levels for the month. Highlight being 2 sold out Jeff Dunham and a sold out Katt Williams comedy shows. Combined the facility did 6,900 comedy fans over 3 performances.

ANCILLARY INCOME

Ancillary income came in well ahead of budget for the month. Much of the overage coming from electric and audio/visual, however, strong numbers across all revenue streams.

INDIRECT EXPENSES

Indirect expenses came in consistent with forecast.

DE VOS PLACE
FACILITY STATEMENT OF INCOME
PERIOD ENDING 04/30/08

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

DIRECT EVENT INCOME						
RENTAL INCOME	257,130	244,875	213,105	2,453,239	2,481,400	2,332,657
SERVICES INCOME	<18,036>	3,012	<6,022>	<160,691>	<180,219>	<118,625>
TOTAL DIRECT EVENT INCOME	239,094	247,887	207,083	2,292,548	2,301,181	2,214,032
ANCILLARY INCOME						

FOOD & BEVERAGE	87,661	80,768	85,211	707,937	741,725	663,890
NOVELTY	2,931	1,176	6,784	11,170	11,791	15,607
ELECTRICAL	47,324	47,568	70,679	434,117	393,825	405,328
OTHER ANCILLARY	84,155	75,882	82,653	726,624	801,944	744,064
TOTAL ANCILLARY INCOME	222,071	205,394	245,328	1,879,848	1,949,285	1,828,889
TOTAL EVENT INCOME	461,165	453,281	452,410	4,172,397	4,250,466	4,042,921
OTHER OPERATING INCOME	10,497	19,083	26,847	154,396	190,830	193,242
ADJUSTED GROSS INCOME	471,662	472,364	479,257	4,326,792	4,441,296	4,236,163
INDIRECT EXPENSES						
EXECUTIVE	14,647	13,884	8,904	120,534	138,840	113,973
FINANCE	16,996	17,379	16,576	175,324	173,790	183,262
MARKETING	4,027	8,722	7,173	51,752	87,220	61,712
OPERATIONS	111,224	143,507	126,041	1,130,653	1,166,810	1,123,136
EVENT MANAGEMENT	78,158	78,454	67,669	831,749	787,540	715,953
BOX OFFICE	6,518	6,469	6,530	59,328	64,690	74,643
SALES	20,376	20,728	14,977	171,202	207,280	183,527
OVERHEAD	192,916	171,380	178,255	2,012,891	1,956,500	1,971,335
INDIRECT EXPENSES	444,863	460,523	426,126	4,553,433	4,582,670	4,427,541
NET OPERATING INCOME	26,798	11,841	53,132	<226,641>	<141,374>	<191,378>
OTHER EXPENSES						
NET INCOME (LOSS)	26,798	11,841	53,132	<226,641>	<141,374>	<191,378>
=====	=====	=====	=====	=====	=====	=====

DE VOS PLACE
STATEMENT OF SERVICES INCOME
PERIOD ENDING 04/30/08

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	0	0	20,655	14,765	0	48,305
Changeover Setup Billed	1,423	0	755	13,608	0	6,927
Stagehands Billed	77,128	90,098	108,047	1,055,673	1,007,007	957,573
Security Billed	14,388	14,699	15,493	180,176	170,234	176,447
Ushers & Tix Takers Billed	10,305	11,785	16,245	131,018	120,370	128,391
Box Office Billed	800	1,500	1,500	14,700	17,600	14,950
Ticketing Service Billed	12,753	16,410	19,423	121,423	154,210	143,520
Utilities Billed	0	0	0	5,967	0	3,641
City Police Fire Billed	1,930	150	5,548	30,405	13,125	42,811
Traffic Control Billed	0	0	0	350	200	0
EMT Medical Billed	2,325	3,075	3,000	28,630	30,975	40,449
Cleaning Billed	40	0	350	13,925	0	14,677
Insurance Billed	125	0	382	4,126	0	5,388
Group Sales Commissions Billed	0	0	784	335	0	1,287
Telephone Billed	3,310	2,200	6,735	39,270	30,460	44,390
Damages Billed	0	0	1,103	4,593	0	12,029
Other Production Billed	12,528	0	5,379	65,531	0	67,019
TOTAL SERVICE INCOME	137,054	139,917	205,398	1,724,494	1,544,181	1,707,803
Advertising Expense	0	0	18,953	15,215	0	46,056
Sponsorship Expenses	0	0	2,500	0	0	2,500
Stagehand Wages	71,518	69,911	100,951	982,914	959,315	898,785
Contracted Security Expense	26,135	21,304	24,219	285,774	239,535	261,646
Ushers & T/T Wages	7,213	5,394	11,372	87,854	81,406	89,874
Ticket Sellers Wages	1,219	4,500	2,237	18,607	45,800	19,849
Ticket Service Charge Expense	1,916	2,636	6,247	26,018	50,868	37,498
City Police Fire Expense	1,970	0	3,847	23,518	0	37,721
BMT Medical Expense	2,232	1,325	2,724	25,678	29,225	35,446
Cleaning Wages	0	0	0	7,172	0	2,418
Cleaning P/R Taxes Bene	0	0	0	677	0	0
Contracted Cleaning Expense	29,870	31,835	22,048	315,925	318,251	302,054
Insurance Expense	100	0	315	3,862	0	4,646
Group Sales Commissions	0	0	0	0	0	207
Allocated Telephone Expense	828	0	1,684	9,780	0	11,098
Equipment Rental Expense	0	0	0	1,025	0	0
Damage Expense	0	0	0	3,793	0	6,696
Production Expense	12,091	0	14,325	77,375	0	69,936
TOTAL SERVICE EXPENSE	155,091	136,905	211,420	1,885,185	1,724,400	1,826,428
NET SERVICE INCOME	<18,036>	3,012	<6,022>	<160,691>	<180,219>	<118,625>

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SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For Month Ended April 30, 2008

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	147	143	176,555	187,100	1,943,339	1,930,492
Consumer/Gated Shows	53	60	176,202	205,700	988,824	975,348
Devos Performance Hall	123	133	145,768	165,750	640,429	615,898
Ballroom Exclusive	49	74	29,814	49,750	325,898	484,849
Other	130	161	35,338	32,275	273,907	243,859
GRAND TOTALS	502	571	563,677	640,575	4,172,397	4,250,446

As Percentage of Overall

Convention/Trade Shows	29.28%	25.04%	31.32%	29.21%	46.58%	45.42%
Consumer/Gated Shows	10.56%	10.51%	31.26%	32.11%	23.70%	22.95%
Devos Performance Hall	24.50%	23.29%	25.86%	25.88%	15.35%	14.49%
Ballroom Exclusive	9.76%	12.96%	5.29%	7.77%	7.81%	11.41%
Other	25.90%	28.20%	6.27%	5.04%	6.56%	5.74%

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DE VOS PLACE
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 04/30/08

ASSETS

CURRENT ASSETS

CASH	751,045
ACCOUNTS RECEIVABLE	999,815
PREPAID EXPENSES	59,973

TOTAL CURRENT ASSETS	1,810,833
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FIXED ASSETS

TOTAL ASSETS	1,810,833
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	220,454
ACCRUED EXPENSES	363,928
DEFERRED INCOME	77,587
ADVANCED TIX SALES & DEPOSITS	754,580

TOTAL CURRENT LIABILITIES	1,416,550
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EQUITY

FUNDS REMITTED	<1,150,000>
FUNDING RECEIVED	1,386,922
RETAINED EARNINGS	383,953
NET INCOME (LOSS)	<226,591>

TOTAL EQUITY	394,283
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TOTAL LIABILITIES & EQUITY	1,810,833
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
For Month Ended April 30, 2008

Current - Under 30 Days	
Food & Beverage	86,680
Ticketing	26,516
Decorating	37,382
Audio/Visual	31,467
Operating	621,683
 Over 30 Days	 135,941
 Over 60 Days	 45,012
 Over 90 Days	
Donnell Productions	5,736
Paragon Leather	2,110
Saigon Entertainment	5,002
Grinder Promotions	2,286
 Total Accounts Receivable	 999,815

DE VOS PLACE
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 04/30/08

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	71,034	75,069	64,898	709,527	750,690	713,271
Part-Time	11,496	13,167	16,559	146,319	131,670	135,843
Wages-Trade	109,610	121,023	130,478	1,308,221	1,210,230	1,243,518
Sales Commissions Group Sales	0	0	58	293	0	777
Auto Allowance	2,071	2,271	2,121	20,358	22,710	21,208
Auto Expense	150	0	150	1,500	0	1,500
Taxes & Benefits	54,631	52,468	50,634	618,501	524,680	500,530
Less: Allocation/Reimbursement	<99,780>	<113,125>	<133,431>	<1,302,699>	<1,131,250>	<1,208,629>
TOTAL LABOR COSTS	149,213	150,873	131,467	1,502,020	1,508,730	1,408,018
Contracted Security	22,892	21,000	22,266	244,295	210,000	226,453
Contracted Cleaning	2,162	0	1,369	24,316	0	29,892
Other Contracted Services	255	200	188	2,006	2,000	2,007
Travel & Entertainment	3,315	1,209	693	16,026	12,090	13,111
Corporate Travel	0	417	0	506	4,170	0
Meetings & Conventions	2,000	1,958	225	16,621	28,080	16,058
Dues & Subscriptions	2,830	300	345	6,693	3,000	5,473
Employee Training	725	833	0	2,858	8,330	8,886
Miscellaneous Expense	0	0	<12>	0	0	8
Computer Expense	5,564	6,250	4,061	51,592	62,500	52,223
Professional Fees	2,344	3,042	2,250	22,594	30,420	26,391
Marketing & Advertising	8,975	6,800	5,845	35,837	68,000	37,335
Box Office Expenses	374	0	<107>	404	0	54
Vehicle Maintenance	0	0	0	0	0	14
Trash Removal	3,832	2,500	5,239	28,696	25,000	27,052
Equipment Rental	1,484	1,000	1,283	13,662	10,000	14,044
Landscaping	1,062	833	1,062	6,370	8,330	9,399
Exterminating	0	23,220	814	28,143	54,440	27,564
Cleaning	0	12,000	8,850	5,250	24,000	13,350
Construction Costs	0	0	0	0	0	150
Repairs & Maintenance	45,753	39,792	48,449	480,069	397,920	379,418
Supplies	15,299	24,583	18,342	184,229	245,830	222,225
Bank Service Charges	2,891	1,500	2,301	19,311	15,000	16,452
Insurance	21,315	22,187	22,276	232,613	221,870	226,946
Licenses & Fees	0	0	0	2,165	0	3,489
Printing & Stationary	0	417	178	1,573	4,170	6,548
Office Supplies	1,531	750	3,738	11,363	7,500	15,024
Postage	785	417	534	3,710	4,170	3,309
Parking Expense	2,303	1,500	2,044	23,334	15,000	20,714
Relocation Expense	4,430	0	0	6,405	0	0
Telephone Long Distance	7,709	6,000	7,620	75,294	60,000	75,507
Utilities	123,812	120,000	123,988	1,386,922	1,442,700	1,426,525
Base Fee	12,838	12,775	12,500	128,375	127,750	125,000
Less: Allocated/Reimbursement	<828>	<1,833>	<1,684>	<9,818>	<18,330>	<11,098>
TOTAL MATERIAL AND SERVICES	295,650	309,650	294,658	3,051,414	3,073,940	3,019,522
TOTAL INDIRECT EXPENSES	444,863	460,523	426,126	4,553,433	4,582,670	4,427,541

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**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2008**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2007 Actual
Net Revenue above Expenses	1,495,411	(575,764)	919,647	1,238,267
Benchmark			700,000	700,000
Excess	1,495,411	(575,764)	219,647	538,267

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	153,300	153,300	306,600	300,000
Incentive Fee				
Revenue	5,370,663	4,777,456	10,148,119	10,411,774
Benchmark Revenue	4,650,000	4,050,000	8,700,000	8,600,000
Revenue Excess	720,663	727,456	1,448,119	1,811,774
Incentive Fee **	153,300	153,300	306,600	300,000
Total SMG Management Fee	306,600	306,600	613,200	600,000

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



VAN ANDEL ARENA

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED APRIL 30, 2008**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Bob McClintock

Lewis Dawley

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



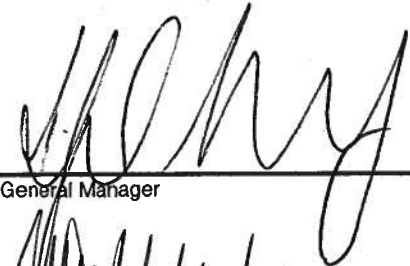
An SMG Managed Facility


VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2008

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	104	14	118	116	2
ATTENDANCE	573,093	87,600	660,693	666,500	(5,807)
DIRECT EVENT INCOME	1,216,876	230,272	1,447,148	1,183,930	263,218
ANCILLARY INCOME	1,212,223	242,864	1,455,087	1,567,304	(112,217)
TOTAL EVENT INCOME	2,429,099	473,136	2,902,235	2,751,234	151,001
TOTAL OTHER INCOME	2,030,009	438,419	2,468,428	2,395,000	73,428
TOTAL INCOME	4,459,107	911,555	5,370,663	5,146,234	224,429
INDIRECT EXPENSES					
EXECUTIVE	145,858	23,091	168,949	146,498	(22,451)
FINANCE	161,640	36,799	198,439	204,274	5,835
MARKETING	221,152	48,654	269,806	282,151	12,345
OPERATIONS	1,244,317	269,487	1,513,804	1,487,583	(26,221)
BOX OFFICE	125,085	10,654	135,739	119,613	(16,126)
LUXURY SEATING	106,074	14,180	120,254	117,298	(2,956)
SKYWALK ADMIN	38,412	4,335	42,747	39,856	(2,891)
OVERHEAD	1,233,500	191,984	1,425,484	1,378,745	(46,739)
TOTAL INDIRECT EXP.	3,276,038	599,184	3,875,222	3,776,018	(99,204)
NET REVENUE ABOVE EXPENSES	1,183,069	312,371	1,495,441	1,370,216	125,225
LESS INCENTIVE FEE			153,300	153,300	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,183,069	312,371	1,342,141	1,216,916	125,225

Comments:

April fell well short of budget for the month as two major concerts that were to be held both moved due to band illness. One will remain in the current fiscal year, with the other moving to F/Y 2009. Due to strong sales of the other shows, and the shortterm booking of a Wrestling event, should offset the shortfall created by the move to next fiscal year.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED APRIL 30, 2008**

The following schedule summarizes operating results for the current month ending April 30, 2008 and the YTD ending June 30, 2008 compared to budget and to the prior year:

MONTH	April Actual	April Budget	April FY 2007
Number of Events	9	11	10
Attendance	60,682	67,000	55,186
Direct Event Income	\$27,622	\$65,105	\$34,619
Ancillary Income	59,769	94,927	66,728
Other Income	178,971	199,583	159,426
Indirect Expenses	(376,160)	(319,044)	(329,325)
Net Income	(\$109,798)	\$40,571	(\$68,551)

YTD	YTD 2008 Actual	YTD 2008 Budget	YTD 2007 Prior Year
Number of Events	104	105	118
Attendance	5,730,193	583,500	601,403
Direct Event Income	\$1,216,876	\$970,014	\$1,342,203
Ancillary Income	1,212,223	1,364,800	1,424,285
Other Income	2,030,009	1,995,830	2,002,535
Indirect Expenses	(3,276,038)	(3,177,940)	(3,245,020)
Net Income	\$1,183,069	\$1,152,704	\$1,524,002

EVENT INCOME

Event income fell short of budget due to the two concerts moving out of the month.

