



# Agenda

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## Board of Directors

**Friday, November 4, 2011**  
**Following CAA Finance Committee Meeting**  
**Kent County Commission Chambers**  
**300 Monroe, NW – Grand Rapids, MI**

- |    |  |                   |
|----|--|-------------------|
| 1. | Call to Order  | Steven R. Heacock |
| 2. | Minutes of Previous Meeting  | Action            |
| 3. | Committee Reports  |                   |
|    | A. Operations Committee  | Information       |
|    | B. Finance Committee   |                   |
|    | i. Approval of SMG Financial Statements  | Action            |
|    | ii. Approval of CAA Financial Statements   | Action            |
|    | iii. Special Purpose Financial Statements as of and<br>For the Years Ended June 30, 2011 and 2010          | Action            |
|    | iv. Draft Financial Statements and Supplementary<br>Information for the Years Ended June 30, 2011 and 2010 | Action            |
|    | v. Final Audit Communications Issued by BDO USA, LLP   | Action            |
| 4. | SMG Report and Facilities Calendars  | Information       |
| 5. | Public Comment   |                   |
| 6. | Adjournment  |                   |

**Next Meeting Date: Friday, December 2, 2011, Immediately**  
**Following the CAA Operations Committee Meeting**

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
BOARD OF DIRECTORS MEETING  
Friday, October 7, 2011**

1. Call to Order

Steve Heacock, Chairperson, called the meeting to order at 9:00 a.m. Susan Waddell recorded the meeting minutes in the absence of Secretary/Treasurer, Birgit Klohs.

Attendance

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

Members Absent: Birgit Klohs  
Joe Tomaselli  
Floyd Wilson, Jr.

Staff/Others:	David Czurak	<i>Grand Rapids Business Journal</i>
	Daryl Delabbio	Kent County
	Tim Gortsema	Grand Rapids Griffins
	George Helmstead	Experience Grand Rapids
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Doug Small	Experience Grand Rapids
	Greg Sundstrom	City of Grand Rapids
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Richard Wendt	Dickinson Wright
	Robert White	CAA

2. Minutes of Prior Meeting

*Motion: Mr. Heartwell, supported by Mr. Chamberlin, moved to approve the Minutes of the September 2, 2011, meeting of the Grand Rapids-Kent County Convention/Arena Authority. The motion carried unanimously.*

3. Committee Reports

A. Operations Committee. Mr. Chamberlin provided a brief summary from the previous meeting.

B. Finance Committee.

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

*Motion: Mr. Chamberlin, supported by Mr. McInerney, moved to approve the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended August 31, 2011. After review and discussion, the motion carried unanimously.*

ii. CAA Financial Statements

*Motion: Mr. Chamberlin, supported by Mr. Heartwell, moved to approve the CAA Financial Statements for the periods ended August 31, 2011. After review and discussion, the motion carried unanimously.*

4. Approval of Booking Policy

Mr. Chamberlin summarized the discussion from the previous Operations Committee meeting. The Operations Committee heard commentary from three arts groups expressing concern, but also support. Mr. Chamberlin recommended CAA Board adoption of the revised booking policy, with a review in one year to assess the impact of the changes.

*Motion: Mr. Chamberlin, supported by Mr. McInerney, moved to adopt the revised booking policy as presented, with a review of the policy in one year. The motion carried unanimously.*

5. SMG Report and Facilities Calendar

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

6. Public Comment

None.

7. Next Meeting Date

The date for next CAA Board meeting is Friday, November 4, 2011, in the Kent County Commission Chambers, Kent County Administration Building, 300 Monroe Avenue, NW, immediately following the CAA Finance Committee meeting.

8. Adjournment

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

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Susan M. Waddell, Recording Secretary

# DEVOS PLACE

## DE VOS PLACE

FINANCIAL STATEMENT  
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

Distribution:

Grand Rapids – Kent County Convention / Arena Authority  
Robert White  
Bob McClintock  
Lewis Dawley  
Gary McAneney  
Howard Feldman  
Richard MacKeigan  
Chris Machuta



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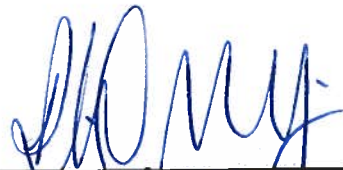
*An SMG Managed Facility*


**DE VOS PLACE  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2011**

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	96	385	481	477	4
ATTENDANCE	51,896	455,000	506,896	513,000	(6,104)
DIRECT EVENT REVENUE	316,270	2,204,600	2,520,870	2,531,170	(10,300)
ANCILLARY REVENUE	400,194	1,505,400	1,905,594	1,890,266	15,328
TOTAL EVENT REVENUE	716,464	3,710,000	4,426,464	4,421,436	5,028
TOTAL OTHER REVENUE	30,068	182,300	212,368	218,245	(5,877)
TOTAL OPERATING REVENUE	746,532	3,892,300	4,638,832	4,639,681	(849)
INDIRECT EXPENSES					
EXECUTIVE	36,742	139,362	176,104	176,104	-
FINANCE	56,197	174,316	230,513	230,513	-
MARKETING	15,143	89,019	104,162	104,162	-
OPERATIONS	372,582	1,067,552	1,440,134	1,440,134	-
EVENT SERVICES	189,505	777,351	966,856	966,856	-
BOX OFFICE	16,873	62,338	79,211	79,211	-
SALES	79,236	283,423	362,659	362,659	-
OVERHEAD	470,187	1,585,359	2,055,546	2,055,546	-
TOTAL OPERATING EXP.	1,236,466	4,178,720	5,415,185	5,415,184	-
NET REVENUE ABOVE EXPENSES	(489,934)	(286,420)	(776,353)	(775,503)	(849)
INCENTIVE FEE			-	0	-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(489,934)	(286,420)	(776,353)	(775,503)	(849)

**Comments:**

Through the first quarter of the fiscal year, DeVos Place has performed consistent with budget and prior year performance overall. Expenses are along the lines of where we would have expected them to be and no change in the forecast has been made. While revenue is down compared to budget for the first quarter, that gap is expected to be closed by the end of the second quarter of the fiscal year and only minor changes have been made to the revenue forecast.

  
General Manager

  
Finance Director

**DE VOS PLACE  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED SEPTEMBER 30, 2011**

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

<b>MONTH</b>	<b>September Actual</b>	<b>September Budget</b>	<b>September FY 2011</b>
Number of Events	39	39	46
Attendance	18,711	27,685	33,959
Direct Event Income	\$125,920	\$134,865	\$186,961
Ancillary Income	134,483	118,708	200,458
Other Income	24,862	17,463	14,838
Indirect Expenses	(468,712)	(451,266)	(407,193)
Net Income	(\$183,447)	(\$180,230)	(\$4,936)

<b>YTD</b>	<b>YTD 2012 Actual</b>	<b>YTD 2012 Budget</b>	<b>YTD 2011 Prior Year</b>
Number of Events	96	96	88
Attendance	51,896	73,750	52,748
Direct Event Income	\$316,270	\$424,088	\$317,455
Ancillary Income	400,194	432,232	352,292
Other Income	30,068	29,679	27,494
Indirect Expenses	(1,236,466)	(1,353,798)	(1,176,098)
Net Income	(\$489,934)	(\$467,799)	(\$478,857)

**EVENT INCOME**

Event income came in at expected levels for the month.

**ANCILLARY INCOME**

Ancillary income came in ahead of budget for the month with strong food & beverage numbers overall.

**INDIRECT EXPENSES**

Indirect expenses were consistent with expectations for the month.

**DeVos Place**  
**Income Statement**  
**For the Three Months Ending September 30, 2011**

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$135,254	\$141,411	(\$6,157)	\$205,990	\$373,558	\$454,675	(\$81,117)	\$364,264
Service Revenue	175,513	109,082	66,431	195,567	300,110	300,690	(580)	276,323
Service Expenses	(185,477)	(115,628)	(69,849)	(214,596)	(357,398)	(331,277)	(26,121)	(323,132)
<b>Total Direct Event Income</b>	<b>125,290</b>	<b>134,865</b>	<b>(9,575)</b>	<b>186,961</b>	<b>316,270</b>	<b>424,088</b>	<b>(107,818)</b>	<b>317,455</b>
<b>Ancillary Income</b>								
F&B Concession	6,798	5,494	1,304	8,923	14,559	14,668	(109)	17,191
F&B Catering	63,837	43,296	20,541	91,342	153,801	141,814	11,987	142,487
Novelty Sales	646	1,375	(729)	502	646	1,750	(1,104)	502
Booth Cleaning	9,112	10,125	(1,013)	9,002	23,867	47,878	(24,011)	19,193
Telephone/Long Distance	0	756	(756)	225	0	4,320	(4,320)	225
Electrical Services	22,326	23,046	(720)	25,223	59,671	102,405	(42,734)	39,580
Audio Visual	16,234	20,850	(4,616)	31,596	94,118	76,845	17,273	81,144
Internet Services	3,867	3,721	146	19,302	20,386	10,302	10,084	20,955
Equipment Rental	11,663	10,045	1,618	14,343	33,146	32,250	896	31,015
<b>Total Ancillary Income</b>	<b>134,483</b>	<b>118,708</b>	<b>15,775</b>	<b>200,458</b>	<b>400,194</b>	<b>432,232</b>	<b>(32,038)</b>	<b>352,292</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	22,060	12,880	9,180	12,402	23,974	15,930	8,044	19,380
<b>Total Other Event Income</b>	<b>22,060</b>	<b>12,880</b>	<b>9,180</b>	<b>12,402</b>	<b>23,974</b>	<b>15,930</b>	<b>8,044</b>	<b>19,380</b>
<b>Total Event Income</b>	<b>281,833</b>	<b>266,453</b>	<b>15,380</b>	<b>399,821</b>	<b>740,438</b>	<b>872,250</b>	<b>(131,812)</b>	<b>689,127</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	1,357	1,750	(393)	1,802	4,072	5,250	(1,178)	5,406
Other Income	1,445	2,833	(1,388)	634	2,022	8,499	(6,477)	2,708
<b>Total Other Operating Income</b>	<b>2,802</b>	<b>4,583</b>	<b>(1,781)</b>	<b>2,436</b>	<b>6,094</b>	<b>13,749</b>	<b>(7,655)</b>	<b>8,114</b>
<b>Adjusted Gross Income</b>	<b>284,635</b>	<b>271,036</b>	<b>13,599</b>	<b>402,257</b>	<b>746,532</b>	<b>885,999</b>	<b>(139,467)</b>	<b>697,241</b>
<b>Operating Expenses</b>								
Salaries and Wages	182,175	231,512	(49,337)	253,218	507,596	694,536	(186,940)	562,393
Payroll Taxes and Benefits	47,195	60,020	(12,825)	62,754	128,878	180,060	(51,182)	135,485
Labor Allocations to Events	(78,462)	(123,027)	44,565	(168,092)	(211,962)	(369,081)	157,119	(260,730)
<b>Net Salaries and Benefits</b>	<b>150,908</b>	<b>168,505</b>	<b>(17,597)</b>	<b>147,880</b>	<b>424,512</b>	<b>505,515</b>	<b>(81,003)</b>	<b>437,148</b>
Contracted Services	21,510	23,340	(1,830)	28,104	73,345	70,020	3,325	76,364
General and Administrative	28,334	28,475	(141)	27,147	68,489	85,425	(16,936)	59,028
Operations	42,782	9,812	32,970	5,613	51,407	29,436	21,971	45,127
Repair and Maintenance	51,469	41,922	9,547	39,109	133,060	125,766	7,294	92,911
Operational Supplies	38,155	19,083	19,072	22,807	57,821	57,249	572	36,684
Insurance	12,173	17,192	(5,019)	16,772	35,799	51,576	(15,777)	50,320
Utilities	109,839	129,450	(19,611)	106,393	351,582	388,350	(36,768)	338,412
SMG Management Fees	13,542	13,487	55	13,368	40,451	40,461	(10)	40,104
<b>Total Operating Expenses</b>	<b>468,712</b>	<b>451,266</b>	<b>17,446</b>	<b>407,193</b>	<b>1,236,466</b>	<b>1,353,798</b>	<b>(117,332)</b>	<b>1,176,098</b>
<b>Net Income(Loss) From Operations</b>	<b>(184,077)</b>	<b>(180,230)</b>	<b>(3,847)</b>	<b>(4,936)</b>	<b>(489,934)</b>	<b>(467,799)</b>	<b>(22,135)</b>	<b>(478,857)</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>(184,077)</b>	<b>(180,230)</b>	<b>(3,847)</b>	<b>(4,936)</b>	<b>(489,934)</b>	<b>(467,799)</b>	<b>(22,135)</b>	<b>(478,857)</b>