ANCILLARY INCOME

Ancillary income fell short of budget due to the two concerts moving out of the month.

INDIRECT EXPENSES

Indirect expenses came in a little higher than budget as a jumpstart on summer projects took place with the unexpected gaps in the schedule.

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 04/30/08

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

DIRECT EVENT INCOME						
RENTAL INCOME	106,096	125,800	83,320	1,752,872	1,613,700	1,964,456
SERVICES INCOME	<78,473>	<60,695>	<48,701>	<535,996>	<643,686>	<622,253>

TOTAL DIRECT EVENT INCOME	27,622	65,105	34,619	1,216,876	970,014	1,342,203
ANCILLARY INCOME						

FOOD & BEVERAGE	47,059	82,039	60,892	1,011,526	1,128,139	1,209,375
NOVELTY	860	12,750	0	151,040	200,005	177,702
OTHER ANCILLARY	11,850	138	5,836	49,657	36,656	37,208

TOTAL ANCILLARY INCOME	59,769	94,927	66,728	1,212,223	1,364,800	1,424,285

TOTAL EVENT INCOME	87,391	160,032	101,348	2,429,099	2,334,814	2,766,488
OTHER OPERATING INCOME	178,971	199,583	159,426	2,030,008	1,995,830	2,002,535

ADJUSTED GROSS INCOME	266,362	359,615	260,773	4,459,107	4,330,644	4,769,022
INDIRECT EXPENSES						
EXECUTIVE	16,896	12,083	15,379	145,858	122,330	130,045
FINANCE	14,461	16,898	15,111	161,640	170,480	163,840
MARKETING	35,267	23,388	28,591	221,152	235,380	255,195
LUXURY SEATING	7,145	9,775	9,767	106,074	97,750	98,369
OPERATIONS	152,185	123,714	116,991	1,244,317	1,240,140	1,235,337
BOX OFFICE	15,466	9,968	14,916	125,085	99,680	120,615
SKYWALK ADMINISTRATION	4,102	3,322	6,964	38,412	33,220	39,446
OVERHEAD	130,637	119,896	121,605	1,233,500	1,178,960	1,202,175

INDIRECT EXPENSES	376,160	319,044	329,325	3,276,038	3,177,940	3,245,020

NET OPERATING INCOME	<109,798>	40,571	<68,551>	1,183,069	1,152,704	1,524,002
OTHER EXPENSES						

NET INCOME (LOSS)	<109,798>	40,571	<68,551>	1,183,069	1,152,704	1,524,002
=====						

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 04/30/08

	CURRENT			YEAR TO DATE		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	4,788	0	0	223,624	108,000	456,406
Sponsorship Income	0	0	0	0	0	121,593
Labor Billed	1,800	1,530	1,450	17,269	10,390	20,867
Changeover Setup Billed	17,891	9,800	9,608	137,709	67,200	101,878
Stagehands Billed	36,826	38,300	24,178	534,410	335,350	416,185
Security Billed	7,715	8,050	4,540	118,623	99,800	130,503
Ushers & Tix Takers Billed	10,693	8,800	7,678	96,746	81,480	95,862
Box Office Billed	0	400	0	1,161	6,116	7,058
Ticketing Service Billed	3,016	11,500	0	78,104	157,200	76,304
Utilities Billed	2,100	0	<623>	11,700	0	5,813
City Police Fire Billed	1,400	1,908	1,050	14,315	7,948	11,130
EMT Medical Billed	1,763	2,400	1,640	18,165	15,950	18,344
Cleaning Billed	11,771	6,650	4,985	102,671	65,500	98,501
Group Sales Commissions Billed	0	0	0	11,981	0	11,373
Telephone Billed	1,590	1,275	870	16,895	19,850	21,365
Damages Billed	0	0	0	400	0	1,079
Other Production Billed	22,956	7,300	5,236	189,319	116,900	218,526
TOTAL SERVICE INCOME	124,307	97,913	60,611	1,573,091	1,091,684	1,812,785
Advertising Expense	5,445	0	<113>	232,518	118,000	513,501
Sponsorship Expenses	0	0	0	0	0	1,653
Labor Wages	1,530	1,301	1,233	15,274	8,833	17,737
Contracted Changeover Setup Expense	39,467	27,750	20,858	224,659	213,322	202,997
Stagehand Wages	36,311	37,765	17,975	558,347	361,102	436,127
Contracted Security Expense	16,853	16,600	16,163	261,001	215,110	273,423
Contracted Ushers & T/T Expense	37,498	23,760	23,175	239,077	236,510	258,829
Ticket Sellers Wages	0	0	0	987	0	6,183
Ticket Service Charge Expense	10,277	11,500	0	108,605	156,920	86,386
City Police Fire Expense	474	1,908	425	7,248	10,870	7,929
BMT Medical Expense	0	3,982	1,510	28,948	31,874	34,129
Contracted Cleaning Expense	24,792	26,445	16,749	217,397	253,395	209,713
Group Sales Commissions	0	0	0	3,499	0	6,668
Allocated Telephone Expense	286	297	501	4,918	5,234	6,350
Production Expense	29,848	7,300	10,836	206,611	124,200	373,414
TOTAL SERVICE EXPENSE	202,780	158,608	109,312	2,109,087	1,735,370	2,435,038
NET SERVICE INCOME	<78,473>	<60,695>	<48,701>	<535,996>	<643,686>	<622,253>

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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending April 30, 2008

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	26	33	105,695	146,500	443,071	596,819
Sporting Event	5	4	29,168	27,000	194,787	169,881
Concert	20	16	148,244	132,000	1,198,676	1,092,430
Team Home Games	46	44	242,849	232,000	466,772	426,010
Other	7	8	47,137	46,000	125,793	49,674
GRAND TOTALS	104	105	573,093	583,500	2,429,099	2,334,814

As Percentage of Overall

Family Show	25.00%	31.43%	18.44%	25.11%	18.24%	25.56%
Sporting Event	4.81%	3.81%	5.09%	4.63%	8.02%	7.28%
Concert	19.23%	15.24%	25.87%	22.62%	49.35%	46.79%
Team Home Games	44.23%	41.90%	42.38%	39.76%	19.22%	18.25%
Other	6.73%	7.62%	8.23%	7.88%	5.18%	2.13%
totals	125	118	589630	678400	2204611	2494767

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VAN ANDEL ARENA
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 04/30/08

ASSETS

CURRENT ASSETS

CASH	6,522,247
ACCOUNTS RECEIVABLE	172,745
PREPAID EXPENSES	175,697

TOTAL CURRENT ASSETS	6,870,689
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FIXED ASSETS

TOTAL ASSETS	6,870,689
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	548,959
ACCRUED EXPENSES	318,622
DEFERRED INCOME	812,788
ADVANCED TIX SALES & DEPOSITS	4,924,745

TOTAL CURRENT LIABILITIES	6,605,114
---------------------------	-----------

EQUITY

FUNDS REMITTED	<8,200,000>
FUNDING RECEIVED	2,733,576
RETAINED EARNINGS	4,552,321
NET INCOME (LOSS)	1,179,678

TOTAL EQUITY	265,575
--------------	---------

TOTAL LIABILITIES & EQUITY	6,870,689
	=====

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending April 30, 2008

Current - Under 30 Days	
Food & Beverage	110,864
Ticketing	-
Merchandise	4,565
Permanent Advertising	(4,627)
Operating	27,908
 Over 30 Days	 23,000
 Over 60 Days	 -
 Over 90 Days	
 Total Accounts Receivable	 161,710

VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 04/30/08

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	56,224	63,488	56,541	610,057	634,880	601,669
Part-Time	6,151	5,833	6,617	77,356	58,330	74,034
Wages-Trade	53,555	69,903	56,746	831,867	699,030	766,355
Sales Commissions Group Sales	287	0	734	5,278	0	10,812
Auto Allowance	594	985	594	5,938	9,850	5,938
Auto Expense	300	0	300	3,000	0	3,000
Taxes & Benefits	28,806	40,100	32,656	356,777	401,000	379,508
Less: Allocation/Reimbursement	<53,418>	<59,022>	<37,336>	<745,901>	<590,220>	<647,214>
TOTAL LABOR COSTS	92,498	121,287	116,852	1,144,371	1,212,870	1,194,101
Contracted Security	19,478	21,000	20,625	210,766	210,000	204,197
Contracted Cleaning	2,098	2,500	2,507	22,670	25,000	23,209
Other Contracted Services	348	300	2,461	37,376	3,000	19,818
Travel & Entertainment	1,272	858	3,247	21,050	8,580	14,056
Corporate Travel	0	625	0	0	6,250	0
Meetings & Conventions	0	350	0	3,333	11,000	3,320
Dues & Subscriptions	3,199	208	760	7,579	2,080	6,587
Employee Training	0	750	0	1,160	7,500	2,264
Miscellaneous Expense	300	0	0	300	0	269
Computer Expense	10,344	5,417	5,105	59,912	54,170	60,242
Professional Fees	5,614	2,583	4,294	30,484	25,830	30,963
Marketing & Advertising	22,077	12,083	22,889	105,306	120,830	140,917
Box Office Expenses	4,607	0	<6>	4,843	0	<1,115>
Trash Removal	1,900	1,500	2,293	18,864	15,000	18,878
Equipment Rental	1,281	1,250	1,320	12,746	12,500	15,535
Landscaping	0	483	0	2,070	4,830	3,621
Exterminating	248	300	248	2,475	3,000	2,430
Cleaning	0	900	2,250	7,825	9,000	4,900
Repairs & Maintenance	62,240	16,166	19,113	255,109	161,660	176,127
Supplies	26,608	17,008	7,225	176,541	170,080	172,512
Bank Service Charges	1,114	750	713	7,503	7,500	5,172
Insurance	13,501	15,037	14,190	141,662	150,370	162,993
Licenses & Fees	0	0	0	2,000	0	3,000
Printing & Stationary	0	917	178	1,586	9,170	5,603
Office Supplies	700	1,000	1,707	13,082	10,000	14,185
Postage	347	1,000	1,368	11,261	10,000	12,408
Parking Expense	2,658	2,000	2,538	26,629	20,000	25,269
Telephone Long Distance	5,053	7,000	5,498	48,687	70,000	51,407
Utilities	89,653	76,317	79,951	808,332	743,170	782,308
Base Fee	12,838	12,775	12,500	128,375	127,750	125,000
Letter of Credit Fee	0	0	0	394	0	0
Common Area Expense	<3,638>	<2,945>	0	<34,063>	<29,450>	<28,805>
Less: Allocated/Reimbursement	<177>	<375>	<501>	<4,769>	<3,750>	<6,350>
TOTAL MATERIAL AND SERVICES	283,662	197,757	212,473	2,131,089	1,965,070	2,050,920
TOTAL INDIRECT EXPENSES	376,160	319,044	329,325	3,275,460	3,177,940	3,245,020

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**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2008**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2007 Actual
Net Revenue above Expenses	1,495,411	(575,764)	919,647	1,238,267
Benchmark			700,000	700,000
Excess	1,495,411	(575,764)	219,647	538,267

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	153,300	153,300	306,600	300,000
Incentive Fee				
Revenue	5,370,663	4,777,456	10,148,119	10,411,774
Benchmark Revenue	4,650,000	4,050,000	8,700,000	8,600,000
Revenue Excess	720,663	727,456	1,448,119	1,811,774
Incentive Fee **	153,300	153,300	306,600	300,000
Total SMG Management Fee	306,600	306,600	613,200	600,000

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

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Memorandum

To: CAA Board Members
From: Susan Waddell, Administrative Manager
Date: May 12, 2008
Re: CAA Financial Statements

Convention
Arena
Authority

The following is a summary of financial activity in the two operating accounts as of April 30, 2008:

	<i>1050: Operations</i>	<i>1070: Kent County Operating</i>
Beginning Balance	\$555,259.71	\$20,961,320.58
Cleared Transactions	- 3,797.83	<u>605,742.52</u>
Cleared Balance	551,461.88	21,567,063.10
Uncleared Transactions	-42,223.83	<u>0.00</u>
Ending Balance	<u>\$509,238.05</u>	<u>\$21,567,063.10</u>

- April interest for the Kent County Operating account has not been recorded, because we have not received the statement yet.
- The land lease line item is under budget due to timing of the payments.
- The personal services line item is under budget because the expense reimbursement from the Kent County Parks Foundation for administrative services is not considered.

If you have any questions or would like additional information, please contact me at 742-6594 or swaddell@smggr.com. Thank you.



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

DEVOS PLACE

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



9:36 AM
05/23/08
Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Balance Sheet
As of April 30, 2008

Item III.b.ii.