**SMG DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Year to Date Event Summary Report**  
**For the Three Months Ending September 30, 2011**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	40	40	24,384	44,600	453,131	573,240
Consumer/Gated Shows	2	2	1,928	3,000	16,623	16,674
Devos Performance Hall	9	9	8,662	11,000	71,561	66,360
Banquets	6	6	2,070	3,900	42,230	43,908
Meetings	30	30	5,252	7,200	113,395	98,970
Other	9	9	9,600	4,050	43,499	73,098
<b>GRAND TOTALS</b>	<b>96</b>	<b>96</b>	<b>51,896</b>	<b>73,750</b>	<b>740,438</b>	<b>872,250</b>

**As Percentage of Overall**

Convention/Trade Shows	41.67%	41.67%	46.99%	60.47%	61.20%	65.72%
Consumer/Gated Shows	2.08%	2.08%	3.72%	4.07%	2.25%	1.91%
Devos Performance Hall	9.38%	9.38%	16.69%	14.92%	9.66%	7.61%
Ballroom Exclusive	6.25%	6.25%	3.99%	5.29%	5.70%	5.03%
Meetings	31.25%	31.25%	10.12%	9.76%	15.31%	11.35%
Other	9.38%	9.38%	18.50%	5.49%	5.87%	8.38%



**DeVos Place  
Balance Sheet  
As of September 30, 2011**

**ASSETS**

**Current Assets**

Cash	1,570,013
Account Receivable	669,909
Prepaid Expenses	80,798

<b>Total Current Assets</b>	<hr/>	<b>\$2,320,720</b>
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**Total Assets**

<hr/>	<b>\$2,320,720</b>
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**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	127,762
Accrued Expenses	387,608
Deferred Income	44,343
Advanced Ticket Sales & Deposits	1,208,590

<b>Total Current Liabilities</b>	<hr/>	<b>\$1,768,303</b>
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**Other Liabilities**

**Equity**

Funds Remitted to CAA	
Expenses Paid Direct by CAA	280,734
Beginning Balance Equity	761,617
Current Year Equity	(489,934)

<b>Total Equity</b>	<hr/>	<b>\$552,417</b>
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**Total Liabilities and Equity**

<hr/>	<b>\$2,320,720</b>
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**SMG - DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of September 30, 2011**

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Current - Under 30 Days	
Food & Beverage	71,725
Ticketing	71,053
Merchandise	380
Decorating	9,112
Audio/Visual	16,234
Van Andel Arena	163,920
Operating	195,417
 Over 30 Days	 86,052
 Over 60 Days	 56,016
 Over 90 Days	
 Total Accounts Receivable	 669,909

**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2012**

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2011 Estimate
Net Revenue above Expenses	1,133,949	(776,353)	357,596	368,125
Benchmark			750,000	700,000
Excess	1,133,949	(776,353)	(392,404)	(331,875)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	162,500	162,500	325,000	320,834
Incentive Fee				
Revenue	5,059,171	4,638,832	9,698,003	9,514,544
Benchmark Revenue	4,800,000	4,200,000	9,100,000	9,100,000
Revenue Excess	259,171	438,832	598,003	414,544
Incentive Fee **	-	-	-	-
Total SMG Management Fee	162,500	162,500	325,000	320,834

\*\* 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 SEPTEMBER 30, 2011**

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Bob McClintock

Lewis Dawley

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



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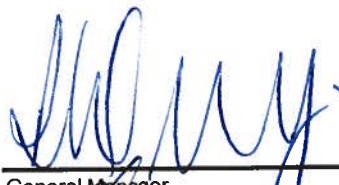
*An SMG Managed Facility*


VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2012

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	14	86	100	100	-
ATTENDANCE	79,778	455,100	534,878	542,200	(7,322)
DIRECT EVENT INCOME	258,144	985,400	1,243,544	1,259,448	(15,904)
ANCILLARY INCOME	216,248	915,800	1,132,048	1,101,555	30,493
TOTAL EVENT INCOME	474,392	1,901,200	2,375,592	2,361,003	14,589
TOTAL OTHER INCOME	637,879	2,045,700	2,683,579	2,635,440	48,139
TOTAL INCOME	1,112,271	3,946,900	5,059,171	4,996,443	62,728
INDIRECT EXPENSES					
EXECUTIVE	49,668	129,036	178,704	178,704	-
FINANCE	47,209	192,712	239,921	239,921	-
MARKETING	58,085	214,145	272,230	272,230	-
OPERATIONS	354,854	1,248,487	1,603,341	1,603,341	-
BOX OFFICE	29,988	94,576	124,564	124,564	-
LUXURY SEATING	8,858	78,418	87,276	87,276	-
SKYWALK ADMIN	3,797	20,159	23,956	23,956	-
OVERHEAD	346,637	1,048,593	1,395,230	1,395,230	-
TOTAL INDIRECT EXP.	899,095	3,026,126	3,925,222	3,925,222	-
NET REVENUE ABOVE EXPENSES	213,176	920,774	1,133,949	1,071,221	62,728
LESS INCENTIVE FEE			0	-	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	213,176	920,774	1,133,949	1,071,221	62,728

Comments:

The first quarter of the fiscal year was a busy one, especially when compared to last fiscal year as 7 concerts were hosted during the first three months. Overall revenue, however, is down when compared to budget due to a couple of the shows not selling as well as they were anticipated to do. Expenses continue to be in line with expectations and no changes have been made. The rest of the fiscal year is anticipated to make up the current shortfall with fairly strong concert activity throughout the fiscal year.

  
General Manager

  
Director of Finance

**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED SEPTEMBER 30, 2011**

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

<b>MONTH</b>	<b>September Actual</b>	<b>September Budget</b>	<b>September FY 2011</b>
Number of Events	8	9	10
Attendance	34,432	48,000	49,191
Direct Event Income	\$57,555	\$114,682	\$154,609
Ancillary Income	82,280	104,600	59,252
Other Income	178,833	247,508	132,171
Indirect Expenses	(327,780)	(327,101)	(311,513)
Net Income	(\$9,112)	\$139,689	\$34,519

<b>YTD</b>	<b>YTD 2012 Actual</b>	<b>YTD 2012 Budget</b>	<b>YTD 2011 Prior Year</b>
Number of Events	14	15	13
Attendance	79,778	99,000	61,424
Direct Event Income	\$258,144	\$351,376	\$191,352
Ancillary Income	216,248	232,124	97,386
Other Income	637,879	739,158	459,222
Indirect Expenses	(899,095)	(981,303)	(931,679)
Net Income	\$213,176	\$341,355	(\$183,719)

**EVENT INCOME**

Event income came in below budget due to the originally scheduled Katy Perry concert not taking place during the month in addition to less than expected sales for the Uproar Festival. The NBA labor issue caused the cancellation of the Pistons Preseason game, however, was offset by the unbudgeted Red Wings game hosted.

**ANCILLARY INCOME**

Ancillary income was down overall due to only hosting one concert versus the two concerts that were expected in the budget.

**INDIRECT EXPENSES**

Indirect expenses came in at expected levels for the month overall.

**Van Andel Arena**  
**Income Statement**  
**For the Three Months Ending September 30, 2011**

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$110,597	\$174,374	(63,777)	\$182,522	\$236,840	\$394,796	(157,956)	\$246,980
Service Revenue	71,206	140,202	(68,996)	297,151	434,154	418,758	15,396	455,027
Service Expenses	(124,248)	(199,894)	75,646	(325,064)	(412,850)	(462,178)	49,328	(510,655)
<b>Total Direct Event Income</b>	<b>57,555</b>	<b>114,682</b>	<b>(57,127)</b>	<b>154,609</b>	<b>258,144</b>	<b>351,376</b>	<b>(93,232)</b>	<b>191,352</b>
<b>Ancillary Income</b>								
F&B Concession	72,474	89,993	(17,519)	57,906	171,022	185,867	(14,845)	86,242
F&B Catering	5,003	6,551	(1,548)	1,346	17,015	16,493	522	2,349
Novelty Sales	4,033	8,556	(4,523)	0	27,441	30,264	(2,823)	8,777
Audio Visual	0	0	0	0	0	0	0	18
Other Ancillary	770	(500)	1,270	0	770	(500)	1,270	0
<b>Total Ancillary Income</b>	<b>82,280</b>	<b>104,600</b>	<b>(22,320)</b>	<b>59,252</b>	<b>216,248</b>	<b>232,124</b>	<b>(15,876)</b>	<b>97,386</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	14,488	42,174	(27,686)	1,300	89,188	147,696	(58,508)	28,842
<b>Total Other Event Income</b>	<b>14,488</b>	<b>42,174</b>	<b>(27,686)</b>	<b>1,300</b>	<b>89,188</b>	<b>147,696</b>	<b>(58,508)</b>	<b>28,842</b>
<b>Total Event Income</b>	<b>154,323</b>	<b>261,456</b>	<b>(107,133)</b>	<b>215,161</b>	<b>563,580</b>	<b>731,196</b>	<b>(167,616)</b>	<b>317,580</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	104,239	146,335	(42,096)	82,060	380,540	414,465	(33,925)	271,090
Advertising	55,044	52,083	2,961	44,000	154,089	156,249	(2,160)	146,724
Other Income	5,062	6,916	(1,854)	4,811	14,062	20,748	(6,686)	12,566
<b>Total Other Operating Income</b>	<b>164,345</b>	<b>205,334</b>	<b>(40,989)</b>	<b>130,871</b>	<b>548,691</b>	<b>591,462</b>	<b>(42,771)</b>	<b>430,380</b>
<b>Adjusted Gross Income</b>	<b>318,668</b>	<b>466,790</b>	<b>(148,122)</b>	<b>346,032</b>	<b>1,112,271</b>	<b>1,322,658</b>	<b>(210,387)</b>	<b>747,960</b>
<b>Operating Expenses</b>								
Salaries and Wages	142,827	160,923	(18,096)	166,192	491,869	482,769	9,100	457,138
Payroll Taxes and Benefits	36,428	45,035	(8,607)	35,049	124,930	135,105	(10,175)	100,541
Labor Allocations to Events	(53,467)	(72,806)	19,339	(81,012)	(241,601)	(218,418)	(23,183)	(156,497)
<b>Net Salaries and Benefits</b>	<b>125,788</b>	<b>133,152</b>	<b>(7,364)</b>	<b>120,229</b>	<b>375,198</b>	<b>399,456</b>	<b>(24,258)</b>	<b>401,182</b>
Contracted Services	17,305	22,140	(4,835)	21,555	54,981	66,420	(11,439)	65,798
General and Administrative	30,010	27,758	2,252	33,696	71,492	83,274	(11,782)	83,046
Operations	1,474	4,742	(3,268)	1,552	3,893	14,226	(10,333)	5,743
Repair and Maintenance	30,531	17,599	12,932	18,535	53,943	52,797	1,146	37,129
Operational Supplies	18,865	17,550	1,315	20,356	26,844	52,650	(25,806)	43,397
Insurance	7,734	10,840	(3,106)	11,033	19,511	32,520	(13,009)	33,098
Utilities	82,531	79,833	2,698	71,189	252,608	239,499	13,109	222,182
SMG Management Fees	13,542	13,487	55	13,368	40,625	40,461	164	40,104
<b>Total Operating Expenses</b>	<b>327,780</b>	<b>327,101</b>	<b>679</b>	<b>311,513</b>	<b>899,095</b>	<b>981,303</b>	<b>(82,208)</b>	<b>931,679</b>
<b>Net Income(Loss) From Operations</b>	<b>(9,112)</b>	<b>139,689</b>	<b>(148,801)</b>	<b>34,519</b>	<b>213,176</b>	<b>341,355</b>	<b>(128,179)</b>	<b>(183,719)</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>(9,112)</b>	<b>139,689</b>	<b>(148,801)</b>	<b>34,519</b>	<b>213,176</b>	<b>341,355</b>	<b>(128,179)</b>	<b>(183,719)</b>

**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary**  
**For the Three Months Ended September 30, 2011**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	6	6	22,046	22,000	44,714	47,396
Sporting Event	1	1	9,052	9,000	79,181	57,480
Concert	7	8	48,680	68,000	439,684	626,320
Team Home Games						
Other						
GRAND TOTALS	14	15	79,778	99,000	563,580	731,196

As Percentage of Overall

Family Show	42.86%	40.00%	27.63%	22.22%	7.93%	6.48%
Sporting Event	7.14%	6.67%	11.35%	9.09%	14.05%	7.86%
Concert	50.00%	53.33%	61.02%	68.69%	78.02%	85.66%
Team Home Games	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



**Van Andel Arena**  
**Balance Sheet**  
**As of September 30, 2011**

**ASSETS**

**Current Assets**

Cash	3,230,113
Account Receivable	793,401
Prepaid Expenses	115,362

**Total Current Assets**

**\$4,138,876**

**Total Assets**

**\$4,138,876**

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	(13,986)
Accrued Expenses	870,376
Deferred Income	1,787,802
Advanced Ticket Sales & Deposits	909,048

**Total Current Liabilities**

**\$3,553,240**

**Other Liabilities**

**Equity**

Funds Remitted to CAA	(200,000)
Expenses Paid Direct by CAA	96,853
Beginning Balance Equity	466,496
Current Year Equity	222,287

**Total Equity**

**\$585,636**

**Total Liabilities and Equity**

**\$4,138,876**

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**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of September 30, 2011**

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Current - Under 30 Days	
Food & Beverage	81,405
Ticketing	152,987
Merchandise	5,572
Permanent Advertising	-
DeVos Place	(163,920)
Operating	602,483
 Over 30 Days	 81,874
 Over 60 Days	 33,000
 Over 90 Days	
 Total Accounts Receivable	 793,401

**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2012**

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2011 Estimate
Net Revenue above Expenses	1,133,949	(776,353)	357,596	368,125
Benchmark			750,000	700,000
Excess	1,133,949	(776,353)	(392,404)	(331,875)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	162,500	162,500	325,000	320,834
Incentive Fee				
Revenue	5,059,171	4,638,832	9,698,003	9,514,544
Benchmark Revenue	4,800,000	4,200,000	9,100,000	9,100,000
Revenue Excess	259,171	438,832	598,003	414,544
Incentive Fee **	-	-	-	-
Total SMG Management Fee	162,500	162,500	325,000	320,834

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



## Memorandum

**To:** CAA Board

**From:** Robert J. White

**Subject:** September 30, 2011, Administrative Financial Statements

**Date:** October 31, 2011

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The attached interim Balance Sheet and Income Statement are formatted to provide additional information concerning the Convention/Arena Authority administrative account (unconsolidated) – excluding facility manager financial activity (separately reported). Consolidated statements will continue to be compiled on a quarterly basis.

These statements are prepared on a cash basis. The Balance Sheet includes a two-year comparative financial position at September 30 for Fiscal Years 2011 and 2012. The Income Statement provides a line item comparison of accounts for the current fiscal year as compared to a similar period in the prior fiscal year. In addition, the Income Statement provides a comparison of current year budget to prior year (FY 2011-subject to audit) actual. It will allow the reader to compare expenditure trends with full-year budgetary allowances.

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

### Balance Sheet (Unconsolidated):

- The cash and investments position decreased by \$.7 million from June 30, 2012. Minimal receipts were offset by routine monthly disbursements.
- Fund balance decreased by \$.66 million from the September 30, 2010 level.

### September Revenue/Expense:

- **Parking Revenue.** Current-year revenues reflect timely deposits from the City Parking office. Prior year activity reflected prepayment of the October Arena lot fee. When comparing revenue from like periods, revenues are trending up by 14.2%.
- **Utility Expense.** Current-year invoice processing is running ahead of prior year. When comparing like periods, utility costs are increased 10.5% over prior year.

- **Marketing-CVB/Sports Commission.** The current-year expense of \$25,000 includes payment of the 2011 fee to the West Michigan Sports Commission. The 2010 fee was expensed in October 2010.
- The current-year DID assessment expense includes only partial payment. The balance will be paid in October.

These reports are intended to provide a summary analysis of administrative activities over the course of the fiscal year. These reports continue to be updated on a monthly basis.

**Grand Rapids-Kent County Convention/Arena Authority**  
**Balance Sheet (Unconsolidated)**  
**September 30, 2011**

		<u>2010</u>	<u>2011</u>
	<b><u>Assets</u></b>		
Cash	- Operating	\$ 120,287	\$ 18,282
Investments	- Kent County	22,003,209	20,786,260
Capital Assets (Net)		<u>788,841</u>	<u>1,611,131</u>
Total Assets		<u><u>\$ 22,912,337</u></u>	<u><u>\$ 22,415,673</u></u>

	<b><u>Liabilities &amp; Fund Balance</u></b>		
Accounts Payable		\$ (60,544)	\$ 105,621
Fund Balance		<u>22,972,881</u>	<u>22,310,052</u>
Total Liabilities & Fund Balance		<u><u>\$ 22,912,337</u></u>	<u><u>\$ 22,415,673</u></u>

**Grand Rapids-Kent County Convention/Arena Authority**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ending June 30, 2012**

	Annual			Year-To-Date		
	FY 2011 Final	FY 2012 Budget	Percentage Change	FY 2011 7/1 - 9/30	FY 2012 7/1 - 9/30	Percentage Change
<b>Revenues:</b>						
Transfers from SMG	\$ 2,651,920	\$ 2,595,318	(2.1)	\$ 450,000	\$ 200,000	(55.6)
Parking	956,690	1,090,000	13.9	112,920	117,027	3.6
Interest	200,030	206,000	3.0	43,166	39,922	(7.5)
Miscellaneous	30,981	30,000	(3.2)	5,000	2,558	(48.8)
<b>Total Revenues</b>	<b>3,839,621</b>	<b>3,921,318</b>	<b>2.1</b>	<b>611,086</b>	<b>359,507</b>	<b>(41.1)</b>
<b>Expenditures:</b>						
Operations						
- Utilities	2,283,759	2,349,600	2.9	396,702	475,668	19.9
- Parking Management	190,802	213,579	11.9	15,907	18,039	13.4
- Pedestrian Safety	104,015	108,000	3.8	2,636	7,755	194.2
- Marketing - CVB/Sports	100,000	100,000	-	-	25,000	100+
- DID Assessment	55,103	58,721	6.6	55,103	38,398	(32.1)
- Landscaping	17,895	30,000	67.6	-	3,575	100+
Administration						
- Wages/Benefits	144,169	116,724	(19.0)	26,996	17,473	(35.3)
- Consulting Services <sup>(2)</sup>	-	76,663	100+	-	-	-
- Professional Services	77,697	71,000	(8.6)	4,742	7,281	53.5
- Diversity Initiative	35,828	50,000	39.6	556	12,936	2,226.6
- Procurement of Art	9,100	30,000	229.7	-	3,523	100+
- Insurance	23,561	24,000	1.9	23,561	23,391	(0.7)
- Supplies/Other	36,422	67,500	85.3	3,782	3,799	0.4
<b>Operating Expenditures</b>	<b>3,078,351</b>	<b>3,295,787</b>	<b>7.1</b>	<b>529,985</b>	<b>636,838</b>	<b>20.2</b>
Capital R/R/A <sup>(1)</sup>						
<b>Total Expenditures</b>	<b>3,423,802</b>	<b>966,000</b>	<b>(71.3)</b>	<b>1,037,847</b>	<b>97,660</b>	<b>(90.6)</b>
<b>Excess (Deficiency) of Revenues</b>	<b>6,502,153</b>	<b>4,261,787</b>		<b>1,567,832</b>	<b>734,498</b>	
<b>Over Expenditures</b>	<b>(2,662,532)</b>	<b>(340,469)</b>		<b>(956,746)</b>	<b>(374,991)</b>	
<b>Balance, beginning of period</b>	<b>24,728,394</b>	<b>22,065,862</b>				
<b>Balance, end of period</b>	<b>\$ (22,065,862)</b>	<b>\$ (21,725,393)</b>				

NOTES:

(1) R/R/A - Repair/Replacement/Additions

(2) Includes a \$50,000 allowance for the cost of an economic impact study and \$26,663 for an SMG administrative contract

**DeVos Place, as  
Managed by SMG**

**Special-Purpose Financial Statements as of and  
for the Years Ended June 30, 2011 and 2010, and  
Independent Auditors' Report**



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

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## INDEPENDENT AUDITORS' REPORT

DeVos Place, as Managed by SMG  
Grand Rapids, Michigan

We have audited the accompanying financial statements of DeVos Place, as managed by SMG, ("SMG-DeVos Place") as of June 30, 2011 and 2010, and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the management of SMG-DeVos Place. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SMG-DeVos Place's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared to present the assets, liabilities, amount due operator, operating revenues, operating expenses, and operating cash flows of DeVos Place arising from the management activities of SMG and are not intended to be a complete presentation of DeVos Place's financial position and results of operations.

In our opinion, such special-purpose financial statements present fairly, in all material respects, the financial position of SMG-DeVos Place as of June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with the basis of accounting described in Note 2 to the special-purpose financial statements.

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

*Deloitte & Touche LLP*

September 30, 2011

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

### **SPECIAL-PURPOSE STATEMENTS OF ASSETS, LIABILITIES, AND AMOUNT DUE OPERATOR ARISING FROM ACTIVITIES MANAGED BY SMG AS OF JUNE 30, 2011 AND 2010**

---

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents:		
Operating	\$ 796,638	\$ 805,142
Ticket sales escrow	98,354	36,621
Accounts receivable — net of allowances of \$47,000 in 2011 and \$32,000 in 2010	753,650	674,726
Prepaid expenses	<u>148,022</u>	<u>109,847</u>
<b>TOTAL</b>	<b><u>\$ 1,796,664</u></b>	<b><u>\$ 1,626,336</u></b>
 <b>LIABILITIES AND AMOUNT DUE OPERATOR</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 131,259	\$ 325,831
Accrued expenses	435,812	412,027
Advance ticket sales	98,354	36,621
Advance deposits	341,292	263,445
Deferred income	<u>28,330</u>	<u>28,685</u>
Total current liabilities	1,035,047	1,066,609
<b>AMOUNT DUE OPERATOR</b>	<b><u>761,617</u></b>	<b><u>559,727</u></b>
<b>TOTAL</b>	<b><u>\$ 1,796,664</u></b>	<b><u>\$ 1,626,336</u></b>

See notes to special-purpose financial statements.

## DEVOS PLACE, AS MANAGED BY SMG

### SPECIAL-PURPOSE STATEMENTS OF OPERATING REVENUES AND OPERATING EXPENSES ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

---

	2011	2010
OPERATING REVENUES:		
Events	<u>\$2,587,093</u>	<u>\$2,447,855</u>
Net ancillary revenues:		
Food and beverage	835,870	685,677
Decorating	268,143	237,495
Electrical	434,911	411,817
Equipment rental	491,144	439,223
Other	<u>73,417</u>	<u>69,199</u>
Total net ancillary revenues	<u>2,103,485</u>	<u>1,843,411</u>
Total events and net ancillary revenues	4,690,578	4,291,266
Other — including interest income of \$891 and \$1,372 in 2011 and 2010, respectively	<u>190,779</u>	<u>184,547</u>
Total operating revenues	<u>4,881,357</u>	<u>4,475,813</u>
OPERATING EXPENSES:		
Payroll and related	2,071,202	1,961,967
Repairs and maintenance	427,074	471,785
Supplies	182,058	168,881
Utilities	1,515,927	1,364,396
General and administrative	<u>1,159,931</u>	<u>1,081,743</u>
Total operating expenses	<u>5,356,192</u>	<u>5,048,772</u>
DEFICIENCY OF OPERATING REVENUES OVER OPERATING EXPENSES, BEFORE INCENTIVE MANAGEMENT FEE	(474,835)	(572,959)
INCENTIVE MANAGEMENT FEE	<u>          </u>	<u>88,466</u>
DEFICIENCY OF OPERATING REVENUES OVER OPERATING EXPENSES	<u>\$ (474,835)</u>	<u>\$ (661,425)</u>

See notes to special-purpose financial statements.

## DEVOS PLACE, AS MANAGED BY SMG

### SPECIAL-PURPOSE STATEMENTS OF CHANGES IN AMOUNT DUE OPERATOR ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

---

	2011	2010
AMOUNT DUE OPERATOR — Beginning of year	\$ 559,727	\$ 673,014
DEFICIENCY OF OPERATING REVENUES OVER OPERATING EXPENSES	(474,835)	(661,425)
CONTRIBUTIONS RECEIVED FROM OPERATOR	1,526,725	1,398,138
AMOUNTS PAID TO OPERATOR	<u>(850,000)</u>	<u>(850,000)</u>
AMOUNT DUE OPERATOR — End of year	<u>\$ 761,617</u>	<u>\$ 559,727</u>

See notes to special-purpose financial statements.

## DEVOS PLACE, AS MANAGED BY SMG

### SPECIAL-PURPOSE STATEMENTS OF OPERATING CASH FLOWS ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

---

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Deficiency of operating revenues over operating expenses	\$ (474,835)	\$ (661,425)
Changes in operating assets and liabilities:		
Accounts receivable	(78,924)	(85,870)
Prepaid expenses	(38,175)	(35,676)
Accounts payable	(194,572)	310,208
Accrued expenses	23,430	(2,660)
Advance deposits and ticket sales	<u>77,847</u>	<u>(7,690)</u>
Net cash used in operating activities	<u>(685,229)</u>	<u>(483,113)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions received from operator	1,526,725	1,398,138
Amounts paid to operator	<u>(850,000)</u>	<u>(850,000)</u>
Net cash provided by financing activities	<u>676,725</u>	<u>548,138</u>
NET (DECREASE) INCREASE IN OPERATING CASH	(8,504)	65,025
OPERATING CASH — Beginning of year	<u>805,142</u>	<u>740,117</u>
OPERATING CASH — End of year	<u>\$ 796,638</u>	<u>\$ 805,142</u>

See notes to special-purpose financial statements.