	<u>Apr 30, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
1040 · Cash - Operations - SMG	4,068,974.10
1050 · Operations - Cash	509,238.05
Total Checking/Savings	<u>4,578,212.15</u>
Other Current Assets	
1070 · Kent County - Operating	21,567,063.10
1200 · Accounts Receivable	1,424,324.17
1300 · Prepaid Expenses	161,220.35
1600 · Advances/Deposits Receivable	-3,550,000.07
Total Other Current Assets	<u>19,602,607.55</u>
Total Current Assets	<u>24,180,819.70</u>
Fixed Assets	
Buildings & Structures	
Depreciation	-41,778.69
Original Cost	322,431.00
Total Buildings & Structures	<u>280,652.31</u>
Equip	
Depreciation	-589,296.08
Original Cost	969,236.60
Total Equip	<u>379,940.52</u>
Vehicles	43,914.30
Total Fixed Assets	<u>704,507.13</u>
TOTAL ASSETS	<u>24,885,326.83</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	172,384.36
2005 · Accounts payable - SMG	598,094.17
Total Accounts Payable	<u>770,478.53</u>
Other Current Liabilities	
2200 · Accrued Expenses	803,918.61
2210 · Advance Ticket Sales	1,993,226.73
2220 · Advance deposits	291,205.00
2500 · Deferred facility income	906,555.74
2700 · Entertainment Equipment Reserve	40,000.00
Total Other Current Liabilities	<u>4,034,906.08</u>
Total Current Liabilities	<u>4,805,384.61</u>
Total Liabilities	<u>4,805,384.61</u>
Equity	
3000 · Opening Bal Equity	37,035,584.45
3900 · Retained Earnings	-14,931,143.70
Net Income	-2,024,498.53
Total Equity	<u>20,079,942.22</u>
TOTAL LIABILITIES & EQUITY	<u>24,885,326.83</u>

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05/23/08

Accrual Basis

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

July 2007 through April 2008

	Jul '07 - Apr 08	Budget	\$ Over Budget	% of Budget
Income				
4500 · Interest on Investments	685,246.23	666,666.64	18,579.59	102.8%
4540 · Land Lease	81,007.00	105,340.00	-24,333.00	76.9%
4545 · Parking Revenues	765,425.50	719,093.30	46,332.20	106.4%
4550 · Miscellaneous Revenue	567.50			
Total Income	1,532,246.23	1,491,099.94	41,146.29	102.8%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	29,027.86	25,000.00	4,027.86	116.1%
6040 · Legal Services	10,414.50	29,166.60	-18,752.10	35.7%
Total 6000 · Professional Services	39,442.36	54,166.60	-14,724.24	72.8%
6060 · Other Contractual Services	97,512.07	132,916.60	-35,404.53	73.4%
6065 · Pedestrian Safety	46,117.67	75,000.00	-28,882.33	61.5%
6068 · Parking Management	249,253.43	304,369.10	-55,115.67	81.9%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	499.09			
6020 · Computer Services	634.90			
6030 · Insurance-Property/Liability	20,258.00	21,000.00	-742.00	96.5%
6110 · Meeting Expense	357.76	8,333.30	-7,975.54	4.3%
6120 · Supplies	1,524.47	4,166.60	-2,642.13	36.6%
Total 6100 · Other Supplies & Expenses	23,274.22	33,499.90	-10,225.68	69.5%
6160 · Facility Repair and Maintenance	4,219.20			
6200 · Capital Replacement Projects	516,593.17	574,166.60	-57,573.43	90.0%
6210 · F&B Repair & Maintenance	23,868.38	29,166.60	-5,298.22	81.8%
6300 · Utilities Expense				
6301 · Electricity	1,035,351.15	1,026,666.60	8,684.55	100.8%
6310 · Natural Gas	11,069.72	15,000.00	-3,930.28	73.8%
6320 · Steam	993,518.45	1,054,500.00	-60,981.55	94.2%
6340 · Water & Sewer	100,499.52	93,750.00	6,749.52	107.2%
Total 6300 · Utilities Expense	2,140,438.84	2,189,916.60	-49,477.76	97.7%
6500 · DID Assessment	51,350.58	42,559.10	8,791.48	120.7%
6600 · SMG Incentive Fees	300,000.00	255,500.00	44,500.00	117.4%
8000 · Personal Services				
8001 · Employee Wages	47,591.40	71,305.80	-23,714.40	66.7%
8030 · Employee Benefits	17,083.44	16,262.50	820.94	105.0%
Total 8000 · Personal Services	64,674.84	87,568.30	-22,893.46	73.9%
Total Expense	3,556,744.76	3,778,829.40	-222,084.64	94.1%
Net Income	-2,024,498.53	-2,287,729.46	263,230.93	88.5%

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05/23/08

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss Prev Year Comparison
 July 2007 through April 2008

	Jul '07 - Apr 08	Jul '06 - Apr 07	\$ Change	% Change
Income				
4040 · Private Support	0.00	0.00	0.00	0.0%
4500 · Interest on Investments	685,246.23	811,295.44	-126,049.21	-15.5%
4540 · Land Lease	81,007.00	128,793.00	-47,786.00	-37.1%
4545 · Parking Revenues	765,425.50	705,000.34	60,425.16	8.6%
4550 · Miscellaneous Revenue	567.50	0.00	567.50	100.0%
Total Income	1,532,246.23	1,645,088.78	-112,842.55	-6.9%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	29,027.86	24,177.07	4,850.79	20.1%
6040 · Legal Services	10,414.50	20,630.14	-10,215.64	-49.5%
Total 6000 · Professional Services	39,442.36	44,807.21	-5,364.85	-12.0%
6060 · Other Contractual Services	97,512.07	20,009.18	77,502.89	387.3%
6065 · Pedestrian Safety	46,117.67	42,737.39	3,380.28	7.9%
6068 · Parking Management	249,253.43	218,794.36	30,459.07	13.9%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	499.09	464.05	35.04	7.6%
6020 · Computer Services	634.90	299.00	335.90	112.3%
6030 · Insurance-Property/Liability	20,258.00	19,196.86	1,061.14	5.5%
6110 · Meeting Expense	357.76	236.46	121.30	51.3%
6120 · Supplies	1,524.47	5,430.82	-3,906.35	-71.9%
6140 · Printing and Binding	0.00	4,470.00	-4,470.00	-100.0%
Total 6100 · Other Supplies & Expenses	23,274.22	30,097.19	-6,822.97	-22.7%
6160 · Facility Repair and Maintenance	4,219.20	0.00	4,219.20	100.0%
6200 · Capital Replacement Projects	516,593.17	1,581,591.35	-1,064,998.18	-67.3%
6210 · F&B Repair & Maintenance	23,868.38	50,133.89	-26,265.51	-52.4%
6300 · Utilities Expense				
6301 · Electricity	1,035,351.15	981,201.57	54,149.58	5.5%
6310 · Natural Gas	11,069.72	10,485.60	584.12	5.6%
6320 · Steam	993,518.45	1,078,481.02	-84,962.57	-7.9%
6340 · Water & Sewer	100,499.52	85,190.79	15,308.73	18.0%
Total 6300 · Utilities Expense	2,140,438.84	2,155,358.98	-14,920.14	-0.7%
6500 · DID Assessment	51,350.58	50,298.90	1,051.68	2.1%
6600 · SMG Incentive Fees	300,000.00	229,259.00	70,741.00	30.9%
8000 · Personal Services				
8001 · Employee Wages	47,591.40	51,804.76	-4,213.36	-8.1%
8030 · Employee Benefits	17,083.44	17,388.56	-305.12	-1.8%
Total 8000 · Personal Services	64,674.84	69,193.32	-4,518.48	-6.5%
Total Expense	3,556,744.76	4,492,280.77	-935,536.01	-20.8%
Net Income	-2,024,498.53	-2,847,191.99	822,693.46	28.9%

Memo

To: Sue Waddell, Administrative Manager, Grand Rapids-Kent
County Convention/Arena Authority

From: Cheri McConomy

Date: April 22, 2008

Re: Consolidated Statements for the Six-Month Periods ended
December 31, 2007 and 2006

Transmittal

Per the direction of the Finance Committee, please accept the attached consolidated statements for inclusion on the next Finance Committee agenda.

Please note that these statements were prepared for both six-month periods ended December 31, 2007 and 2006, respectively and include the operations of DeVos Place and the Van Andel Arena as reported by Chris Machuta of SMG, as well as the administrative operations of the Grand Rapids-Kent County Convention/Arena Authority. Certain eliminations and adjustments have been included to help readers compare results of operations between fiscal periods, however typical year-end accrual and capitalization entries were not analyzed or completed for these consolidated statements. Draft statements were reviewed by Robert White for reasonableness given the first-time nature of the reports. Questions regarding the preparation of the attached can be directed to me via my email address: cheri@mcconomyproperties.com

Grand Rapids - Kent County Convention/Arena Authority

Consolidated Statements of Net Assets

<i>December 31,</i>	2007	2006
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 4,663,578	\$ 4,933,923
Investments (Note 2)	20,878,043	19,558,737
Accounts receivable, net (Note 3)	1,831,293	1,560,139
Prepaid expenses	221,782	204,495
Total current assets	27,594,696	26,257,294
Capital assets (Note 4):		
Buildings and structures	322,431	322,431
Equipment	1,013,151	822,185
Less: accumulated depreciation	(631,075)	(479,553)
Net capital assets	704,507	665,063
Total Assets	28,299,203	26,922,357
Liabilities		
Current liabilities:		
Accounts payable (Note 5)	676,442	520,290
Accrued expenses (Note 5)	602,281	486,994
Advance ticket sales	2,327,223	2,271,040
Advance deposits	268,694	320,245
Deferred revenue	1,970,397	1,854,961
Total Liabilities	5,845,037	5,453,530
Net Assets		
Invested in capital assets	704,507	665,063
Unrestricted	21,749,659	20,803,764
Total Net Assets	\$ 22,454,166	\$ 21,468,827

See accompanying notes to consolidated statements.

Grand Rapids - Kent County Convention/Arena Authority

Consolidated Statements of Revenues, Expenses and Changes in Net Assets

<i>Six month period ended December 31,</i>	2007	2006
Operating Revenues, Facilities	\$ 4,933,853	\$ 5,009,221
Operating Expenses		
Personnel services	1,539,817	1,507,842
Utilities	952,413	969,289
Supplies and expenses	648,054	1,395,142
Contractual services	1,579,081	1,456,475
Repairs and maintenance	436,110	342,615
Professional services	67,888	80,222
Total Operating Expenses	5,223,363	5,751,585
Operating Loss	(289,510)	(742,364)
Nonoperating Revenues		
Investment income	575,178	640,285
Miscellaneous	64,058	61,488
Total Nonoperating Revenues	639,236	701,773
Increase (Decrease) in Net Assets	349,726	(40,591)
Net Assets, beginning of the period	22,104,440	21,509,418
Net Assets, end of the period	\$ 22,454,166	\$ 21,468,827

See accompanying notes to consolidated statements.

Grand Rapids - Kent County Convention/Arena Authority

Consolidated Statements of Cash Flows

<i>Six month period ended December 31,</i>	2007	2006
Cash From (for) Operating Activities		
Cash received from facility operations	\$ 5,627,963	\$ 6,721,756
Payments to employees	(1,643,234)	(1,604,481)
Payments to suppliers and contractors	(3,659,578)	(4,522,275)
Net Cash From Operating Activities	325,151	595,000
Net Cash From Capital and Related Financing Activities	64,058	61,488
Cash From (for) Investing Activities		
Interest and dividends	575,178	640,285
Proceeds from investment maturities	-	700,000
Purchases of investments	(518,544)	(1,398,383)
Net Cash From (for) Investing Activities	56,634	(58,098)
Net Increase in Cash	445,843	598,390
Cash and Cash Equivalents, beginning of the year	4,217,735	4,335,533
Cash and Cash Equivalents, end of the year	\$ 4,663,578	\$ 4,933,923
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities		
Operating income (loss)	\$ (289,510)	\$ (742,364)
Changes in assets and liabilities:		
Receivables, net	(490,867)	474,476
Prepaid expense	(18,562)	(60,2)
Accounts payable	60,466	(355,766)
Accrued expense	(307,439)	(246,827)
Advance ticket sales	333,996	398,289
Advance deposits	(22,511)	21,142
Compensated absences	(4,263)	(4,214)
Deferred revenues	1,063,841	1,110,676
Net Cash From Operating Activities	\$ 325,151	\$ 595,000

See accompanying notes to consolidated statements.

Grand Rapids - Kent County Convention/Arena Authority

Notes to Consolidated Statements

1. Summary of Significant Accounting Policies

Basis of Presentation

The Authority is a special-purpose entity that uses proprietary fund reporting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's 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 and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities and Fund Equity

Cash and Equivalents

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

Investments

The Authority participates in the Kent County Investment Pool which is managed by the County Treasurer. Investments underlying the Kent County Investment Pool consist primarily of certificates of deposit and U.S. Treasury notes, which are carried at fair value. The fair value of the Authority's position in the pool is the same as the value of the pool shares.

Capital Assets

In general, capital assets having a useful life in excess of one year and whose costs exceed \$10,000 are capitalized. Expenditures meeting such criteria for the six-month periods ended December 31, 2007 and 2006 have not been capitalized for these consolidated statements. All capitalized 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, however it has not been computed or recorded for the six-month periods ended December 31, 2007 and 2006. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue, Expenditures and Expense

Grand Rapids - Kent County Convention/Arena Authority

Notes to Consolidated Statements

Revenues

The Authority records facilities revenue upon completion of the event at the 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.

2. Accounts Receivable

Accounts receivable at December 31, 2007 and 2006 were as follows:

	2007	2006
Facility customers/events	\$ 1,794,729	\$ 1,473,359
Ancillary revenues	130,515	142,701
Allowance	(93,951)	(55,921)
	<u>\$ 1,831,293</u>	<u>\$ 1,560,139</u>

3. Accounts Payable and Accrued Expenses

Accounts payable at December 31, 2007 and 2006 were as follows:

	2007	2006
Professional services	\$ 1,738	\$ 105,141
Facility customers	204,457	0
Vendors	470,247	415,149
	<u>\$ 676,442</u>	<u>\$ 520,290</u>

Accrued expenses at December 31, 2007 and 2006 were as follows:

	2007	2006
Vendors	\$ 395,854	\$ 348,910
Salaries and benefits	206,427	138,084
	<u>\$ 602,281</u>	<u>\$ 486,994</u>

DEVOS PLACE

DE VOS PLACE

**OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2009**

*****INCLUDES APRIL ROLLING FORECAST*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Bob McClintock

Lewis Dawley

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Lead Income Statement
Fiscal Year Ending June 30, 2009