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

### **NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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#### **1. OPERATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

### 3. MANAGEMENT AGREEMENT AND FEES

SMG and the Operator have the Agreement, which originally was scheduled to expire June 30, 2009. On April 29, 2009, the Agreement was amended by the Operator to extend through June 30, 2011. The Agreement provides for both an annual base and incentive management fee. The annual base management fee is adjusted upward annually by the percentage change in the Consumer Price Index (not to exceed 3% in any one year). A decrease in the in the Consumer Price Index will not have an effect on the management fee. Effective July 1, 2011, SMG and the Operator entered into a new management agreement with substantially the same terms as the existing agreement. The new agreement expires on June 30, 2014, with two 2-year renewal periods extending through 2018.

The incentive fee is based on the combined results of operations of DeVos Place and Van Andel Arena, as managed by SMG ("SMG-Arena"), compared to certain operating revenue benchmarks, which escalate by \$100,000 each year through 2011, as defined in the Agreement. To qualify for the incentive fee, combined operating revenues of SMG-Arena and SMG-DeVos Place must exceed combined operating expenses by an established benchmark, as follows:

	2011	2010
Excess of operating revenue over operating expenses — as defined — Arena	\$ 842,960	\$ 1,489,319
Deficiency of operating revenue over operating expenses — as defined — DeVos Place	<u>(474,835)</u>	<u>(572,959)</u>
Total excess of operating revenue over operating expenses	<u>\$ 368,125</u>	<u>\$ 916,360</u>
Incentive benchmark	<u>\$ 700,000</u>	<u>\$ 700,000</u>
Benchmark exceeded?	No	Yes



The below calculation is only performed when combined operating revenues of Van Andel Arena and SMG-DeVos Place exceed combined operating expenses by the established benchmark. A schedule of the base and incentive management fees for the years ended June 30, 2011 and 2010, of which \$88,466 is included in accrued expenses as of June 30, 2010, is as follows:

	2011	2010
Base management fee, included in general and administrative expense (A)	<u>\$ 160,417</u>	<u>\$ 158,672</u>
Incentive fee:		
Total operating revenues — Arena		5,302,116
Total operating revenues — DeVos Place	<u>                    </u>	<u>4,475,813</u>
Total operating revenues	<u>                    </u>	<u>9,777,929</u>
Revenue benchmark — Arena		4,750,000
Revenue benchmark — DeVos Place	<u>                    </u>	<u>4,150,000</u>
Total revenue benchmark	<u>                    </u>	<u>8,900,000</u>
Revenues in excess of revenue benchmark	<u>\$</u>	<u>\$ 877,929</u>
Computation of incentive fee resulting from revenues in excess of revenue benchmark:		
25% of the first \$500,000, collectively	\$	\$ 125,000
30% of the excess of \$500,000, collectively up to \$183,100	<u>                    </u>	<u>113,379</u>
Total incentive fee	<u>                    </u>	<u>238,379</u>
Incentive fee allocated to Arena		149,913
Incentive fee allocated to DeVos Place (B)	<u>                    </u>	<u>88,466</u>
Total incentive fee	<u>                    </u>	<u>238,379</u>
Total management fees — DeVos Place (A + B)	<u>\$ 160,417</u>	<u>\$ 247,138</u>

The base fee is contingent upon the Operator maintaining the SMG-Arena concessions agreement with SMG – Food and Beverage LLC. If that agreement were to be terminated, the base management fee would increase to \$175,000 for each managed facility, adjusted annually by the percentage change in the Consumer Price Index from the base year.

#### **4. RETIREMENT PLAN**

Employees at DeVos Place may elect to participate in the SMG Retirement and Savings Plan, a 401(k) defined contribution plan covering SMG employees who have completed one year of employment and 1,000 hours of service. SMG-DeVos Place makes matching contributions equal to 67% of each participant's contribution up to a maximum of 5% of the employee's eligible compensation. Discretionary contributions may also be made on a monthly basis for active participants. SMG-DeVos Place made \$19,890 and \$0 in matching contributions for the years ended June 30, 2011 and 2010, respectively.

#### **5. OTHER RELATED-PARTY TRANSACTIONS**

In addition to the operations of DeVos Place, SMG personnel also manage the operations of SMG-Arena. The two facilities share certain expenses, such as payroll, employee fringe benefits, and insurance, resulting in frequent billings and payments between the two facilities. The two facilities also share a box office, resulting in frequent billings and payments between the two facilities for ticket sales. Accounts receivable include \$296,622 and \$249,021 due from the SMG-Arena as of June 30, 2011 and 2010, respectively. Accounts payable include \$175,838 due to SMG-Arena as of June 30, 2010.

#### **6. CONTINGENCIES**

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

#### **7. SUBSEQUENT EVENTS**

Events or transactions occurring after the balance sheet date have been evaluated through September 30, 2011, the date the special-purpose financial statements were available to be issued. The special-purpose financial statements and the notes thereto do not reflect events or transactions after this date.

\* \* \* \* \*

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

**Special-Purpose Financial Statements as of and  
for the Years Ended June 30, 2011 and 2010, and  
Independent Auditors' Report**

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

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying special-purpose financial statements of Van Andel Arena, as managed by SMG ("SMG-Arena"), as of June 30, 2011 and 2010, and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the management of SMG-Arena. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SMG-Arena's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared to present the assets, liabilities, amount due operator, operating revenues, operating expenses, and operating cash flows of Van Andel Arena arising from the management activities of SMG and are not intended to be a complete presentation of Van Andel Arena's financial position and results of operations.

In our opinion, such special-purpose financial statements present fairly, in all material respects, the financial position of SMG-Arena at June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with the basis of accounting described in Note 2 to the special-purpose financial statements.

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

*Deloitte & Touche LLP*

September 30, 2011

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

### **SPECIAL-PURPOSE STATEMENTS OF ASSETS, LIABILITIES, AND AMOUNT DUE OPERATOR ARISING FROM ACTIVITIES MANAGED BY SMG AS OF JUNE 30, 2011 AND 2010**

---

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents:		
Operating	\$ 1,705,282	\$ 2,216,415
Ticket sales escrow	1,194,722	465,267
Accounts receivable — net of allowance of \$34,000 in 2011 and \$46,000 in 2010	1,380,570	1,463,082
Prepaid expenses	<u>46,585</u>	<u>110,703</u>
<b>TOTAL</b>	<b><u>\$4,327,159</u></b>	<b><u>\$4,255,467</u></b>
 <b>LIABILITIES AND AMOUNT DUE OPERATOR</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 745,455	\$ 870,219
Accrued expenses	625,724	759,305
Advance ticket sales	1,194,722	465,267
Advance deposits	5,000	20,000
Deferred income	<u>1,289,762</u>	<u>1,112,796</u>
Total current liabilities	3,860,663	3,227,587
<b>AMOUNT DUE OPERATOR</b>	<b><u>466,496</u></b>	<b><u>1,027,880</u></b>
<b>TOTAL</b>	<b><u>\$4,327,159</u></b>	<b><u>\$4,255,467</u></b>

See notes to special-purpose financial statements.

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

### **SPECIAL-PURPOSE STATEMENTS OF OPERATING REVENUES AND OPERATING EXPENSES ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

---

	<b>2011</b>	<b>2010</b>
<b>OPERATING REVENUES:</b>		
Events	<u>\$ 922,855</u>	<u>\$ 1,476,691</u>
Net ancillary revenues:		
Food and beverage	1,119,624	1,192,508
Novelties	91,494	101,664
Other	<u>28,844</u>	<u>34,684</u>
Total net ancillary revenues	<u>1,239,962</u>	<u>1,328,856</u>
Total events and net ancillary revenues	<u>2,162,817</u>	<u>2,805,547</u>
Other revenues:		
Premium seating	1,449,100	1,473,338
Advertising income	630,508	564,534
Other — including interest income of \$1,011 and \$10,356 in 2011 and 2010, respectively	<u>390,762</u>	<u>458,697</u>
Total other revenues	<u>2,470,370</u>	<u>2,496,569</u>
Total operating revenues	<u>4,633,187</u>	<u>5,302,116</u>
<b>OPERATING EXPENSES:</b>		
Payroll and related	1,526,179	1,603,412
Repairs and maintenance	254,216	198,384
Supplies	182,039	155,768
Utilities	913,348	932,114
General and administrative	<u>914,445</u>	<u>923,119</u>
Total operating expenses	<u>3,790,227</u>	<u>3,812,797</u>
<b>EXCESS OF OPERATING REVENUES OVER OPERATING EXPENSES — Before incentive management fee</b>	<b>842,960</b>	<b>1,489,319</b>
<b>INCENTIVE MANAGEMENT FEE</b>		<u>149,913</u>
<b>EXCESS OF OPERATING REVENUES OVER OPERATING EXPENSES</b>	<b><u>\$ 842,960</u></b>	<b><u>\$ 1,339,406</u></b>

See notes to special-purpose financial statements.

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

### **SPECIAL-PURPOSE STATEMENTS OF CHANGES IN AMOUNT DUE OPERATOR ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

---

	<b>2011</b>	<b>2010</b>
AMOUNT DUE OPERATOR — Beginning of year	\$ 1,027,880	\$ 820,030
EXCESS OF OPERATING REVENUES OVER OPERATING EXPENSES	842,960	1,339,406
CONTRIBUTIONS RECEIVED FROM OPERATOR	995,656	968,444
AMOUNTS PAID TO OPERATOR	<u>(2,400,000)</u>	<u>(2,100,000)</u>
AMOUNT DUE OPERATOR — End of year	<u>\$ 466,496</u>	<u>\$ 1,027,880</u>

See notes to special-purpose financial statements.



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

### **SPECIAL-PURPOSE STATEMENTS OF OPERATING CASH FLOWS ARISING FROM ACTIVITIES MANAGED BY SMG FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

---

	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess of operating revenues over operating expenses	\$ 842,960	\$ 1,339,406
Changes in operating assets and liabilities:		
Accounts receivable	82,512	53,661
Prepaid expenses	64,118	19,991
Accounts payable	(124,764)	179,195
Accrued expenses	(133,581)	268,774
Advance deposits	(15,000)	13,500
Deferred income	<u>176,966</u>	<u>(63,259)</u>
Net cash provided by operating activities	<u>893,211</u>	<u>1,811,268</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions received from Operator	995,656	968,444
Amounts paid to Operator	<u>(2,400,000)</u>	<u>(2,100,000)</u>
Net cash used in financing activities	<u>(1,404,344)</u>	<u>(1,131,556)</u>
NET (DECREASE) INCREASE IN OPERATING CASH	(511,133)	679,712
OPERATING CASH — Beginning of year	<u>2,216,415</u>	<u>1,536,703</u>
OPERATING CASH — End of year	<u>\$ 1,705,282</u>	<u>\$ 2,216,415</u>

See notes to special-purpose financial statements.

# VAN ANDEL ARENA, AS MANAGED BY SMG

## NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

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### 1. OPERATIONS

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

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

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

### 3. MANAGEMENT AGREEMENT AND FEES

SMG and the Operator have the Agreement, which was originally scheduled to expire June 30, 2009. On April 29, 2009, the agreement was amended by the Operator to extend through June 30, 2011. The Agreement provides for both an annual base and incentive management fee. The annual base management fee is adjusted upward annually by the percentage change in the Consumer Price Index (not to exceed 3% in any one year). A decrease in the Consumer Price Index will not have an effect on the management fee. Effective July 1, 2011, SMG and the Operator entered into a new management agreement with substantially the same terms as the existing agreement. The new agreement expires on June 30, 2014, with two 2-year renewal periods extending through 2018.