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY 2009 BUDGET	FY 2008 EST/ACT	VAR.
EVENT DAYS/PERFORMANCES	22	50	55	69	52	42	53	49	62	47	53	12	566	579	(13)
ATTENDANCE	21,975	76,525	66,900	68,925	42,250	62,675	53,400	31,850	123,000	97,925	16,625	6,925	668,975	647,252	21,723
DIRECT EVENT INCOME															
RENT	74,050	152,325	223,700	221,025	228,075	189,875	305,075	422,125	426,850	209,950	307,000	46,950	2,807,000		2,807,000
SERVICE INCOME	(4,063)	(4,792)	(13,496)	(13,033)	(14,428)	(11,943)	(18,590)	(23,845)	(27,348)	(13,400)	(19,131)	(2,301)	(166,367)		(166,367)
TOTAL DIRECT EVENT INCOME	69,988	147,533	210,204	207,992	213,648	177,932	286,485	398,281	399,503	196,551	287,870	44,650	2,640,634	2,513,080	127,554
ANCILLARY INCOME															
CONCESSIONS	4,399	10,484	9,735	5,091	8,369	4,954	17,264	39,182	41,529	7,947	11,198	1,250	161,402	155,747	5,655
CATERING	39,534	79,418	54,426	94,663	90,544	95,607	50,486	48,973	52,390	53,046	80,877	17,919	757,983	662,189	95,694
NOVELTY	592	1,220	1,791	1,767	1,825	1,519	2,442	3,379	3,416	1,680	2,457	376	22,464	11,170	11,294
DECORATOR	11,079	22,787	33,465	33,062	34,120	28,405	45,639	63,150	63,857	31,408	45,927	7,024	419,923	365,901	54,022
ELECTRICAL	13,047	26,662	39,153	38,687	39,916	33,230	53,391	73,876	74,701	36,745	53,727	8,217	491,352	474,117	17,235
AUDIO/VISUAL	9,233	19,037	27,958	27,621	28,506	23,732	38,131	52,762	53,353	26,239	38,373	5,868	350,813	265,127	85,686
EQUIPMENT	4,815	9,905	14,545	14,371	14,827	12,345	19,834	27,442	27,751	13,650	19,957	3,053	182,495	133,347	49,148
TOTAL ANCILLARY INCOME	82,699	169,513	181,073	215,262	218,107	199,792	227,187	308,764	316,997	170,715	252,516	43,707	2,386,332	2,067,598	318,734
TOTAL EVENT INCOME	152,687	317,046	391,277	423,254	431,755	377,724	513,672	707,045	716,500	367,266	540,386	88,357	5,026,966	4,580,678	446,288
OTHER OPERATING INCOME															
INTEREST INCOME	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000	13,847	6,153
TICKET INCENTIVES	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	145,000	142,755	2,245
PREMIUM SEATING	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	39,000	33,656	4,342
OTHER INCOME	625	625	625	625	625	625	625	625	625	625	625	625	7,500	6,518	982
TOTAL OTHER INCOME	17,542	17,542	17,542	17,542	17,542	17,542	17,542	17,542	17,542	17,542	17,542	17,542	210,500	196,778	13,722
ADJUSTED GROSS INCOME	170,228	334,588	408,819	440,796	449,296	395,266	531,214	724,586	734,041	384,807	557,927	105,898	5,237,466	4,777,456	460,010
INDIRECT EXPENSES															
EXECUTIVE	14,647	14,647	14,647	14,647	14,647	14,647	14,647	14,647	14,647	14,647	14,647	14,645	175,762	141,182	(34,580)
FINANCE	18,526	18,526	18,526	18,526	18,526	18,526	18,526	18,526	18,526	18,526	18,526	18,515	222,301	221,104	(1,197)
MARKETING	8,817	8,817	8,817	8,817	8,817	8,817	8,817	8,817	8,817	8,817	8,817	8,824	105,811	83,634	(22,177)
SALES	28,920	28,920	28,920	28,920	28,920	28,920	28,920	28,920	28,920	28,920	28,920	28,906	347,026	208,601	(138,425)
OPERATIONS	116,140	126,640	136,860	126,640	114,640	113,585	113,585	129,585	113,585	114,640	135,860	126,654	1,468,414	1,389,318	(79,096)
EVENT SERVICES	80,182	80,182	80,182	80,182	80,182	80,182	80,182	83,182	80,182	80,182	80,182	80,168	965,170	965,578	408
BOX OFFICE	6,469	6,469	6,469	6,469	6,469	6,469	6,469	6,469	6,469	6,469	6,469	6,467	77,626	67,170	(10,456)
OVERHEAD	124,503	124,940	133,575	183,025	205,010	244,044	254,939	287,711	258,980	179,642	137,577	110,386	2,254,332	2,276,633	22,301
TOTAL INDIRECT EXPENSES	398,204	408,141	427,996	467,226	477,211	515,190	526,085	587,857	530,126	451,843	430,998	394,565	5,616,442	5,353,220	(263,222)
NET FACILITY INCOME (LOSS)	(227,976)	(74,553)	(19,177)	(26,430)	(27,915)	(119,924)	5,129	136,729	203,915	(67,036)	126,929	(288,667)	(378,977)	(575,764)	196,798

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
Fiscal Year Ending June 30, 2009

EXHIBITION HALLS	2008 NO of Events	Attendance	Rental Income	Service Income	Ancillary Income	EVENT INCOME FY 2009	EVENT INCOME FY 2008	VARIANCE
Agriculture & Farming	6	-	47,900	(3,114)	46,783	91,570	33,680	57,890
Animals	-	-	-	-	-	-	92,990	(92,990)
Apparel	5	-	13,000	(845)	10,694	22,849	-	22,849
Associations	5	-	39,475	(2,342)	52,471	89,605	188,780	(99,176)
Automotive & Trucking	3	9,000	34,350	(634)	28,257	61,973	47,985	13,988
Banking	-	-	-	-	-	-	26,122	(26,122)
Beauty & Hair Care	3	-	36,900	(2,399)	30,354	64,856	58,235	6,621
Building & Construction	5	10,950	22,125	(1,664)	18,200	38,662	32,549	6,113
Business	3	12,300	10,900	(709)	13,947	24,139	19,350	4,789
Ceramics & Glass	-	-	-	-	-	-	6,144	(6,144)
China & Glassware	-	-	-	-	-	-	11,858	(11,858)
Computers & Applications	4	12,400	12,000	(780)	10,771	21,991	-	15,326
Dental	-	-	-	-	-	-	93,715	(93,715)
Education	30	78,900	275,375	(13,223)	259,442	521,595	403,496	118,099
Engineering	3	-	34,500	(2,243)	28,380	60,638	67,868	(7,231)
Fishing	-	-	-	-	-	-	-	-
Floriculture & Horticulture	6	60,900	60,900	(3,959)	50,096	107,037	105,215	1,822
Food Processing & Distribution	6	17,600	73,225	(4,760)	105,236	173,701	165,956	7,745
Funeral Industry	-	-	-	-	-	-	14,443	(14,443)
Government	9	4,000	78,875	(5,127)	70,949	144,697	88,311	56,386
Insurance	1	-	6,000	(390)	4,936	10,546	12,401	(1,855)
Landscaping & Gardening	5	17,800	68,625	(4,461)	67,424	131,589	150,612	(19,024)
Libraries	-	-	-	-	-	-	-	-
Medical & Health Care	12	3,400	36,500	(1,772)	30,069	64,818	72,229	(7,412)
Metalworkings & Coatings	3	-	14,100	(917)	14,869	28,053	-	28,053
Motorcycles	-	-	-	-	-	-	1,629	(1,629)
Music	-	-	-	-	-	-	12,074	(12,074)
Pharmaceuticals	-	-	-	-	-	-	-	-
Petroleum & Gas	1	11,150	12,150	(790)	49,995	61,355	43,491	17,864
Police	3	-	8,700	(566)	7,158	15,293	-	15,293
Political	1	-	10,300	(745)	8,473	18,029	-	18,029
Radio, TV, & Cable	2	10,850	11,825	(769)	9,727	20,784	22,152	(1,369)
Real Estate	-	-	-	-	-	-	2,684	(2,684)
Religious	11	30,500	121,925	(3,701)	91,826	210,051	57,125	152,926
Safety	-	-	-	-	-	-	-	-
Science	-	-	-	-	-	-	-	-
Toys & Hobbies	3	-	29,700	(1,931)	24,432	52,202	-	52,202
Transportation	-	-	-	-	-	-	64,124	(64,124)
Water	-	-	-	-	-	-	-	-
Women	2	-	17,900	(1,164)	14,725	31,462	-	31,462
Woodworking	-	-	-	-	-	-	99,668	(99,668)
Misc Tradeshow - Small	1	-	4,625	(301)	3,804	8,129	-	8,129
Misc Tradeshow - Large	9	29,600	51,600	(3,225)	42,448	90,824	69,040	21,784
TOTAL CONVENTIONS/TRADESHOWS	142	309,350	1,133,475	(62,522)	1,095,486	2,166,439	2,070,591	95,848

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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
Fiscal Year Ending June 30, 2009

EXHIBITION HALLS	2008 NO of Events	Attendance	Rental Income	Service Income	Ancillary Income	EVENT INCOME FY 2009	EVENT INCOME FY 2008	VARIANCE
Sporting Events	2	-	32,900	(2,289)	27,969	58,581	51,719	6,862
Antique Show	3	10,000	21,950	(777)	21,097	42,270	10,125	32,145
Automotive & Trucking	4	-	100,525	(6,534)	96,347	190,338	188,553	1,785
Boat Show	5	-	134,500	(8,743)	37,790	163,548	151,348	12,200
Craft Show/Sale	4	925	15,425	(1,003)	9,711	24,134	18,283	5,851
Custom Car Show	3	9,300	27,300	(1,775)	20,517	46,043	40,518	5,525
Education	3	5,475	13,650	(888)	7,916	20,879	22,295	(1,617)
Food & Beverage	10	8,700	25,350	(1,648)	17,956	41,658	-	41,658
Golf Show	3	12,000	33,450	(2,175)	25,481	56,757	49,276	7,481
Motorcycles	2	5,000	12,200	(793)	10,126	21,533	27,152	(5,619)
Music	2	9,400	9,400	(611)	5,452	14,241	10,323	3,918
Real Estate	4	8,800	44,600	(2,899)	26,808	68,509	53,438	15,071
Recreational Vehicles	8	33,600	65,400	(8,476)	79,648	136,572	93,870	42,702
Sporting Goods & Recreation	4	18,000	74,700	(4,856)	56,539	126,384	106,538	19,846
Wedding Shows	6	20,400	31,600	(1,326)	18,352	48,826	33,773	14,853
Women	3	10,500	31,800	(2,067)	22,368	52,101	58,506	(7,405)
Misc. Public Shows	4	15,300	21,250	(1,382)	14,448	34,317	31,541	2,776
Home & Garden	4	20,000	82,900	(5,389)	53,324	130,836	114,953	15,883
TOTAL PUBLIC SHOWS	74	187,400	778,900	(53,827)	551,849	1,277,123	1,063,211	213,912
TOTAL - EXHIBITION HALL	216	496,750	1,912,375	(116,149)	1,647,335	3,443,562	3,133,802	309,760

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
Fiscal Year Ending June 30, 2009

EXHIBITION HALLS	2008 NO of Events	Attendance	Rental Income	Service Income	Ancillary Income	EVENT INCOME FY 2009	EVENT INCOME FY 2008	VARIANCE
Testing	3	3,300	4,950	(322)	4,206	8,834	4,333	4,501
Banquets under 1,000	-	-	-	-	-	-	-	-
Graduation/Commencement	1	-	4,850	(391)	4,123	8,583	12,206	(3,624)
Corporate	1	-	17,425	(1,133)	45,358	61,651	74,060	(12,410)
Seminars/Amway	8	-	28,850	(1,876)	57,385	84,359	120,825	(36,466)
Dances - College	2	-	4,900	(319)	4,166	8,748	6,603	2,145
Dances - High School	-	-	-	-	-	-	7,085	(7,085)
Seminars & Meetings	125	29,075	115,250	(14,155)	127,598	228,693	189,807	38,886
Weddings/Parties	5	1,700	8,500	(296)	15,750	23,954	10,172	13,782
Ballroom Banquet - Large	5	-	69,000	(4,485)	38,656	103,171	37,195	65,976
Ballroom Banquet - Small	49	43,100	90,925	(6,887)	185,192	269,230	254,548	14,682
TOTAL BALROOM/MEETING ROOM/MISC.	199	77,175	344,550	(29,863)	492,434	797,222	716,834	80,388
Grand Rapids Ballet	14	8,100	51,100	(3,322)	49,645	97,424	91,240	6,184
Opera Grand Rapids	6	10,800	35,250	(1,557)	20,447	54,140	42,246	11,894
Broadway Theatre Build	48	16,200	118,950	(7,733)	48,959	160,216	154,300	5,916
Grand Rapids Symphony	53	15,800	198,375	(12,401)	74,882	260,857	255,255	5,602
Miscellaneous DeVos Performance Hall	27	41,650	137,950	5,011	57,069	200,030	186,940	13,090
Family Show	2	-	5,850	(192)	3,395	9,053	-	9,053
Graduation/Commencement	1	2,500	2,500	(163)	2,126	4,464	-	4,464
TOTAL - DE VOS PERFORMANCE HALL	151	95,050	546,975	(20,356)	256,563	786,183	729,981	56,202
TOTAL - NON-EXHIBITION HALLS	350	172,225	894,525	(50,218)	738,997	1,583,404	1,446,815	136,589
TOTAL - ALL BUILDINGS	566	668,975	2,807,000	(166,367)	2,396,332	5,026,966	4,580,617	446,349

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SMG - DeVos Place (Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Indirect Expense Summary
Fiscal Year Ending June 30, 2009

	<u>Budget</u> <u>F/Y 2009</u>	<u>Estimate</u> <u>F/Y 2008</u>	<u>Variance</u>
Salaries - Full Time	1,563,225	1,464,158	(99,067)
Salaries Part Time	1,004,415	1,130,767	126,352
Auto Allowance	30,850	26,230	(4,620)
Payroll Taxes	312,021	300,075	(11,946)
Employee Benefits	222,447	195,160	(27,287)
Pension	66,106	47,183	(18,923)
Union Expenses	166,130	194,344	28,214
Allocated Salaries	(1,405,355)	(1,563,237)	(157,882)
Total Labor Costs	1,959,839	1,794,680	(165,159)
Contracted Security	302,000	293,154	(8,846)
Meetings	38,000	28,876	(9,124)
Meals & Entertainment	14,500	12,119	(2,381)
Dues & Subscriptions	3,600	5,622	2,022
Professional Fees	39,000	27,113	(11,887)
Employee Training	10,000	12,486	2,486
Printing	15,600	8,847	(6,753)
Advertising	60,000	45,331	(14,669)
Trash Removal	42,000	34,435	(7,565)
Landscaping	8,440	7,644	(796)
Armored Services	2,400	2,407	7
Exterminating	55,440	55,992	552
Cleaning	36,000	33,652	(2,348)
Repairs & Maintenance	503,291	462,463	(40,828)
Supplies	266,000	251,766	(14,234)
Corporate Travel	5,000	-	(5,000)
Computer Expenses	75,000	65,744	(9,256)
Equipment Rental	12,000	11,984	(16)
Bank Service Charges	18,000	23,173	5,173
General Liability Insurance	115,733	117,019	1,286
Property Insurance	115,500	112,526	(2,974)
Insurance Expense	42,000	49,589	7,589
Printing & Stationary	11,000	1,558	(9,442)
Office Supplies	9,000	13,636	4,636
Postage	5,000	4,452	(548)
Parking Expense	18,000	28,001	10,001
Telephone	72,000	82,162	10,162
Utilities	1,626,200	1,629,307	3,107
Management Fee	157,899	153,300	(4,599)
Incentive Fee	0	-	-
Allocated Expenses	(22,000)	(15,818)	6,182
Total Materials & Service	3,656,603	3,558,540	(98,063)
Total Indirect Expenses	5,616,442	5,353,220	(263,222)

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5



VAN ANDEL ARENA

**OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2009**

*****INCLUDES APRIL ROLLING FORECAST*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Bob McClintock

Lewis Dawley

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Budget Highlights
Fiscal Year Ending June 30, 2009