The incentive fee is based on the combined results of operations of the Arena and DeVos Place, as managed by SMG ("SMG-DeVos Place"), compared to certain operating revenue benchmarks, which escalate by \$100,000 each year through 2011, as defined in the Agreement. To qualify for the incentive fee, combined operating revenues of SMG-Arena and SMG-DeVos Place must exceed combined operating expenses by an established benchmark, as follows:

	2011	2010
Excess of operating revenue over operating expenses — as defined — Arena	\$ 842,960	\$ 1,489,319
Deficiency of operating revenue over operating expenses — as defined — DeVos Place	<u>(474,835)</u>	<u>(572,959)</u>
Total excess of operating revenue over operating expenses	<u>\$ 368,125</u>	<u>\$ 916,360</u>
Incentive benchmark	<u>\$ 700,000</u>	<u>\$ 700,000</u>
Benchmark exceeded?	No	Yes

The below calculation is only performed when combined operating revenues of the Arena and SMG-DeVos Place exceed combined operating expenses by the established benchmark. A schedule of the base and incentive management fees for the years ended June 30, 2011 and 2010, of which \$149,913 is included in accrued expenses as of June 30, 2010, is as follows:

	2011	2010
Base management fee — included in general and administrative expense (A)	<u>\$ 160,417</u>	<u>\$ 158,672</u>
Incentive fee calculation:		
Total operating revenues — Arena	\$ -	\$5,302,116
Total operating revenues — DeVos Place	<u>                    </u>	<u>4,475,813</u>
Total operating revenues	<u>-</u>	<u>9,777,929</u>
Revenue benchmark — Arena		4,750,000
Revenue benchmark — DeVos Place	<u>                    </u>	<u>4,150,000</u>
Total revenue benchmark	<u>-</u>	<u>8,900,000</u>
Revenues in excess of revenue benchmark	<u>\$ -</u>	<u>\$ 877,929</u>
Computation of incentive fee resulting from revenues in excess of revenue benchmark:		
25% of the first \$500,000, collectively	\$ -	\$ 125,000
30% of the excess of \$500,000, collectively up to \$183,100	<u>                    </u>	<u>113,379</u>
Total incentive fee	<u>\$ -</u>	<u>\$ 238,379</u>
Incentive fee allocated to Arena (B)	\$ -	\$ 149,913
Incentive fee allocated to DeVos Place	<u>                    </u>	<u>88,466</u>
Total incentive fee	<u>\$ -</u>	<u>\$ 238,379</u>
Total management fees — Arena (A + B)	<u>\$ 160,417</u>	<u>\$ 308,585</u>

The base fee is contingent upon the Operator maintaining the SMG-Arena concessions agreement with SMG – Food & Beverage, LLC. If that agreement were to be terminated, the base management fee would increase to \$175,000 for each managed facility, adjusted annually by the percentage change in the Consumer Price Index from the base year.

#### 4. RETIREMENT PLAN

Employees at the Arena may elect to participate in the SMG Retirement and Savings Plan, a 401(k) defined contribution plan covering SMG employees who have completed one year of employment and 1,000 hours of service. SMG-Arena makes matching contributions equal to 67% of each participant's contribution up to a maximum of 5% of the participant's eligible compensation. Discretionary contributions may also be made on a monthly basis for active participants. SMG-Arena made \$10,014 and \$0 in matching contributions for the years ended June 30, 2011 and 2010, respectively.

## **5. OTHER RELATED-PARTY TRANSACTIONS**

In addition to the operations of the Arena, SMG personnel also manage the operations of SMG-DeVos Place. The two facilities share certain expenses, such as payroll, employee fringe benefits, and insurance, resulting in frequent billings and payments between the two facilities. The two facilities also share a box office, resulting in frequent billings and payments between the two facilities for ticket sales. Accounts payable include \$296,622 and \$249,021 due to DeVos Place as of June 30, 2011 and 2010, respectively. Accounts receivable include \$175,838 due from DeVos Place as of June 30, 2010.

On July 1, 2006, the Operator entered into a concessions agreement for the Arena with SMG – Food & Beverage, LLC a related party to SMG. Accounts receivable include \$1,756 and \$8,325 from SMG – Food & Beverage, LLC as of June 30, 2011 and 2010, respectively.

## **6. CONTINGENCIES**

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

## **7. SUBSEQUENT EVENTS**

Events or transactions occurring after the balance sheet date have been evaluated through September 30, 2011, the date the special-purpose financial statements were available to be issued. The special-purpose financial statements and the notes thereto do not reflect events or transactions after this date.

\* \* \* \* \*



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September 30, 2011

To the Finance Committee of  
Grand Rapids — Kent County Convention/Arena Authority  
Grand Rapids, Michigan

Dear Members of the Finance Committee:

We have performed an audit of the financial statements of DeVos Place, as managed by SMG and Van Andel Arena, as managed by SMG (the “Arena and DeVos Place”) as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America (“generally accepted auditing standards”) and have issued our report thereon dated September 30, 2011.

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

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

Our responsibility under generally accepted auditing standards has been described in our engagement letter dated July 15, 2011, a copy of which has been provided to you. As described in that letter, the objective of a financial statement audit conducted in accordance with generally accepted auditing standards is to express an opinion on the fairness of the presentation of the Arena and DeVos Place’s financial statements for the year ended June 30, 2011, in conformity with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”), in all material respects. Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Finance Committee are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the financial statements does not relieve management or the Finance Committee of their responsibilities.

We considered the Arena and DeVos Place’s internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Arena and DeVos Place’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Arena and DeVos Place’s internal control over financial reporting. Our consideration of internal control over financial reporting was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

## **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in the Arena and DeVos Place's 2011 special-purpose financial statements include the allowance for doubtful accounts. During the year ended June 30, 2011, we are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

## **Uncorrected Misstatements**

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

## **Material Corrected Misstatements**

Our audit of the financial statements was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. There were no material misstatements that were brought to the attention of management as a result of our audit procedures.

## **Significant Accounting Policies**

The Arena and DeVos Place's significant accounting policies are set forth in Note 2 to the Arena and DeVos Place's 2011 special-purpose financial statements. During the year ended June 30, 2011, there were no significant changes in previously adopted accounting policies or their application.

## **Other Significant Issues Discussed, or Subject of Correspondence, with Management**

Throughout the year, routine discussions were held, or were the subject of correspondence, with management. In our judgment, such discussions or correspondence did not involve significant issues requiring communication to the Finance Committee.

## **Significant Difficulties Encountered in Performing the Audit**

In our judgment, we received the full cooperation of the Arena and DeVos Place's management and staff and had unrestricted access to the Arena and DeVos Place's senior management in the performance of our audit.

## **Management's Representations**

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

\* \* \* \* \*

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

Yours truly,

*Deloitte & Touche LLP*

cc: The Management of Van Andel Arena and DeVos Place

- Appendix A: Representations from Management



September 30, 2011

Deloitte & Touche LLP  
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38 Commerce SW  
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Convention  
Arena  
Authority

Steven Heacock,  
Chairman  
Birgit Klohs  
Floyd Wilson, Jr.  
C. McInerney  
George Hearwell  
Joseph Tomaselli  
Lew Chamberlin

We are providing this letter in connection with your audits of the Van Andel Arena special purpose statements of assets, liabilities, and amounts due Operator arising from the activities managed by SMG ("SMG – Van Andel Arena") as of June 30, 2011 and 2010 and the related special purpose financial statements of operating revenues and operating expenses arising from activities managed by SMG, and operating cash flows arising from activities managed by SMG, for the years ended June 30, 2011 and 2010, for the purpose of expressing an opinion as to whether the special purpose financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Van Andel Arena, as managed by SMG, in conformity with the basis of accounting described in Note 2 to the special purpose financial statement.

We confirm that we are responsible for the following:

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

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

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

1. The financial statements referred to above are fairly presented in conformity with the basis of accounting described in Note 2 to the special purpose financial statement.
2. SMG – Van Andel Arena has provided to you all relevant information and access as agreed in the terms of the audit engagement letter, including:



Van Andel Arena<sup>SM</sup>  
130 West Fulton  
Grand Rapids, MI 49503-2601  
616.742.6600  
Fax 616.742.6197

DEVOS PLACE

DeVos Place<sup>SM</sup>  
303 Monroe Ave. NW  
Grand Rapids, MI 49503-2233  
616.742.6500  
Fax 616.742.6590

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

Except where otherwise stated below, immaterial matters less than \$27,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

- 10. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
- 11. SMG – Van Andel has no plans or intentions that may affect the carrying value or classification of assets and liabilities.
- 12. The following, to the extent applicable, have been appropriately identified, properly recorded, and disclosed in the financial statements:
  - a. Related-party transactions and associated amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral)

- b. Guarantees, whether written or oral, under which the SMG – Van Andel is contingently liable.
- 13. In preparing the financial statements in conformity with the basis of accounting described in Note 2 of special purpose financial statements, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
  - a. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
  - b. The effect of the change would be material to the financial statements.
- 14. Risks associated with concentrations, based on information known to management, that meet all of the following criteria have been disclosed in the financial statements:
  - a. The concentration exists at the date of the financial statements.
  - b. The concentration makes the enterprise vulnerable to the risk of a near-term severe impact.
  - c. It is at least reasonably possible that the events that could cause the severe impact will occur in the near term.
- 15. There are no:
  - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, *Contingencies* (formerly FASB Statement No. 5, *Accounting for Contingencies*).
- 16. SMG – Van Andel Arena has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 17. SMG – Van Andel Arena has complied with all aspects of contractual agreements that may have an effect on the financial statements in the event of noncompliance.
- 18. No events have occurred subsequent to June 30, 2011 that require consideration as adjustments to, or disclosures in, the financial statements.
- 19. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.
- 20. We believe that all expenditures that have been deferred to future periods are recoverable.

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



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Richard MacKeigan, General Manager



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Christopher Machuta, Director of Finance



September 30, 2011

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

We are providing this letter in connection with your audits of the DeVos Place special purpose statements of assets, liabilities, and amounts due Operator arising from the activities managed by SMG ("SMG – DeVos Place") as of June 30, 2011 and 2010 and the related special purpose financial statements of operating revenues and operating expenses arising from activities managed by SMG, and operating cash flows arising from activities managed by SMG, for the years ended June 30, 2011 and 2010, for the purpose of expressing an opinion as to whether the special purpose financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of DeVos Place, as managed by SMG, in conformity with the basis of accounting described in Note 2 to the special purpose financial statement.

Convention

Arena

Authority

Steven Heacock,  
Chairman

Birgit Klohs

Floyd Wilson, Jr.

George McInerney

George Heartwell

Joseph Tomaselli

Leah Chamberlin

We confirm that we are responsible for the following:

- a. The fair presentation in the special purpose, financial statements of financial position, results of operations, and cash flows in conformity with the basis of accounting described in Note 2 to the special purpose financial statement.
- b. The design, implementation, and maintenance of programs and controls to prevent and detect fraud
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Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

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

1. The financial statements referred to above are fairly presented in conformity with the basis of accounting described in Note 2 to the special purpose financial statement.
2. SMG – DeVos place has provided to you all relevant information and access as agreed in the terms of the audit engagement letter, including:

- a. Financial records and related data



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

DEVOS PLACE

DeVos Place®  
303 Monroe Ave. NW  
Grand Rapids, MI 49503-2233  
616.742.6500  
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- b. Minutes of the meetings of stockholders, directors, and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 3. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- 4. SMG – DeVos Place has not performed a risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 5. We have no knowledge of any fraud or suspected fraud affecting SMG – DeVos Place involving:
  - a. Management
  - b. Employees who have significant roles in the SMG – DeVos Place’s internal control over financial reporting
  - c. Others, if the fraud could have a material effect on the financial statements
- 6. We have no knowledge of any allegations of fraud or suspected fraud affecting the SMG – DeVos Place received in communications from employees, former employees, analysts, regulators, or others.
- 7. There are no unasserted claims or assessments that legal counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, *Contingencies* (formerly FASB Statement No. 5, Accounting for Contingencies)
- 8. Significant assumptions used by us in making accounting estimates are reasonable.
- 9. As an enterprise fund of the Grand Rapids – Kent Country Convention/ Arena Authority, SMG – DeVos Place is exempt from Federal Income Tax. We are not aware of any activities that have taken place that would jeopardize SMG – DeVos Place’s income tax exempt status.

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

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- b. Guarantees, whether written or oral, under which the SMG – DeVos Place is contingently liable.
- 13. In preparing the financial statements in conformity with the basis of accounting described in Note 2 of special purpose financial statements, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
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- 15. There are no:
  - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
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- 17. SMG – DeVos Place has complied with all aspects of contractual agreements that may have an effect on the financial statements in the event of noncompliance.
- 18. No events have occurred subsequent to June 30, 2011 that require consideration as adjustments to, or disclosures in, the financial statements.
- 19. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.
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25. All documentation related to sales transactions is contained in customer files. We also confirm that:
  - a. We are not aware of any "side agreements" with any companies that are inconsistent with the applicable sales agreement, the customer's purchase order, sales invoice, or any other documentation contained in the customer's file. For the purposes of this letter, a "side agreement" is any agreement, understanding, promise, or commitment, whether written (e.g., in the form of a letter or formal agreement or in the form of any exchange of physical or electronic communications) or oral, by or on behalf of SMG – DeVos Place (or any subsidiary, director, employee, or agent of SMG) with a customer from whom revenue has been recognized that is not contained in the written purchase order from the customer or sales order confirmation and sales invoice of SMG – DeVos Place delivered to or generated by the SMG – DeVos Place's Accounting and Finance Department. The definition of a side agreement is not limited by any particular subject matter. For purposes of example only, any agreement not contained in the written purchase order from the customer or sales order and sales invoice of SMG – DeVos Place that relates to return rights, acceptance rights, future pricing, payment terms, free consulting, free maintenance, or exchange rights would be a side agreement.
  - b. We are not aware of any commitments or concessions to a customer regarding pricing or payment terms outside of the terms documented in the customer's file
26. For the purpose of calculating the incentive fee, all interest income included in the calculation is properly included and does not include any ineligible income.
27. For purpose of the special purpose financial statements, non-contractual expenses have been approximately excluded from the special purpose Statement of Revenues and Expenses arising from activities managed by SMG.