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY 2009 BUDGET	FY 2008 EST/ACT	VAR.
EVENT DAYS/PERFORMANCES	1	1	12	6	13	18	14	10	22	12	6	3	118	118	-
ATTENDANCE	8,000	8,000	47,000	41,000	70,000	103,000	69,000	52,500	125,500	75,000	43,000	24,000	666,000	660,693	5,307
DIRECT EVENT INCOME															
RENT	32,500	32,500	189,000	129,200	238,400	294,000	236,500	152,000	382,800	160,800	124,100	51,800	2,023,400	2,023,400	2,023,400
SERVICE INCOME	3,968	3,968	(65,917)	(31,117)	(94,453)	(98,962)	(122,570)	(40,119)	(220,886)	(56,725)	(5,787)	(14,609)	(744,209)	(744,209)	(744,209)
TOTAL DIRECT EVENT INCOME	36,468	36,468	122,083	98,083	143,947	195,038	113,930	111,881	161,914	104,075	118,313	36,991	1,279,191	1,447,148	(167,957)
ANCILLARY INCOME															
CONCESSIONS	22,260	22,260	102,820	101,910	137,040	154,200	140,700	110,490	206,835	95,020	66,780	22,260	1,182,575	1,109,686	72,889
CATERING	2,898	2,898	9,681	11,367	14,628	15,868	9,698	13,709	19,481	12,177	11,394	5,598	129,397	99,715	29,682
NOVELTIES	8,500	8,500	22,950	20,060	28,220	24,310	34,425	27,200	24,820	21,250	25,500	8,500	254,235	205,040	49,195
VIDEO BOARD	-	-	400	1,810	2,620	7,700	3,850	4,250	7,788	138	1,628	1,628	31,812	40,646	(8,834)
TOTAL ANCILLARY INCOME	33,658	33,658	135,851	135,147	182,508	202,078	188,673	155,649	259,924	128,585	105,302	37,986	1,598,019	1,455,087	142,932
TOTAL EVENT INCOME	70,126	70,126	257,934	233,230	326,455	397,116	302,603	267,530	420,838	232,660	223,615	74,977	2,877,210	2,902,235	(25,025)
OTHER OPERATING INCOME															
LUXURY SEATING	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,200,000	1,262,077	(62,077)
PERMANENT ADVERTISING	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,663	620,000	609,625	10,375
INTEREST INCOME	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000	64,200	10,800
TICKET INCENTIVES	42,083	42,083	42,083	42,083	42,083	42,083	42,083	42,083	42,083	42,083	42,083	42,087	505,000	484,639	20,361
MISCELLANEOUS INCOME	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,163	50,000	47,887	2,113
TOTAL OTHER INCOME	204,167	204,167	204,167	204,167	204,167	204,167	204,167	204,167	204,167	204,167	204,167	204,163	2,450,000	2,468,428	(18,428)
ADJUSTED GROSS INCOME	274,293	274,293	462,101	437,397	530,622	601,283	506,770	471,697	625,005	436,827	427,782	279,140	5,327,210	5,370,663	(43,453)
INDIRECT EXPENSES															
EXECUTIVE	14,167	14,167	14,167	14,167	14,167	14,167	14,167	15,667	14,167	14,167	14,167	14,161	171,498	168,949	(2,549)
FINANCE	17,589	17,589	17,589	17,589	17,589	17,589	17,589	19,089	17,589	17,589	17,589	17,582	212,561	198,439	(14,122)
MARKETING	22,871	22,871	22,871	22,871	22,871	22,871	22,871	24,371	22,871	22,871	22,871	22,877	275,958	269,806	(6,152)
OPERATIONS	137,608	128,608	128,608	128,608	137,608	128,608	128,608	131,608	137,608	128,608	128,608	128,613	1,573,301	1,513,804	(59,497)
BOX OFFICE	10,031	10,031	10,031	10,031	10,031	10,031	10,031	10,031	10,031	10,031	10,031	10,036	120,377	135,739	15,362
LUXURY SEATING	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,773	117,298	120,254	2,956
SKYWALK	3,322	3,322	3,322	3,322	3,322	3,322	3,322	3,322	3,322	3,322	3,322	3,314	39,856	42,747	2,891
OVERHEAD	82,887	82,887	94,634	118,596	123,613	138,722	148,440	145,586	148,215	124,478	108,942	85,650	1,402,650	1,425,484	(22,834)
TOTAL INDIRECT EXPENSES	298,250	289,250	300,997	324,959	338,976	345,085	354,803	359,449	363,578	330,841	315,305	292,006	3,913,499	3,875,222	(38,277)
NET FACILITY INCOME (LOSS)	(23,957)	(14,957)	161,104	112,438	191,646	256,198	151,967	112,248	261,427	105,986	112,477	(12,866)	1,413,711	1,495,441	(81,730)

SMG - Van Andel Arena
Grand Rapids - Kent County Convention / Arena Authority
Event Summary
Fiscal Year Ending June 30, 2009

EVENT TYPE	2008 NO of Events	Attendance	Rental Income	Service Income	Concession Income	Catering Income	Novelty Income	Video Board Income	EVENT INCOME FY 2009	EVENT INCOME FY 2008	VARIANCE
Griffins Regular Season	40	200,000	355,000	(333,000)	320,000	35,080	-	30,800	408,880	452,175	(43,295)
Griffins Playoffs	-	-	-	-	-	-	-	-	-	-	-
Rampage Regular Season	8	64,000	76,400	(74,308)	-	10,800	-	6,512	19,404	24,299	(4,895)
NCAA Hockey Tournament	2	12,000	100,000	(76,300)	31,800	3,150	4,080	-	62,730	-	62,730
NBA Preseason	1	10,000	37,500	(14,080)	33,390	2,940	3,060	(500)	62,310	68,297	(5,987)
WNBA	-	-	-	-	-	-	-	-	-	-	-
Professional Wrestling	1	5,000	30,000	(14,999)	14,575	315	7,850	-	37,541	112,699	(75,158)
Basketball Exhibition	-	-	-	-	-	-	-	-	-	47,618	(47,618)
High School Basketball	1	4,000	32,000	(22,850)	4,240	210	-	-	13,500	2,903	10,697
College Basketball	-	-	-	-	-	-	-	-	-	-	-
TOTAL SPORTS	53	295,000	631,900	(535,537)	404,005	52,495	14,790	36,812	604,465	707,991	(103,526)
Ringling Brothers	8	20,000	63,000	(53,532)	32,860	2,520	-	-	44,848	50,493	(5,645)
Harlem Globetrotters	1	5,000	27,500	(9,400)	9,275	315	5,100	-	32,790	30,428	2,362
Disney on Ice	4	24,000	65,000	(36,282)	38,160	1,575	-	-	68,453	62,576	5,877
Stars on Ice	1	5,500	25,000	1,675	7,155	672	2,040	-	36,542	35,613	929
Monster Trucks	4	20,000	70,000	(28,770)	43,460	1,470	10,200	-	96,360	128,223	(31,863)
Bulls and Bronco Rodeo	-	-	-	-	-	-	-	-	-	-	-
Arenacross	3	12,000	45,000	(23,434)	34,450	525	2,975	-	59,516	42,647	16,869
Freestyle Motocross	2	10,000	30,000	(23,562)	26,500	525	4,250	(3,800)	33,893	-	33,893
Professional Bull Riders	2	11,000	61,000	(21,323)	26,440	1,365	5,850	400	72,832	77,842	(5,010)
Miscellaneous Family Show	12	45,500	155,000	(79,012)	70,490	3,790	32,300	400	182,958	21,215	161,743
TOTAL FAMILY SHOWS	37	153,000	541,500	(273,660)	287,790	12,747	62,815	(3,000)	628,192	449,037	179,155
Rock	23	185,000	815,000	60,046	490,780	63,105	176,530	(2,000)	1,603,561	1,016,689	586,902
Country	-	-	-	-	-	-	-	-	-	383,256	(383,256)
Christian	-	-	-	-	-	-	-	-	-	156,149	(156,149)
TOTAL CONCERTS	23	185,000	815,000	60,046	490,780	63,105	176,530	(2,000)	1,603,561	1,556,064	47,497
College Graduation	5	30,000	35,000	4,942	-	1,050	-	-	40,992	55,807	(14,815)
Religious	-	-	-	-	-	-	-	-	-	55,108	(55,108)
Miscellaneous	-	-	-	-	-	-	-	-	-	78,228	(78,228)
TOTAL MISCELLANEOUS	5	30,000	35,000	4,942	-	1,050	-	-	40,992	189,143	(69,923)
GRAND TOTAL	118	666,000	2,023,400	(744,209)	1,182,575	129,397	254,235	31,812	2,877,210	2,902,235	(25,025)

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Indirect Expense Summary
Fiscal Year Ending June 30, 2009

	Budget F/Y 2009	Estimate F/Y 2008	Variance
Salaries	1,238,542	1,225,978	(12,564)
Salaries Part - Time	590,000	597,227	7,227
Auto Allowance	11,825	10,725	(1,100)
Payroll Taxes	206,369	210,139	3,770
Employee Benefits	205,525	188,360	(17,165)
Pension	48,229	37,098	(11,131)
Union Expenses	48,889	39,599	(9,290)
Allocated Salaries	(875,886)	(909,678)	(33,792)
Total Labor Costs	1,473,493	1,399,448	(74,045)
Contracted Security	252,000	252,919	919
Contracted Cleaning	30,000	28,676	(1,324)
Meetings	11,700	10,383	(1,317)
Meals & Entertainment	10,300	21,027	10,727
Dues & Subscriptions	2,500	8,471	5,971
Professional Fees	62,500	38,305	(24,195)
Employee Training	9,000	5,623	(3,377)
Printing	8,000	6,052	(1,948)
Advertising	75,000	70,568	(4,432)
Trash Removal	18,000	22,637	4,637
Landscaping	5,800	2,484	(3,316)
Armored Services	3,600	3,910	310
Exterminating	3,600	2,970	(630)
Cleaning	28,800	18,890	(9,910)
Repairs & Maintenance	248,000	270,535	22,535
Supplies	220,100	219,079	(1,021)
Corporate Travel	7,500	-	(7,500)
Computer Expenses	65,000	71,894	6,894
Marketing Fund	38,000	45,482	7,482
Equipment Rental	15,000	13,379	(1,621)
Bank Service Charges	9,000	9,041	41
General Liability Insurance	115,219	116,959	1,740
Property Insurance	32,000	29,669	(2,331)
Insurance Expense	43,132	36,529	(6,603)
Printing & Stationary	11,000	10,971	(29)
Office Supplies	12,000	15,154	3,154
Postage	12,000	11,899	(101)
Parking Expense	24,000	26,955	2,955
Telephone	84,000	78,424	(5,576)
Utilities	865,200	912,648	47,448
Management Fee	157,899	153,300	(4,599)
Incentive Fee	0	-	-
Amortization	0	-	-
Allocated Expenses	(39,844)	(39,059)	785
Total Materials & Service	2,440,006	2,475,774	35,768
Total Indirect Expenses	3,913,499	3,875,222	(38,277)

SMG - Van Andel Arena / DeVos Place(Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Full Time Employee Summary & Allocation
Fiscal Year Ending June 30, 2009

Position	F/Y 2008			F/Y 2009			Change
	VAA	DVP	Total	VAA	DVP	Total	
General Manager	0.50	0.50	1.00	0.50	0.50	1.00	-
Administrative Assistant	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Finance	0.50	0.50	1.00	0.50	0.50	1.00	-
Accounting Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Accounting Support	1.50	1.50	3.00	1.50	1.50	3.00	-
Box Office Manager	0.80	0.20	1.00	0.80	0.20	1.00	-
Assistant Box Office Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Premium Seat/Suite	1.00	-	1.00	1.00	-	1.00	-
Box Office Support	1.00	-	1.00	1.00	-	1.00	-
Director of Marketing	0.50	0.50	1.00	0.50	0.50	1.00	-
Marketing Manager	1.00	-	1.00	1.00	-	1.00	-
Marketing Support	1.00	-	1.00	1.00	-	1.00	-
Group Sales Manager	1.00	-	1.00	1.00	-	1.00	-
Assistant General Manager - Ops	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Facilities	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Assistant	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Support	4.00	7.00	11.00	4.00	7.00	11.00	-
Operations Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Operations Support	9.00	8.00	17.00	9.00	8.00	17.00	-
MIS/IT			-		1.00	1.00	1.00
Assistant General Manager - Sales	-	1.00	1.00	-	1.00	1.00	-
Director of Sales				-	1.00	1.00	1.00
Sales Manager		1.00	1.00		1.00	1.00	-
Sales Support	-	1.00	1.00	-	1.00	1.00	-
Director of Event Services	-	1.00	1.00	-	1.00	1.00	-
Event Coordinators	2.00	4.00	6.00	2.00	4.00	6.00	-
House Manager		1.00	1.00		1.00	1.00	-
Receptionist/Admin Support	1.00	1.00	2.00	1.00	1.00	2.00	-
Total	29.46	33.54	63.00	29.46	35.54	65.00	2.00

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**SMG - Van Andel Arena / DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Calculation
Fiscal Year Ending June 30, 2009**

The management fee is broken up into two categories. The base fee and incentive fee.

With the new contract starting July 1, 2006, the base fee is \$300,000 split evenly between DeVos Place and Van Andel Arena. This fee is subject to an annual increase based on the change in the CPI-U, with no increase in any given year to be greater than 3%.

The incentive fee is based on benchmarks for both Net Revenues above Expenses, as well as, Total Gross Revenues. The Total Gross Revenue benchmarks are \$4.6 million for Van Andel Arena and \$4.0 million for DeVos Place. The incentive fee is paid on all combined revenues for both facilities in excess of the combined benchmarks. SMG is paid 25% of the first \$500,000, and 30% on excess above \$500,000. At no point shall the incentive fee paid to SMG exceed the initial base fee. Benchmark shall increase overall by \$100,000 per year.

SMG is entitled to the incentive fee as calculated above only if the combined Net Revenue above Expenses for the facilities exceeds \$700,000.

Below is the calculation for the Base and Incentive Fee's for F/Y 2009 compared to the expected fee for F/Y 2008.

	Arena Budget	DeVos Place Budget	Total Budget	FY 2008 Act/Est
Net Revenue above Expenses	1,413,711	(378,977)	1,034,734	919,647
Benchmark			700,000	700,000
Excess	1,413,711	(378,977)	334,734	219,647
Incentive Fee Calculation (Only if above greater than zero)				
	Arena Budget	DeVos Place Budget	Total Budget	FY 2008 Act/Est
Base Fee	157,899	157,899	315,798	306,600
Incentive Fee				
Revenue	5,327,210	5,237,438	10,564,648	10,148,119
Benchmark Revenue			8,800,000	8,700,000
Projected Revenue Increase			1,764,648	1,448,119
Increase below \$500,000	25%	500,000	125,000	-
Increase above \$500,000	30%	1,264,648	379,394	-
Total Incentive Fee			315,798	306,600
Total SMG Management Fee	157,899	157,899	631,596	613,200

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Memorandum

To: Grand Rapids – Kent County
Convention/Arena Authority

From: Robert J. White, Kent County Fiscal Services Director

Date: May 15, 2008

Re: Convention/Arena Authority (CAA)
Fiscal Year 2009 Budget Request

Convention
Arena
Authority

The attached material summarizes a recommended CAA Administrative Operating Budget and Consolidated Income Statement for the Fiscal Year beginning July 1, 2008 (Fiscal Year 2009). The format of the report provides the Committee with an overview of Fiscal Year 2007 actual, Fiscal Year 2008 estimate, and Fiscal Year 2009 preliminary recommendations. Final Finance Committee review is scheduled for June 19th with full Board approval anticipated on June 25th.

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

Table A provides a summary of the facility manager (SMG) budget documents submitted under separate cover. This summary notes an original budgeted net operating income for Fiscal Year 2008 of \$541,329. Based on SMG's most recent "budget roll," the current year forecast has been updated to a net operating income balance of \$613,077. Note should be made, at this time, that SMG forecasts current year (FY 2008) spending in excess of previously authorized budget for the Van Andel Arena®. Recognition and authorization of the anticipated budgetary overrun should be acknowledged prior to close-out of the current fiscal year accounting.

The Fiscal Year 2009 consolidated income statement (Table C) forecasts a net operating income totaling \$808,662. This income will be applied to finance, in part, a capital outlay request totaling \$1,844,100. The balance of the funds requested will be drawn from the capital reserve account.

Table B provides a summary of the CAA administrative budget. Revenues in this account include regularly scheduled transfers from the facility manager, parking, interest and other miscellaneous contributions to the organization. Expenditures from this fund include



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

DEVOS PLACE

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



provision for utilities, capital repair/replacement/improvement (as defined in the SMG management contract), parking management fees, landscape plantings (new), and other administrative expenses. Table B-1, attached hereto, provides additional details concerning utility and miscellaneous administrative expenditure accounts.

Table C provides a "Consolidated Income Statement" for the CAA covering Fiscal Years ending June 30, 2007 through 2009. The Fiscal Year 2008 budget, as originally approved, forecasted net income of \$820,537. This forecasted income has been revised to a total adjusted balance, for the current fiscal year, of approximately \$1,447,430. The income forecast was increased by higher than expected event revenue at the Van Andel Arena®. Revenue forecasts and appropriation requests for the Fiscal Year 2009 budget disclose a net loss of (\$213,438). This net loss is a significant reduction from prior year performance, primarily based on an increase in new capital spending.

On the basis of these initial budgetary estimates, it is expected that the CAA will close its Fiscal Year 2008 activities with a "fund balance" approximating \$22.8 million. This would include a recommended minimum operating reserve balance of \$6 million and a capital repair/replacement/improvement reserve of \$16.8 million.

Table D provides an updated forecast of balances anticipated to be available in the "capital repair/replacement/improvement" account. The forecast covers a ten-year time period. The capital outlay requirements forecast is based on a comprehensive study commissioned by the Finance Committee Chair. The committee constituted for the purpose of review and recommending capital projects included Rich MacKeigan – SMG, Jim Watt – SMG, and Robert Mihos – County Facilities Director. The summary table was taken from the final capital replacement/improvement report and updated to include estimates concerning future net operating income and interest earnings.

Rich MacKeigan, Sue Waddell, and I participated in preparation of the attached recommended budget. We would expect to present this to the Finance Committee, at its June meeting, and be prepared to answer any additional questions which may arise from a review of this material.

Attachments: FY 2009 Budget
FY 2009 Capital Request Details

Grand Rapids/Kent County Convention Arena Authority
Consolidated Income Statement
Summary of Change in Net Income - FY2008 to FY2009

Projected Net Income - FY2008		\$ 975,169
SMG Operations		
- Addn. Revenues	416,557	
- Addn. Expenses	<u>(310,697)</u>	105,860
Parking Operations		
- Rate Increases	58,000	
- Transfer Maintenance to SMG	<u>41,659</u>	99,659
Investments		
- Reduced Interest Rates (\$20 M @ 5%/\$21.2 M @ 3.5%)		(225,500)
Additional Obligations		
- Landscaping		(120,000)
- Van Andel - NW Concourse Expansion		(450,000)
- DeVos Place - Snowmelt System		(240,000)
Other		
- Other Capital & Administrative		(68,626)
Projected Net Income - FY2009		<u><u>\$ 76,562</u></u>

Table A
Grand Rapids-Kent County Convention/Arena Authority
SMG Facilities Budget
Fiscal Years Ending June 30, 2008 and 2009

	FY2008		FY2009
	<u>Budget</u>	<u>Estimate</u>	<u>Requested</u>
Van Andel Arena			
Operating - Revenues	\$ 5,146,235	\$ 5,370,663	\$ 5,327,210
- Expenses - Facilities	(3,622,718)	(3,721,922)	(3,755,600)
- Base Management Fees	(153,300)	(153,300)	(157,899)
Net Operating Income	<u>\$ 1,370,217</u>	<u>\$ 1,495,441</u>	<u>\$ 1,413,711</u>
 DeVos Place			
Operating - Revenues	\$ 4,831,438	\$ 4,777,456	\$ 5,237,466
- Expenses - Facilities	(5,200,426)	(5,199,920)	(5,458,543)
- Base Management Fees	(153,300)	(153,300)	(157,899)
Net Operating Loss	<u>\$ (522,288)</u>	<u>\$ (575,764)</u>	<u>\$ (378,976)</u>
 Net Available to CAA:			
Van Andel Arena	\$ 1,370,217	\$ 1,495,441	\$ 1,413,711
DeVos Place	(522,288)	(575,764)	(378,976)
Less - SMG Incentive	(306,600)	(306,600)	(315,798)
- DeVos Parking Maintenance	0	0	(25,000)
	<u>\$ 541,329</u>	<u>\$ 613,077</u>	<u>\$ 693,937</u>

Table B
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY2009 Recommendation

	FY2007			FY2008		FY2009
	<u>Budget</u>	<u>Estimate</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Revenues:						
Facility Operations	\$ 422,705	\$ 720,560	\$ 901,436	\$ 541,329	\$ 613,077	\$ 693,937
Utility Reimbursement	2,445,304	2,488,398	2,503,599	2,457,000	2,541,955	2,491,400
Transfers from SMG	2,868,009	3,208,958	3,405,035	2,998,329	3,155,032	3,185,337
DeVos Place Parking	734,565	867,300	900,256	862,912	883,300	928,200 ⁽¹⁾
VanAndel Parking	154,601	126,854	123,871	126,408	128,116	141,216 ⁽¹⁾
Interest	785,000	986,000	1,069,805	1,000,000	967,500	742,000 ⁽²⁾
Contributions	0	0	0	0	0	0
Miscellaneous	15,000	0	0	80,000	80,000	80,000 ⁽³⁾
Total Revenues	4,557,175	5,189,112	5,498,967	5,067,649	5,213,948	5,076,753
Expenditures:						
Utilities	2,445,304	2,488,398	2,503,599	2,457,000	2,541,955	2,491,400
Parking Management	337,232	336,881	348,896	365,243	314,836	281,495
Pedestrian Safety	80,000	85,000	83,781	90,000	90,000	87,234
Landscaping	0	0	0	0	0	120,000
Administration	279,529	326,755	311,052	451,653	408,772	465,962
Capital	3,175,230	2,727,987	1,696,061	883,216	410,955	1,844,100 ⁽⁴⁾
Total Expenditures	6,317,295	5,965,021	4,943,389	4,247,112	3,766,518	5,290,191
Net Excess (Deficit)	\$ (1,760,120)	\$ (775,909)	\$ 555,578	\$ 820,537	\$ 1,447,430	\$ (213,438)

Notes: See Following

Table B
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY2009 Recommendation

Notes:

⁽¹⁾DeVos Place Parking Rates:

	FY 2008	FY 2009
30 Minutes	\$ 1.00	\$ 1.10
Daily Maximum	9.00	10.00
Event	6.50	7.00
Monthly -Public	139.00	142.50
-County/SMG (O+M)	47.00	40.00

Van Andel Arena Parking Rates:

Event	\$ 7.00	\$ 8.00
Monthly -Public	63.75	65.25

⁽²⁾\$21.2 million in investment funds at 3.5%.

⁽³⁾ Lease Agreement with Rampage states: "... Tenant agrees to fund during such Renewal Terms a contribution of ten thousand dollars (\$10,000.00) per Home Game to the Arena's capital reserve fund."

⁽⁴⁾ FY 2008 Carryover Projects:

Removable Seating	VAA	\$ 300,000
Fall Arrest System	VAA	60,000
		<u>360,000</u>

FY 2009 Eligible Projects:

Theater concrete repair	DVP	\$ 65,000
WI FI equipment upgrades	DVP	50,000
Public circulation furniture	DVP	30,000
Snow melt system	DVP	170,000
Theater fire curtain	DVP	250,000
Theater lighting instrumetns	DVP	50,000
Upgrade telecom system		90,000
Total DVP Request		<u>705,000</u>

Variable frequency drives	VAA	30,000
NW concourse expansion	VAA	450,000
Security concourse cameras	VAA	50,000
Ice edger	VAA	8,000
Upper bowl curtain system	VAA	225,000
Total VAA Request		<u>763,000</u>

Smallwares	F&B	6,000
POS terminal	F&B	1,500
2 thermal printers	F&B	1,600
Uniforms	F&B	1,500
Radios	F&B	5,000
Concession table drapes	F&B	500
Total F&B Request		<u>16,100</u>

\$ 1,844,100

Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Detail of Expenditure Estimates
FY2009 Recommendation

	FY2007			FY2008		FY2009
	<u>Budget</u>	<u>Estimate</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Utilities:						
Electricity	\$ 1,194,000	\$ 1,230,104		\$ 1,232,000	\$ 1,273,427	\$ 1,232,000
Steam/Gas	1,127,500	1,160,911		1,112,500	1,141,631	1,146,900
Water/Sewer	123,800	97,383		112,500	126,897	112,500
	<u>\$ 2,445,300</u>	<u>\$ 2,488,398</u>	<u>\$ 2,503,599</u>	<u>\$ 2,457,000</u>	<u>\$ 2,541,955</u>	<u>\$ 2,491,400</u>
Wages	\$ 58,803	\$ 83,803	\$ 69,647	\$ 85,567	\$ 65,567 ⁽⁴⁾	\$ 68,595 ⁽⁴⁾
Benefits	21,067	19,794	21,527	19,515	18,679	20,467
Accounting/Audit	26,000	28,162	27,730	30,000	36,917	38,000
Legal Services	30,000	30,000	24,242	35,000	30,000	35,000
DID Assessment	49,659	50,299	50,299	51,071	51,351	52,900 ⁽¹⁾
Insurance	20,000	19,197	19,197	21,000	20,258	22,000
Meetings/Supplies	14,000	14,000	12,623	15,000	3,000	15,000
Marketing - CVB	50,000	0	0	75,000	75,000	75,000
Marketing - Sports Commission	0	0	0	25,000	25,000	25,000
Repairs - F&B	0	55,000	52,993	35,000	41,000	45,000
Diversity Initiative	0	16,500	16,146	22,000 ⁽³⁾	22,000	29,000
Other	10,000	10,000	16,648	37,500	20,000	40,000 ⁽²⁾
	<u>\$ 279,529</u>	<u>326,755</u>	<u>311,052</u>	<u>451,653</u>	<u>408,772</u>	<u>465,962</u>

Notes:

⁽¹⁾Downtown Improvement District special assessment contribution from CAA based on benefit allocation formula.

⁽²⁾FY 2009 budget recommendation anticipates continuing requirement for consulting assistance.

⁽³⁾\$22,000 @ 9 mos.

⁽⁴⁾Net of \$20,000 per annum paid by Kent County Parks Foundtion for administrative services.

Table C
Grand Rapids-Kent County Convention/Arena Authority
Consolidated Income Statement
Fiscal Years Ending June 30, 2007-2009

		FY2007			FY2008		FY2009
		<u>Budget</u>	<u>Estimate</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Operating Revenue:							
Event	- VanAndel Arena	\$ 1,284,116	\$ 1,479,937	\$ 1,524,339	\$ 1,183,931	\$ 1,447,148	\$ 1,279,191
	- DeVos Place	2,323,417	2,443,692	2,459,924	2,541,693	2,513,080	2,640,634
Ancillary	- VanAndel Arena	1,456,159	1,588,165	1,647,869	1,567,304	1,455,087	1,598,019
	- DeVos Place	2,007,628	2,011,993	2,160,615	2,060,745	2,067,598	2,386,332
Other	- VanAndel Arena	2,240,000	2,295,474	2,506,635	2,395,000	2,468,428	2,450,000
	- DeVos Place	231,000	228,379	239,559	229,000	196,778	210,500
	- Parking	889,166	994,154	1,024,127	989,320	1,011,416	1,069,416
		<u>10,431,486</u>	<u>11,041,794</u>	<u>11,563,068</u>	<u>10,966,993</u>	<u>11,159,535</u>	<u>11,634,092</u>
Operating Expense / Appropriations:							
Facility Operations							
	- VanAndel Arena	3,424,232	3,578,865		3,622,718	3,721,922	3,755,600
	- DeVos Place	5,137,687	5,148,215		5,200,426	5,199,920	5,458,543
	- Management	557,696	600,000	600,000	613,200	613,200	631,596
	- Parking Maintenance	0	0	0	0	0	25,000
Administrative		279,529	326,755	311,052	451,653	408,772	465,962
Parking		337,232	336,881	348,896	365,243	314,836	281,495
Landscaping		0	0	0	0	0	120,000
Pedestrian Safety		80,000	85,000	83,781	90,000	90,000	87,234
		<u>9,816,376</u>	<u>10,075,716</u>	<u>10,745,545</u>	<u>10,343,240</u>	<u>10,348,650</u>	<u>10,825,430</u>
Operating Income		615,110	966,078	817,523	623,753	810,885	808,662
Non-Operating Revenue ⁽¹⁾		0	0	0	80,000	80,000	80,000
Interest and Miscellaneous		800,000	986,000	1,069,805	1,000,000	967,500	742,000
Transfer (to) from Capital Acct.		(3,175,230)	(2,727,987)	(1,331,750)	(883,216)	(410,955)	(1,844,100)
Net Income (Loss)		(1,760,120)	(775,909)	555,578	820,537	1,447,430	(213,438)
Fund Balance, beg. of yr.		20,844,355	20,844,355	20,844,355	21,399,933	21,399,933	22,847,363
Fund Balance, end of yr.		<u>\$ 19,084,235</u>	<u>\$ 20,068,446</u>	<u>\$ 21,399,933</u>	<u>\$ 22,220,470</u>	<u>\$ 22,847,363</u>	<u>\$ 22,633,925</u>

Notes:

- ⁽¹⁾ Lease Agreement with Rampage states: "... Tenant agrees to fund during such Renewal Terms a contribution of ten thousand dollars (\$10,000.00) per Home Game to the Arena's capital reserve fund."