Richard MacKeigan, General Manager



Christopher Macnuta, Director of Finance



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

**Financial Statements  
and Supplemental Material  
Years Ended June 30, 2011 and 2010**

**Draft 11/1/2011**

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

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Financial Statements  
and Supplemental Material  
Years Ended June 30, 2011 and 2010

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

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## Independent Auditors' Report

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

We have audited the accompanying statements of net assets of the Grand Rapids - Kent County Convention/Arena Authority (the Authority), and the related statements of revenues, expenses and changes in net assets, and cash flows, as of and for the years ended June 30, 2011 and 2010. These financial statements are the responsibility of management of the Authority. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the statements of net assets referred to above present fairly, in all material respects, the financial position of the Grand Rapids - Kent County Convention/Arena Authority at June 30, 2011 and 2010, and the changes in financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of revenue, expenses and changes in net assets - budget and actual on page 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in relation to the basic financial statements taken as a whole.

\_\_\_\_\_, 2011

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.

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

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This section of the Grand Rapids - Kent County Convention/Arena Authority's (the "Authority") financial report presents a discussion and analysis of the Authority's financial performance for the years ended June 30, 2011 and 2010. This discussion has been prepared by management, along with the financial statements and related footnote disclosures, and should be read in conjunction therewith. This discussion and analysis is designed to focus on current activities, resulting changes and currently known facts. The financial statements, footnotes and this discussion are the responsibility of Authority management.

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

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

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

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

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

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

### **Analysis of the Authority**

The Authority's total net assets increased from \$24,779,004 in 2009 to \$25,517,235 in 2010 and decreased to \$23,676,993 in 2011. These changes result primarily from operations, as well as some carryover of minor improvements related to the completion of the DeVos Place construction project in 2010 and the major concourse renovation project at Van Andel Arena during 2011. Our analysis below focuses on the net assets and changes in net assets of the Authority.

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## Statements of Net Assets

<i>June 30,</i>	2011	2010	2009
<b>Assets</b>			
Current assets	\$ 27,391,426	\$ 28,934,023	\$ 30,447,743
Capital assets, net	1,611,131	788,841	659,549
<b>Total Assets</b>	<b>29,002,557</b>	<b>29,722,864</b>	<b>31,107,292</b>
<b>Liabilities</b>			
Current liabilities	5,325,564	4,205,629	6,328,288
<b>Net Assets</b>			
Invested in capital assets	1,611,131	788,841	659,549
Restricted	-	-	80,000
Unrestricted	22,065,862	24,728,394	24,039,455
<b>Total Net Assets</b>	<b>\$ 23,676,993</b>	<b>\$ 25,517,235</b>	<b>\$ 24,779,004</b>

### ***Current Assets***

The decrease in current assets from 2009 to 2010 generally resulted from a large decrease in advance ticket sales for events sold but not yet held at year-end, the related cash from which is held in box office escrow accounts until shows are settled. The decrease from 2010 to 2011 was directly related to an aggressive capital improvement campaign undertaken to provide for excellent customer experience at both facilities.

### ***Current Liabilities***

The decrease in current liabilities from 2009 to 2010 was largely due to the timing of advance ticket sales, advance deposits and settlement balances payable to customers for facility events, which decreased a total of \$2,434,000 from 2009 to 2010. For 2011, this trend reversed resulting in a large increase of approximately \$1,281,000 in advance ticket sales, advance deposits and settlement balances payable to customers for facility events.

### ***Net Assets***

#### ***Invested in Capital Assets***

Investments in capital assets of approximately \$660,000 at June 30, 2009, \$789,000 at June 30, 2010 and \$1,611,000 at June 30, 2011 include the historical acquisition costs net of accumulated depreciation of movable building improvements and equipment not pledged as collateral on related bonds. See Note 4 for information related to capital assets.

#### ***Restricted Net Assets***

Restricted net assets in 2009 included funds pledged by the Authority for improvements at Van Andel Arena in conjunction with stipulations of a lease agreement with one of Van Andel Arena's continuing tenants. Per the contract terms, improvements such as production equipment, laser lighting, enhanced video capabilities and similar items can be purchased using these restricted net assets, which may be used by the tenant and any of its affiliates free of charge. Contributions totaling \$80,000, received in installments of \$10,000 per specific event, were recorded as miscellaneous revenue for the year ended June 30, 2008. Although the lease agreement continued

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in 2009, all related events were canceled and, therefore, no new installments were received during the year. Balances were carried forward to 2010 until the lease agreement was terminated, at which time the reserve was reclassified to unrestricted net assets.

## *Unrestricted Net Assets*

Unrestricted net assets include funds that have been designated by management for specific purposes, as well as amounts that have been contractually committed for goods and services that have not yet been received. The following is a breakdown of the unrestricted net assets as of June 30, 2011, 2010 and 2009:

	2011	2010	2009
Undesignated	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Facility replacement reserve	16,065,862	18,728,394	18,039,455
<b>Total Unrestricted Net Assets</b>	<b>\$ 22,065,862</b>	<b>\$ 24,728,394</b>	<b>\$ 24,039,455</b>

## **Statements of Changes in Net Assets**

<i>June 30,</i>	2011	2010	2009
Operating revenues, facilities	\$ 10,347,658	\$ 10,642,285	\$ 10,583,273
Operating expenses	11,440,080	10,180,281	10,073,334
Operating income (loss)	(1,092,422)	462,004	509,939
Non-operating revenues			
Other non-operating income	354,587	457,262	822,625
Income (loss) before transfers out	(737,835)	919,266	1,332,564
Transfer of constructed assets	(1,102,407)	(181,035)	(158,308)
<b>Increase (Decrease) in Net Assets</b>	<b>(1,840,242)</b>	<b>738,231</b>	<b>1,174,256</b>
<b>Net Assets, beginning of year</b>	<b>25,517,235</b>	<b>24,779,004</b>	<b>23,604,748</b>
<b>Net Assets, end of year</b>	<b>\$ 23,676,993</b>	<b>\$ 25,517,235</b>	<b>\$ 24,779,004</b>

## *Operating Income (Loss)*

### *Operating Revenues, Facilities*

Operating revenues, facilities are generated by the Authority's DeVos Place and Van Andel Arena. Management of these facilities is provided by SMG, headquartered in Philadelphia and an affiliate of American Capital Strategies, Ltd., with whom the Authority has a management agreement. Operating revenues include event revenues as well as ancillary revenues related to luxury seating, advertising and commissions on vendor sales of food, beverages and novelties. Although the two facilities continue to remain popular, revenues slightly decreased from 2010 to 2011 primarily due to the economic situation that surrounds the geographic area; the total number of events held at Van Andel Arena has decreased; however, increases in events at DeVos Place have offset the

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decreases. In general, spending by patrons and advertisers has increased slightly on a combined basis.

## *Operating Expenses*

Operating expenses include costs associated with the daily operation and continual upgrade and maintenance of DeVos Place and Van Andel Arena, as well as administrative costs related to the overall operation of the Authority. For 2011, operating costs increased significantly more than the related revenues primarily due to an aggressive upgrade and improvement agenda for both facilities that included many repairs and maintenance projects. Generally, administrative costs relate to insurance, personal services and professional services.

## *Non-Operating Revenues*

Non-operating revenues result primarily from investment income. As cash is generated by operations, the Authority gauges future cash flow needs and invests “excess” cash as available to maximize return and value for the Authority. Although the Authority was able to increase its investment of excess cash during 2010, given the changes in market conditions, investment returns were less than anticipated and less than the prior year, resulting in a decrease in investment income from 2009 to 2010. The less than favorable investment return climate continued throughout 2011 and was primarily responsible for the decrease in non-operating revenues from 2010.

## *Transfer of Constructed Assets*

Bonds issued by the City County Building Authority and the Downtown Development Authority are collateralized by assets and construction expenses associated with DeVos Place Convention Center and Van Andel Arena, respectively. During fiscal years 2009, 2010 and 2011, construction expenses of \$158,000, \$181,000 and \$1,102,400, respectively, were transferred to the City County Building Authority. When the bonds issued by the City County Building Authority have been retired, title to both the Arena and DeVos Place will be conveyed to the Authority.

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

Management believes the Grand Rapids - Kent County Convention/Arena Authority is in good condition both administratively and financially. This report covers the ninth and tenth years of operation. The Authority’s operations and finance committees continue to monitor policies and practices governing facility rates, booking preferences and quality of service. Consolidated operating revenues at DeVos Place and Van Andel Arena continue to exceed operating expenses on an annual basis. Long-term booking activity, enhanced by the services of the Grand Rapids/Kent County Convention and Visitor’s Bureau, continues to draw commitments for convention center activity, which is now booking through calendar year 2016.

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

The fiscal year 2012 (year beginning July 1, 2011) budget forecasts operating revenues of \$10.7 million with operating expenses (before depreciation) of \$10.4 million. Debt service obligations related to Van Andel Arena and DeVos Place Convention Center are being financed by the Grand Rapids Downtown Development Authority and the City County Building Authority.



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

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

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## **Financial Statements**

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## Grand Rapids - Kent County Convention/Arena Authority

### Statements of Net Assets

<i>June 30,</i>	2011	2010
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 3,999,147	\$ 3,654,426
Investments (Note 2)	21,346,338	23,312,637
Accounts receivable, net (Note 3)	1,851,334	1,746,411
Prepaid expenses	194,607	220,549
<b>Total current assets</b>	<b>27,391,426</b>	<b>28,934,023</b>
Capital assets (Note 4):		
Buildings and structures	322,431	322,431
Equipment	2,448,072	1,472,165
Less accumulated depreciation	(1,159,372)	(1,005,755)
<b>Net capital assets</b>	<b>1,611,131</b>	<b>788,841</b>
<b>Total Assets</b>	<b>29,002,557</b>	<b>29,722,864</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable (Note 5)	840,928	944,063
Accrued expenses (Note 5)	1,272,330	1,331,504
Advance ticket sales	1,293,077	501,889
Advance deposits	346,292	283,445
Compensated absences	4,845	3,247
Deferred revenue	1,568,092	1,141,481
<b>Total Liabilities</b>	<b>5,325,564</b>	<b>4,205,629</b>
<b>Net Assets</b>		
Invested in capital assets	1,611,131	788,841
Unrestricted	22,065,862	24,728,394
<b>Total Net Assets</b>	<b>\$ 23,676,993</b>	<b>\$ 25,517,235</b>

See accompanying notes to financial statements.

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## Grand Rapids - Kent County Convention/Arena Authority

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

<i>Year ended June 30,</i>	2011	2010
<b>Operating Revenues, facilities</b>	<b>\$ 10,347,658</b>	<b>\$ 10,642,285</b>
<b>Operating Expenses</b>		
Personnel services	3,741,550	3,670,904
Utilities	2,429,032	2,282,671
Supplies and expenses	1,804,062	659,653
Contractual services (Note 7)	2,543,191	2,698,065
Depreciation	153,617	104,790
Repairs and maintenance	690,931	689,519
Professional services	77,697	74,679
<b>Total Operating Expenses</b>	<b>11,440,080</b>	<b>10,180,281</b>
<b>Operating income (loss)</b>	<b>(1,092,422)</b>	<b>462,004</b>
<b>Non-Operating Revenues</b>		
Investment income	201,932	334,150
Miscellaneous	152,655	123,112
<b>Total Non-Operating Revenues</b>	<b>354,587</b>	<b>457,262</b>
<b>Income (loss) before transfers out</b>	<b>(737,835)</b>	<b>919,266</b>
<b>Transfer of Constructed Assets to the City County Building Authority</b>	<b>(1,102,407)</b>	<b>(181,035)</b>
<b>Increase (Decrease) in Net Assets</b>	<b>(1,840,242)</b>	<b>738,231</b>
<b>Net Assets, beginning of the year</b>	<b>25,517,235</b>	<b>24,779,004</b>
<b>Net Assets, end of the year</b>	<b>\$ 23,676,993</b>	<b>\$ 25,517,235</b>

*See accompanying notes to financial statements.*

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## Grand Rapids - Kent County Convention/Arena Authority

### Statements of Cash Flows

<i>Year ended June 30,</i>	<b>2011</b>	<b>2010</b>
<b>Cash From (for) Operating Activities</b>		
Cash received from facility operations	\$ 11,354,125	\$ 8,501,170
Payments to employees	(3,629,129)	(3,619,384)
Payments to suppliers and contractors	(7,622,847)	(6,203,899)
<b>Net Cash From (for) Operating Activities</b>	<b>102,149</b>	<b>(1,322,113)</b>
<b>Cash From (for) Capital and Related Financing Activities</b>		
Capital assets constructed	(1,102,407)	(181,035)
Purchases of capital assets	(975,907)	(234,082)
Other receipts	152,655	123,112
<b>Net Cash for Capital and Related Financing Activities</b>	<b>(1,925,659)</b>	<b>(292,005)</b>
<b>Cash From (for) Investing Activities</b>		
Interest and dividends	201,932	334,150
Proceeds from investment maturities	3,175,000	2,040,000
Purchases of investments	(1,208,701)	(2,500,016)
<b>Net Cash (From) for Investing Activities</b>	<b>2,168,231</b>	<b>(125,866)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>344,721</b>	<b>(1,739,984)</b>
<b>Cash and Cash Equivalents, beginning of the year</b>	<b>3,654,426</b>	<b>5,394,410</b>
<b>Cash and Cash Equivalents, end of the year</b>	<b>\$ 3,999,147</b>	<b>\$ 3,654,426</b>

(continued)

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## Grand Rapids - Kent County Convention/Arena Authority

### Statements of Cash Flows

<i>Year ended June 30,</i>	2011	2010
<b>Reconciliation of Operating Income to Net Cash From (for)</b>		
<b>Operating Activities</b>		
Operating income (loss)	\$ (1,092,422)	\$ 462,004
Adjustments to reconcile operating income to net cash from (for)		
operating activities:		
Depreciation	153,617	104,790
Changes in assets and liabilities:		
Receivables, net	(104,923)	249,436
Prepaid expense	25,942	(15,684)
Accounts payable	(103,135)	244,143
Accrued expenses	(59,174)	252,587
Advance ticket sales	791,188	(2,532,047)
Advance deposits	62,847	5,810
Compensated absences	1,598	(946)
Deferred revenues	426,611	(92,206)
<b>Net Cash From (for) Operating Activities</b>	<b>\$ 102,149</b>	<b>\$ (1,322,113)</b>
<b>Non-Cash Transactions</b>		
Transfer of constructed assets to the City County Building Authority	\$ 1,102,407	\$ (181,035)

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

### **Notes to Financial Statements**

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#### **1. Summary of Significant Accounting Policies**

##### ***Description of the Authority***

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

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

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

##### ***Basis of Presentation***

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

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

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

The Authority follows applicable accounting and financial reporting standards of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989, unless those pronouncements conflict with Governmental Accounting Standards Board ("GASB") pronouncements. In accordance with GASB Statement No. 20, the Authority has elected not to follow FASB pronouncements issued after November 30, 1989. Instead, the Authority follows pronouncements issued by the GASB.

**DRAFT**  
**Grand Rapids - Kent County  
Convention/Arena Authority**  
**Notes to Financial Statements**

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***Budget***

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

***Estimates***

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

***Assets, Liabilities and Fund Equity***

***Cash and Cash Equivalents***

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

***Investments and Accrued Interest***

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

***Capital Assets***

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

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

	Years
Buildings and structures	1 - 34
Equipment	3 - 10

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

***Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as



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

### **Notes to Financial Statements**

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restricted when limitations are imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

#### ***Revenue, Expenditures and Expense***

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

Employees are credited with 20 days of vacation each calendar year, which cannot be carried over. Accrued compensated absences totaled \$4,845 and \$3,247 at June 30, 2011 and 2010, respectively.

##### ***Revenues***

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

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

Subsequent events have been evaluated by management through \_\_\_\_\_, 2011, the date these financial statements were available to be issued.

## **2. Cash and Investments**

##### ***Deposits***

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

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

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. The Authority minimizes custodial credit risk by pre-qualifying financial institutions. At June 30, 2011, \$1,788,880 of the Authority's bank balances of \$2,494,863 was uninsured and uncollateralized. At June 30, 2010, \$1,498,895 of the Authority's bank balances of \$2,143,027 was uninsured and uncollateralized.

##### ***Investments***

State statutes authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services, bankers' acceptances of U.S. banks, United States government or federal agency obligation repurchase agreements, obligations of the State of Michigan or any of its political subdivisions rated as investment grade by not less than one standard rating service, and mutual funds composed of the types of investment vehicles named previously. The Authority's investment in money market mutual funds, which have a maturity of less than one year, at June 30, 2011 and 2010, was \$1,640,240 and \$1,639,984, respectively.

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## Grand Rapids - Kent County Convention/Arena Authority

### Notes to Financial Statements

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At June 30, 2011, the Authority's investment in the Kent County Investment Pool had a fair value of \$21,346,338 and a maturity of less than one year. At June 30, 2010, the Authority's investment in the Kent County Investment Pool had a fair value of \$23,312,637 and a maturity of less than one year. The Authority's interest in money market mutual funds, which have a maturity of less than one year, as of June 30, 2011 and 2010 was \$1,640,240 and \$1,639,984, respectively.

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

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

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

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments that are in the possession of an outside party. The Authority had no investments subject to custodial credit risk at June 30, 2011 or 2010.

#### ***Credit Risk***

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

### **3. Accounts Receivable**

Accounts receivable at June 30, 2011 and 2010 were as follows:

	2011	2010
Facility customers/events	\$ 1,084,606	\$ 1,049,825
Ancillary revenues	847,968	774,517
Allowance	(81,240)	(77,931)
	<b>\$ 1,851,334</b>	<b>\$ 1,746,411</b>

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## Grand Rapids - Kent County Convention/Arena Authority

### Notes to Financial Statements

#### 4. Capital Assets

Capital asset activity for the years ended June 30, 2011 and 2010 was as follows:

	Balance July 1, 2010	Additions	Disposals/ Transfers	Balance June 30, 2011
Cost of capital assets				
Buildings and structures	\$ 322,431	\$ -	\$ -	\$ 322,431
Equipment	1,472,165	975,907	-	2,448,072
<b>Total Cost of Capital Assets</b>	<b>1,794,596</b>	<b>975,907</b>	<b>-</b>	<b>2,770,503</b>
Accumulated depreciation				
Buildings and structures	297,447	9,993	-	307,440
Equipment	708,308	143,624	-	851,932
<b>Total Accumulated Depreciation</b>	<b>1,005,755</b>	<b>153,617</b>	<b>-</b>	<b>1,159,372</b>
<b>Capital Assets, net</b>	<b>\$ 788,841</b>	<b>\$ 822,290</b>	<b>\$ -</b>	<b>\$ 1,611,131</b>

	Balance July 1, 2009	Additions	Disposals/ Transfers	Balance June 30, 2010
Cost of capital assets				
Buildings and structures	\$ 322,431	\$ -	\$ -	\$ 322,431
Equipment	1,238,083	234,082	-	1,472,165
<b>Total Cost of Capital Assets</b>	<b>1,560,514</b>	<b>234,082</b>	<b>-</b>	<b>1,794,596</b>
Accumulated depreciation				
Buildings and structures	287,454	9,993	-	297,447
Equipment	613,511	94,797	-	708,308
<b>Total Accumulated Depreciation</b>	<b>900,965</b>	<b>104,790</b>	<b>-</b>	<b>1,005,755</b>
<b>Capital Assets, net</b>	<b>\$ 659,549</b>	<b>\$ 129,292</b>	<b>\$ -</b>	<b>\$ 788,841</b>

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## Grand Rapids - Kent County Convention/Arena Authority

### Notes to Financial Statements

#### 5. Accounts Payable and Accrued Expenses

Accounts payable at June 30, 2011 and 2010 were as follows:

	2011	2010
Professional services	\$ 10,738	\$ 1,000
Facility customers	546,010	600,427
Vendors	284,180	342,636
	\$ 840,928	\$ 944,063

Accrued expenses at June 30, 2011 and 2010 were as follows:

	2011	2010
Facility customers	\$ 320,308	\$ 435,146
Vendors	403,255	455,410
Professional services	59,799	62,803
Salaries and benefits	488,968	378,145
	\$ 1,272,330	\$ 1,331,504

#### 6. Risk Management

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

#### 7. Commitments and Contingencies

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

The Authority pays SMG an annual base management fee and an incentive fee based on the results of operations of DeVos Place and the Arena. For the years ended June 30, 2011 and 2010, respectively, total management and incentive fees earned by SMG were approximately \$320,834 and \$555,700 and are recorded in contractual services expense.

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

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## **Supplemental Material**

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## Grand Rapids - Kent County Convention/Arena Authority

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

<i>Year ended June 30, 2011</i>	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues, facilities</b>	\$ 10,566,383	\$ 10,347,658	\$ (218,725)
<b>Operating Expenses</b>			
Personnel services	3,638,628	3,741,550	(102,922)
Utilities	2,359,800	2,429,032	(69,232)
Supplies and expenses	502,100	1,804,062	(1,301,962)
Contractual services	2,689,595	2,543,191	146,404
Depreciation	-	153,617	(153,617)
Repairs and maintenance	718,608	690,931	27,677
Professional services	214,200	77,697	136,503
<b>Total Operating Expenses</b>	10,122,931	11,440,080	(1,317,149)
<b>Operating income</b>	443,452	(1,092,422)	(1,535,874)
<b>Non-Operating Revenues</b>			
Investment income	495,000	201,932	(293,068)
Miscellaneous	30,000	152,655	122,655
<b>Total non-operating revenues</b>	525,000	354,587	(170,413)
<b>Transfer of Constructed Assets to the City County</b>			
Building Authority <sup>(1)</sup>	(4,085,000)	1,102,407	2,982,593
<b>Net non-operating revenues</b>	(3,560,000)	747,820	2,812,180
<b>Increase (Decrease) in Net Assets</b>	(3,116,548)	1,840,242	1,276,306
<b>Net Assets, beginning of the year</b>	25,517,235	25,517,235	-
<b>Net Assets, end of the year</b>	\$ 22,400,687	\$ 23,676,993	\$ 1,276,306