Table D
Grand Rapids-Kent County Convention/Arena Authority
Capital Repair/Replacement/Improvement Reserve
Projection of Receipts, Disbursements and Balances

Fiscal Year Ending 6/30	Net Operating Income⁽¹⁾	Interest⁽²⁾	Disbursements⁽³⁾	Year End Balance⁽⁴⁾
2006				\$ 14,844,355
2007 (Audit)	817,523	1,069,805	(1,331,750)	\$ 15,399,933
2008 (Est.)	890,885	967,500	(410,955)	\$ 16,847,363
2009 (Request)	888,662	742,000	(1,844,100)	\$ 16,633,925
2010	800,000	665,000	(716,900)	\$ 17,382,025
2011	800,000	695,000	(738,400)	\$ 18,138,625
2012	800,000	726,000	(760,500)	\$ 18,904,125
2013	800,000	756,000	(783,400)	\$ 19,676,725
2014	800,000	787,000	(806,900)	\$ 20,456,825
2015	900,000	818,000	(2,881,200)	\$ 19,293,625
2016	900,000	772,000	(2,967,700)	\$ 17,997,925
2017	900,000	720,000	(3,056,700)	\$ 16,561,225
2018	900,000	662,000	(3,148,400)	\$ 14,974,825
2019	900,000	599,000	(3,242,900)	\$ 13,230,925

Notes:

⁽¹⁾Net operating income, before depreciation, plus \$80,000 annual Rampage capital contribution, including Van Andel Arena, DeVos Place Convention Center, Parking and Administration. Assumes continuation of current entertainment business environment.

⁽²⁾Interest - Actual FY 2007, budget estimates in FY 2008 & FY 2009, 4% per annum (on balance, beginning plus \$6 million operating reserve) FY 2009-2019.

⁽³⁾Capital project list at May 7, 2008 (current pricing), FY 2010 through FY 2019, indexed at 3% per annum.

⁽⁴⁾Excluding operating reserve balance of \$6 million.

VAN ANDEL ARENA/DE VOS PLACE

CAPITAL YE 2009 NOTES

DRAFT APR. 30, 2008

VAN ANDEL ARENA

ITEM	BUDGET	
Variable frequency drives	\$	30,000.00
NW Concourse expansion	\$	450,000.00
Security Concourse cameras	\$	50,000.00
Ice edger	\$	8,000.00
Upper bowl curtain system	\$	225,000.00
	\$	763,000.00

DE VOS PLACE

Theater concrete repair	\$	65,000.00
WI FI Equipment upgrades	\$	50,000.00
Public circulation furniture	\$	30,000.00
Snow Melt system	\$	240,000.00
Theater fire curtain	\$	250,000.00
Theater lighting instruments	\$	50,000.00
Upgrade Telecom system	\$	90,000.00
	\$	775,000.00

TOTAL COMBINED BUDGET

\$1,538,000.00

VAN ANDEL ARENA: \$763,000

1. VARIABLE FREQUENCY DRIVES \$30,000 (VFDs)—Addition of VFDs to 9 pumps and fans primarily related to the ice plant. These drives provide the greatest possible energy savings to motors of this type. VFDs provide soft-start capabilities, which decreases electrical stresses and line voltage sags associated with full voltage motor start-ups. The applied frequency and voltage are increased at a controlled rate, or ramped up, without drawing excessive current.
Energy savings payback ranges from 8 months to 42 months depending on the individual motor with the shorter time frame relating to the 4 largest motors. Total payback for this project should be well under two years.
2. NW CONCOURSE EXPANSION \$450,000—Expand NW concourse area by 2,000+sf to relieve congestion on larger attended events and improve merchandise and food & beverage sales area.

Heavy congestion in this area caused by opposing traffic flows from Skywalk entrance and main entrance crossing lines for main womens restroom and merchandise stands. Figure 1 below is current congested area. Attachment A shows proposed expansion.

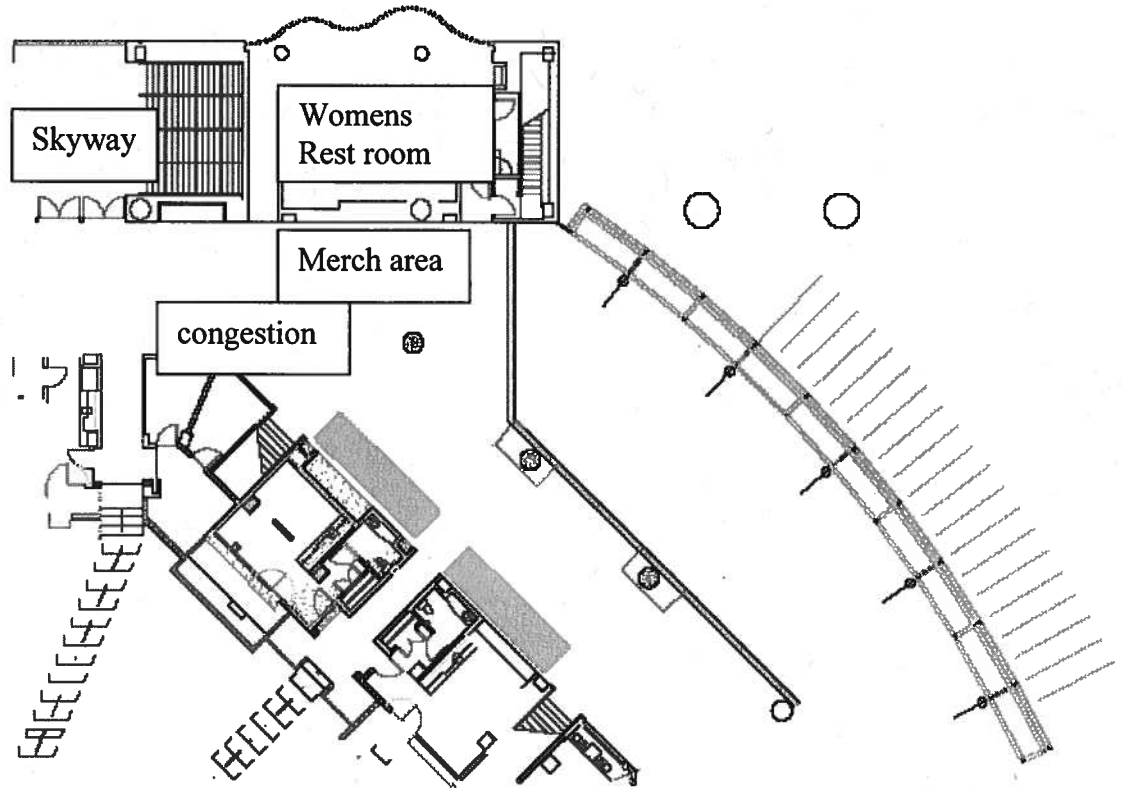


Figure 1

3. SECURITY CONCOURSE CAMERAS \$50,000--Addition of 7 security cameras and related recording/controls for arena east and west concourse. Currently no security cameras in these areas.
4. ICE EDGER \$8,000—Replacement equipment for ice maintenance.
5. UPPER BOWL CURTAIN \$225,000—Blackout curtain and associated rigging/controls to drape off upper bowl. Provides the ability to book events requiring smaller seating capacity by making the facility appear smaller with quantities of unsold seating not visible.

DE VOS PLACE: \$775,000

1. **THEATER CONCRETE REPAIR \$65,000**—Repairs to structural concrete where high rigging steel connects. Over the years expansion/contraction have caused concrete to crack and spall. This project removes existing concrete, reinstalls bearing plates and fills area with non-shrink grout. Budget includes repairs, engineering fees, contingencies. Figures 2-4 below are examples of damaged areas.

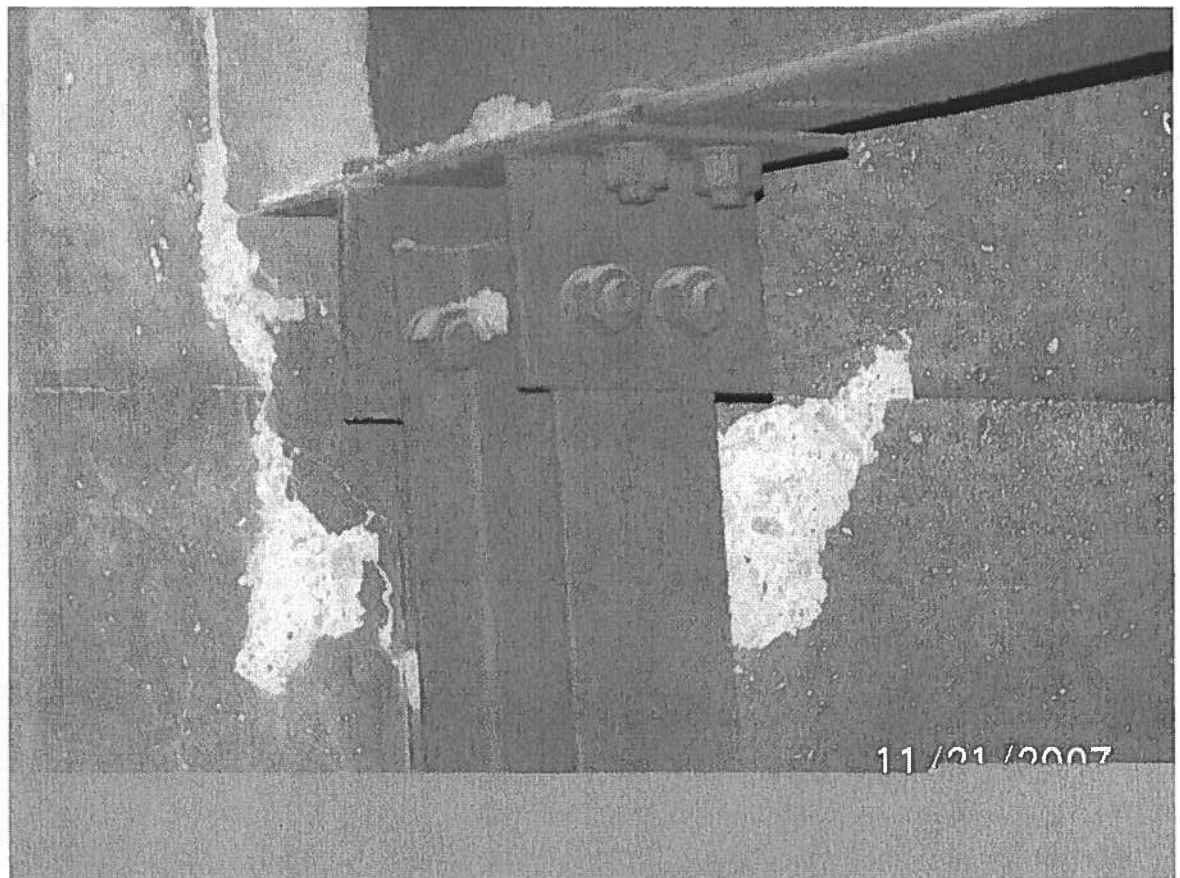


Figure 2

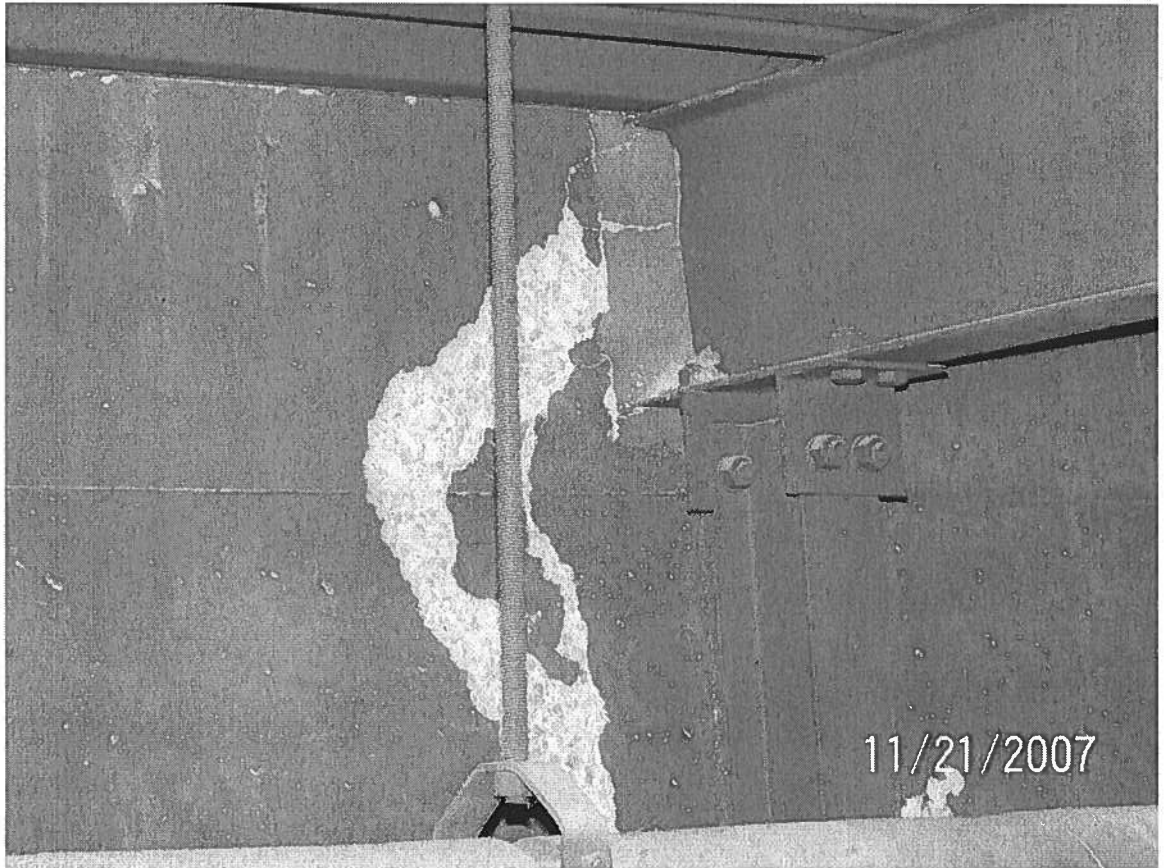


Figure 3

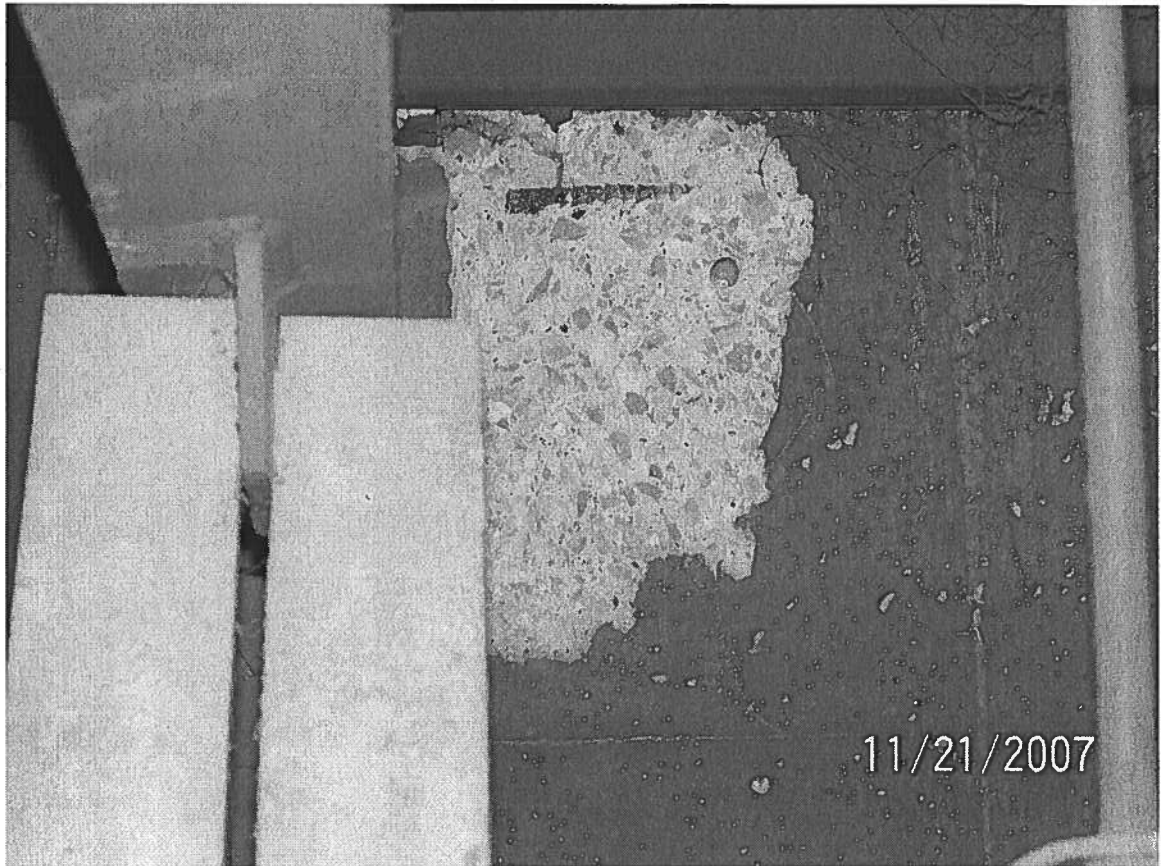
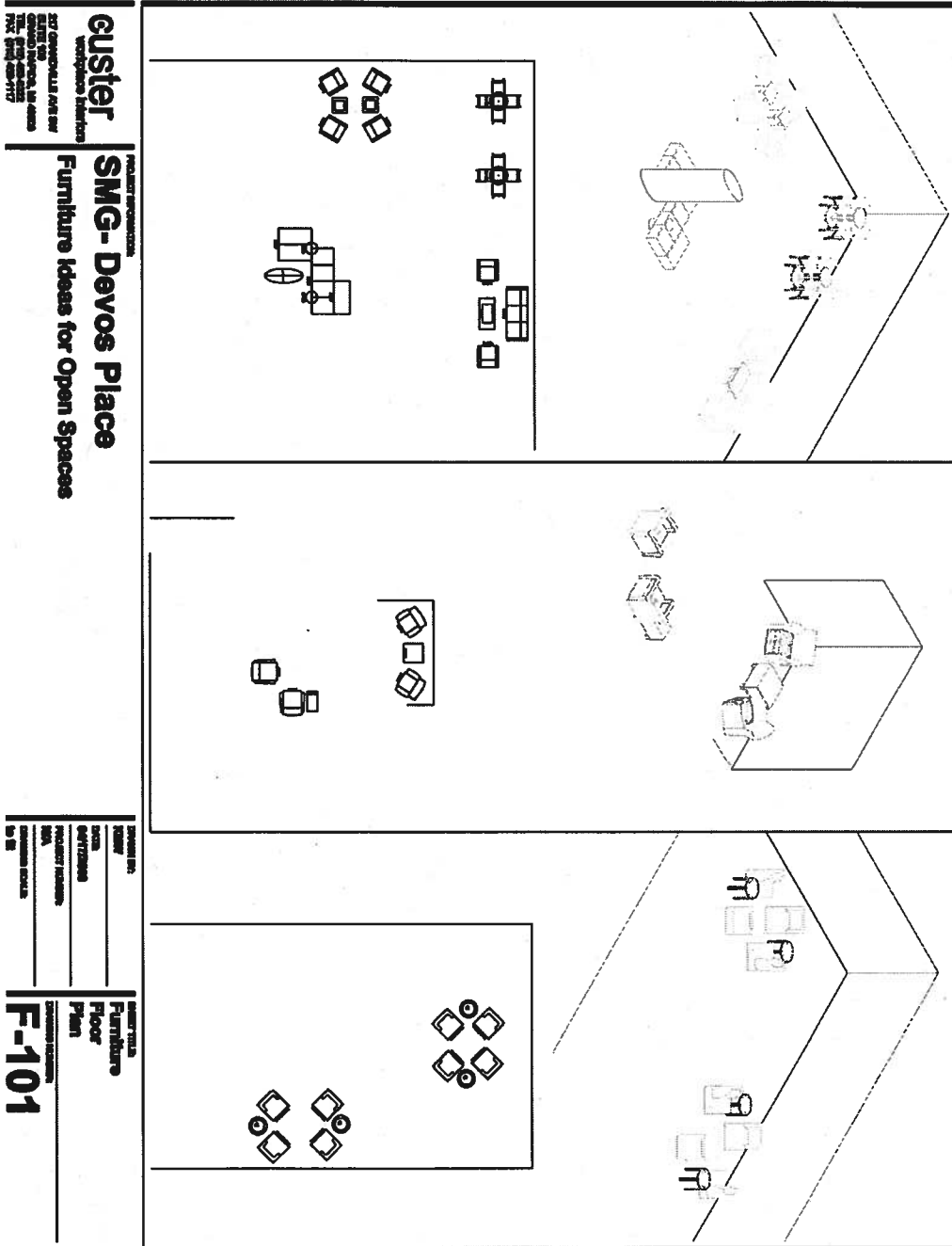


Figure 4

2. **WI FI EQUIPMENT UPGRADES \$50,000**—Current system designed to handel about 100 users at the same time throughout the facility. Experience is showing demand for wireless is increasing as well as in much higher densities ie meeting in a single room requiring 50 users. Also upgrades original 802.11b platform to 802.11a and 802.11g, the most current standards.
3. **PUBLIC CIRCULATION FURNITURE \$30,000**—New lounge type furniture for heavy traffic areas along the Skyway for rest/lounge areas; large open area coming from Amway Hotel into DeVos Place, Skyway at the turn by administrative offices, River Overlook area at top of west escalators.



4. SNOW MELT MONROE AVE—Current snow melt system on Monroe Ave. extends from main Grand Gallery entrance to south edge of De Vos Performance Hall. Effectively only covers the main entrance areas.

A. OPTION A \$170,000—Addition of snow melt system on Monroe Ave from south edge of De Vos Performance Hall south to property line of

River City Building at 201 Monroe. This option assumes current refurbishment of River City Bldg. will include snow melt.

B. OPTION B \$240,000—Addition of snow melt system on Monroe Ave from south edge of De Vos Performance Hall south to Lyon St. including around corner west on Lyon St to property line of River City Bldg. Both of these options will provide uninterrupted snow melt from Pearl St in front of the Amway Grand Plaza north to the De Vos Place Grand Gallery entrance.

5. THEATER FIRE CURTAIN \$250,000—This project was in last years budget at \$115,000. Increases attributed to code requirements which will require a dramatically heavier curtain, in turn requiring additional steel, supports, and rigging. In addition lead time increased to over 20 weeks. This project needs to be re-bid entirely.
6. THEATER LIGHTING INSTRUMENTS \$50,000—Upgrade theatrical lighting control system and software with addition of new theatrical lighting instruments. Will provide more flexible theatrical lighting for local Arts organizations as well as a number of touring attractions.
7. UPGRADES TO NORTEL TELECOM SYSTEM \$90,000—Software and hardware upgrades to existing telecom system for both Van Andel Arena and De Vos Place. These upgrades are required by manufacturer to continue software system support. As we review the requirements we will be analyzing the number of ports we currently have to the actual use in an effort to reduce the total cost of this upgrade.

VAN ANDEL ARENA® WEEKLY
(Revised)

Item IV

DATE	EVENT	EC	MOD	ROOM	TIME	FUNCTION
Mon, May 19	Available					
Tue, May 20	Available					
Wed, May 21	Kenny Chesney	GC	LYNNE	Arena	7:00 AM 8:00 AM 2:00 PM 4:00 PM 4P-6P 5P-7:30P 6:15 PM 7:30P-7:45P 7:45P-8P 8P-8:45P 8:45P-9:10P 9:10P-11:10P	Rigging call Load-in Chair set/Lighting focus Security meeting Sound check Street party Doors (if ready) Promo winner Intermission Leann Rimes Intermission Kenny Chesney
	Arbor Mortgage	LI		Arbor Mortgage Club	6P-11P	Contest winner's banquet
Thur, May 22	Kenny Chesney	GC	CHRIS	Arena	1:00 PM 4P-6P 5P-7:30P 6:10 PM 7:30P-7:45P 7:45P-8P 8P-8:45P 8:45P-9:10P 9:10P-11:10P 11:00 PM	Work day begins Sound check Street party Doors (if ready) Promo winner Intermission Leann Rimes Intermission Kenny Chesney Load-out
	Arbor Mortgage	LI		Arbor Mortgage Club	6P-11P	Contest winner's banquet
Fri, May 23	Available					
Sat, May 24	Available					
Sun, May 25	Available					
Mon, May 26	Closed – Memorial Day					
Tues, May 27	Rampage	DG		Huntington Club	5:30 PM 6P-8P	Doors 3 year appreciation party
Wed, May 28	Available					
Thur, May 29	Tom Petty	GC		Arena	8:00 AM	Load-in/Rehearsal
Fri, May 30	Tom Petty	GC	CHRIS	Arena	7:30 PM	Performance
	Arbor Mortgage	LI		Arbor Mortgage Club	6P-11P	Contest winner's banquet
Sat, May 31	Gaither's	RS	CHRIS	Arena	6:00 PM	Performance
	Arbor Mortgage	LI		Arbor Mortgage Club	4:30P-9:30P	Contest winner's banquet
Sun, Jun 1	Rampage vs Utah	GC		Arena	1:00 PM 2P-4:30P 4:30P-4:50P	Doors Football game Post-game autographs
		MJD		Banquet D	4:50P-5:15P	Post-game press conference
	Hilton			E. Touchdown Deck	1P-4:50P	Banquet
	Army			W. Touchdown Deck	1P-4:50P	Banquet
	T & W			Talsma Terrace	1P-4:50P	Banquet
	UPS			Suite 101A/B	1P-4:50P	Banquet
Mon, Jun 2	Van Halen	GC		Arena	8:00 PM	Performance
	Arbor Mortgage	LI		Arbor Mortgage Club	6:30P-11P	Contest winner's banquet
Tue, Jun 3	Available					
Wed, Jun 4	Rampage	DG		Huntington	4:45 PM 5P-8:30P 9:00 PM	Doors Season ticket holder party Club closes
Thur, Jun 5	Rampage	DG		Huntington Club	6:00 PM	Pinot and Pigskin

DEVOS PLACE - JUNE 2008

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURITY
SUN. JUNE 1	2008 MJVBA STATE CHAMPIONSHIP	EH A-C BALL A-D	6AM 7AM 8AM - 8PM till down	Client Arrival Doors Open Event Tear down	RC	None	7AM - 8PM	8AM - 5PM	Meet with EC to cover
MON. JUNE 2									
TUES. JUNE 3									
WED. JUNE 4	GRAND RAPIDS / KENT CO. CVB	BALL C	7:00AM-11:00AM	BREAKFAST	DG	none	none	none	Welsh Lobby Host Desk
	INTERNET MARKETING WORKSHOP	BALL D	8:00AM-9:00PM	MEETING	DG	none	none	none	Welsh Lobby Host Desk
THURS. JUNE 5	INTERNET MARKETING WORKSHOP	BALL D	8:00AM-9:00PM	MEETING	DG	none	none	none	Welsh Lobby Host Desk
FRI. JUNE 6	BRIAN REGAN	DVPH	2P-5P 8PM-10PM TBD	MOVE IN PERFORMANCE CATERING	AK	12 USHERS 6 TIX 6:30P-10:30P	2 EMT 6:30P-10:30P	2 TRAFFIC 7P-10:30P	SIMILAR TO JEFF DUNHAM
SAT. JUNE 7	QUINCEANERO DE ANGIE VICENTE	BALL B-D	8:00AM-2:00AM	BANQUET	DG	none	none	none	Welsh Lobby Host Desk Lyon Dock
SUN. JUNE 8									
MON. JUNE 9	GVSU ENRICHMENT DINNER	BALL A-D	8:00AM-11:59PM	SETUP	SL		none	none	Welsh Lobby Host Desk Lyon Dock
TUES. JUNE 10	GVSU ENRICHMENT DINNER	BALL A-D	8:00AM-11:59PM	DINNER	SL		none	none	Welsh Lobby Host Desk Lyon Dock
WED. JUNE 11	THE RIGHT PLACE BOARD OF DIRECTOR'S MEETING	BOARDROOM	8:00AM-5:00PM	MEETING	SL		none	none	Welsh Lobby Host Desk
THURS. JUNE 12									
FRI. JUNE 13	CITY MANAGER'S MEETING	GO A	8:00AM-11:00AM	MEETING	RC	None	None	None	Host Desk
	616 PRODUCTIONS	BALL A-D	8:00AM-11:59PM	GENERAL SESSION	SL		none	none	Welsh Lobby Host Desk Lyon Dock
SAT. JUNE 14	616 PRODUCTIONS	BALL A-D GG A-F BOARDROOM	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	GENERAL SESSION BREAKOUT ROOM	SL		none	none	Welsh Lobby Host Desk Lyon Dock
SUN. JUNE 15									
MON. JUNE 16	XEROX OFFICE ROADSHOW-GRR	G A-B	8:00AM-5:00PM	MEETING	DG	none	none	none	Host Desk
	QUIXTAR NEW PLATINUM	BALLROOM AB	8:00AM-5:00PM 5:00PM -10:00PM	LOAD-IN	MJ	NONE	NONE	NONE	Host Desk
TUES. JUNE 17	XEROX OFFICE ROADSHOW-GRR	G A-B	8:00AM-4:00PM	MEETING	DG	none	none	none	Host Desk
WED. JUNE 18	QUIXTAR NEW PLATINUM	BALLROOM AB Gallery Overlook River Overlook	8:00AM-5:00PM 5:00PM -10:00PM	Session Dinner	MJ	NONE	NONE	NONE	Host Desk
THURS. JUNE 19	QUIXTAR NEW PLATINUM	BALLROOM Gallery Overlook River Overlook	8:00AM-5:00PM 5:00PM -10:00PM	Session	MJ	NONE	NONE	NONE	Host Desk
FRI. JUNE 20	AMERICAN LEGION - 2008 MICHIGAN STATE CONVENTION	BALL C	8:00AM-11:59PM	GENERAL SESSION	DG	none	none	none	Host Desk Welsh Lobby
	PRIMERICA	GG E-F	8:00AM-11:59PM	MEETING	DG	none	none	none	Host Desk

JUNE 2008

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