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

# Grand Rapids - Kent County Convention/Arena Authority

Financial Statement Charts

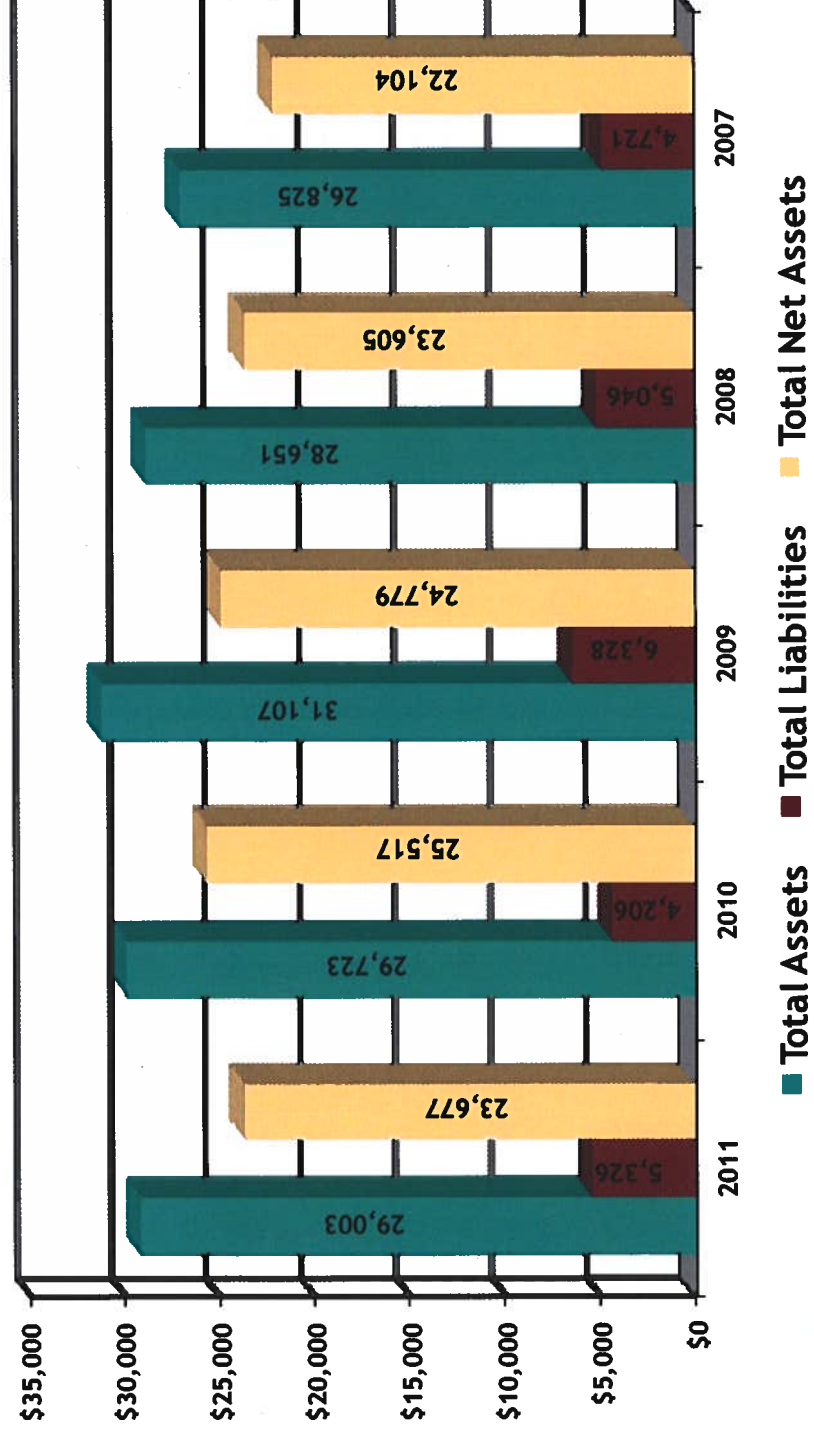
June 30, 2011



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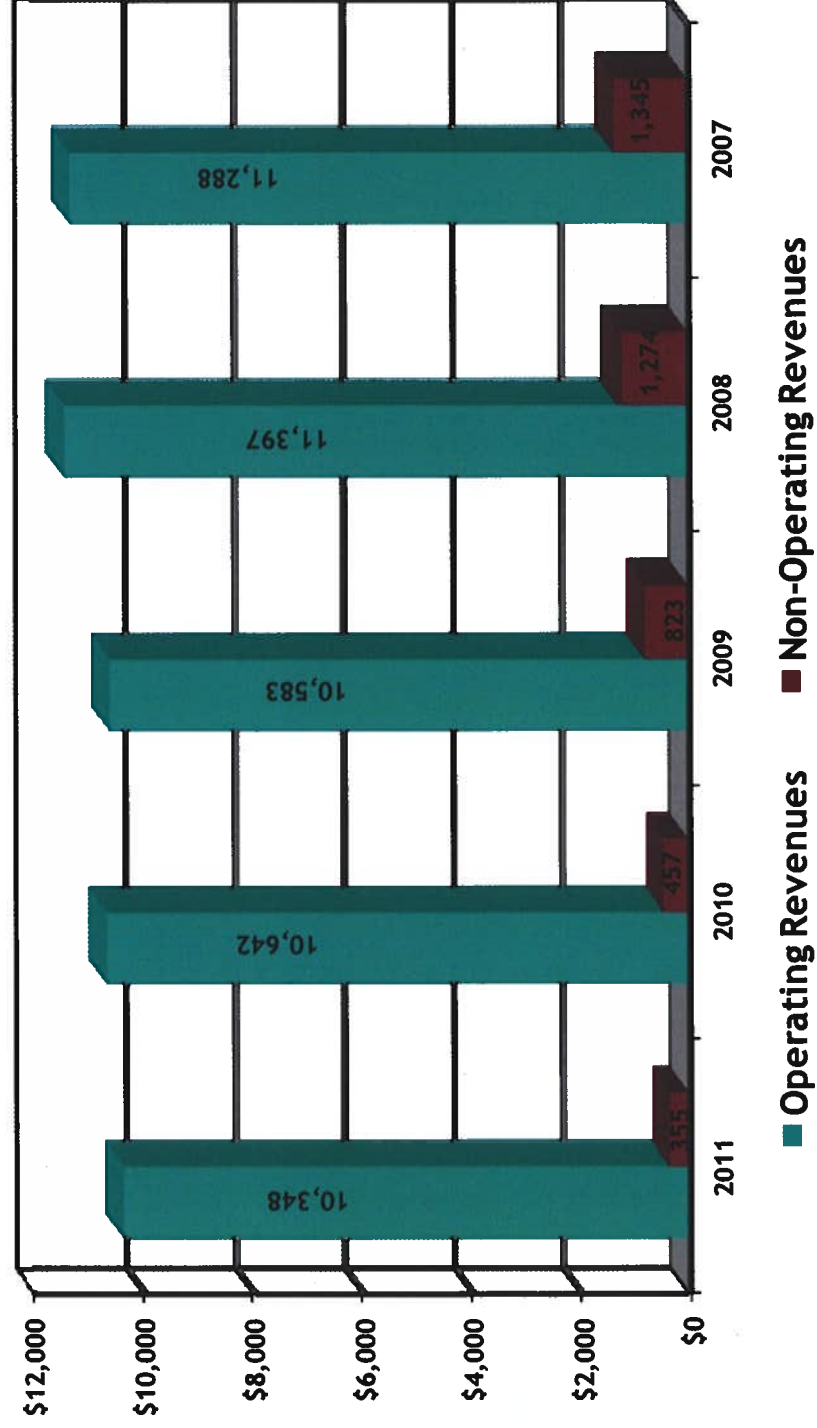
BDO is the brand name for the BDO network and for each of the BDO Member Firms.

# Statement of Net Assets (in thousands)



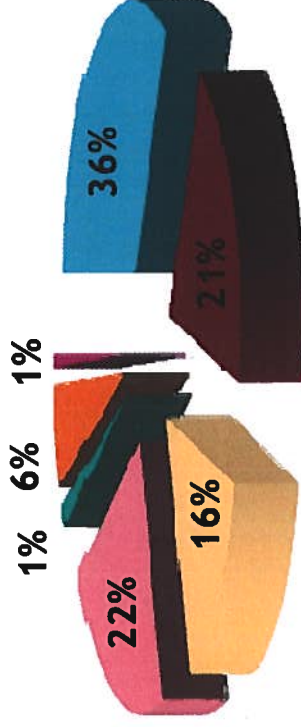


## Revenues (in thousands)



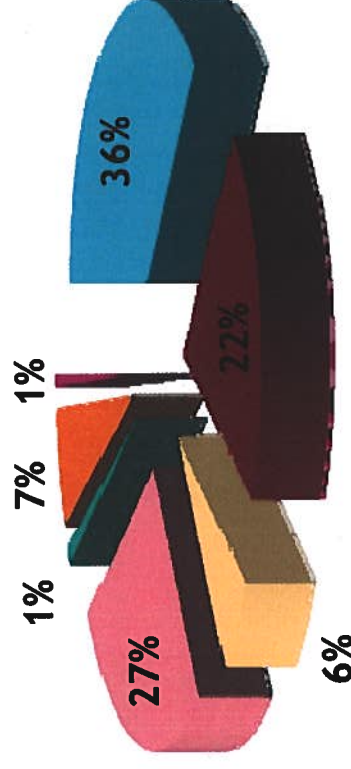
# Operating Expenses (in thousands)

2011



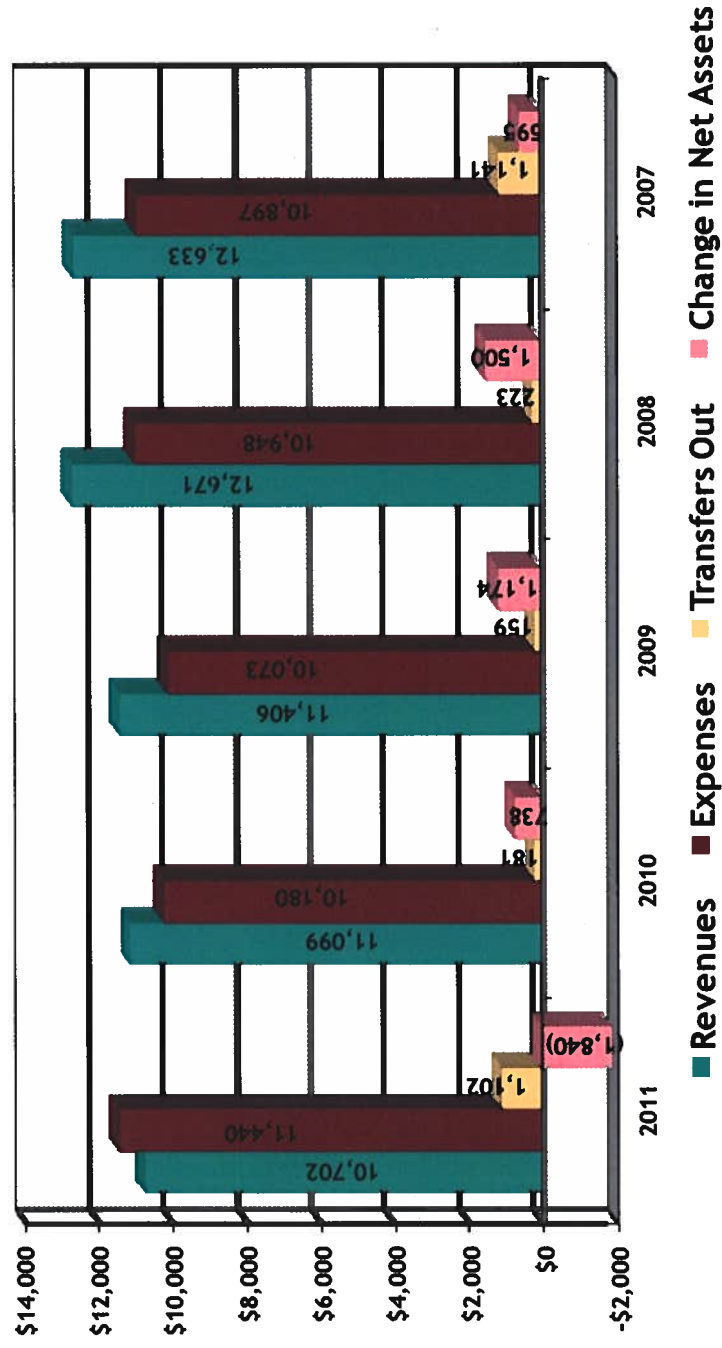
- Personnel Services - \$3,742
- Utilities - \$2,429
- Supplies and Expenses - \$1,804
- Contractual Services - \$2,543
- Depreciation - \$154
- Repairs and Maintenance - \$690
- Professional Services - \$78

2010



- Personnel Services - \$3,671
- Utilities - \$2,282
- Supplies and Expenses - \$660
- Contractual Services - \$2,698
- Depreciation - \$105
- Repairs and Maintenance - \$689
- Professional Services - \$75

## Increase (Decrease) in Net Assets (in thousands)



## Grand Rapids - Kent County Convention/Arena Authority

# Audit Wrap-Up

June 30, 2011



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

November 4, 2011

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

Dear Board Members:

Professional standards require us to communicate with you regarding matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. The following documents various matters with respect to the wrap-up phase of the audit of the annual financial statements of Grand Rapids - Kent County Convention/Arena Authority (the Authority) as of and for the year ended June 30, 2011.

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

Should you desire further information concerning these matters, we will be happy to meet with you at your convenience.

Very truly yours,

*BDO USA, LLP*

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# Discussion Outline

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BDO Resources	9

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# Status of Our Audit

## AUDIT OF FINANCIAL STATEMENTS

- We have substantially completed our audit of the financial statements of Grand Rapids - Kent County Convention/Arena Authority (the Authority) for the year ended June 30, 2011. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
- We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Board of Directors are presented fairly, in all material respects, in conformity with generally accepted accounting principles. We expect to issue an unqualified opinion on the financial statements and release our report early in November 2011.
- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements. The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning Report.

## INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE

- In planning and performing our audit of the financial statements of the Authority for the year ended June 30, 2011 in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.
- Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.



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# Results of Our Audit

We have reviewed the accounting practices, which include policies, estimates and financial statement disclosures, management has identified to be the most critical and concur with management's assessment. These include:

## Primary Areas of Focus and Considerations

**Cash and investments** - we confirmed the existence of cash and investments with third parties.

**Capital assets** - we reconciled the roll-forward and tested additions and depreciation.

**Accruals and expense** - we analyzed the accruals and tested the calculations. We performed analytical procedures on expenses.

**Deferred revenue** - we tested the propriety of deferred revenues.

**Revenue** - we analyzed the accounts and tested the calculations.



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# Required Communications - Internal Control Over Financial Reporting

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

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

In conjunction with our audit of the financial statements, we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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# Required Communications

## MATTERS REQUIRED TO BE REPORTED TO THE BOARD OF DIRECTORS

Professional guidance requires independent auditors to communicate with those charged with governance certain matters in relation to an audit. Following is a summary of those required items, along with specific discussion points as they pertain to the Authority:

Requirement	Discussion Points
<b>Auditors' judgment about the quality of the Authority's accounting policies, estimates and financial statement disclosures</b>	In accordance with applicable auditing standards, a discussion was held regarding the quality of financial reporting, which included the Authority's significant accounting practices, estimates and financial statement disclosures.
<b>Critical accounting policies and practices</b>	Critical accounting policies and practices are disclosed in the notes to the financial statements.
<b>Adoption of a change in accounting principle</b>	The Authority did not adopt any changes in accounting principles.
<b>Material, corrected misstatements brought to the attention of management by the auditor</b>	There were no misstatements brought to the attention of management by the auditor.
<b>Uncorrected misstatements, other than those the auditor believes to be trivial</b>	There were no uncorrected misstatements.
<b>Disagreements with management</b>	There were no disagreements with management on financial accounting and/or reporting matters and auditing procedures that, if not satisfactorily resolved, would cause a modification of our auditors' reports.
<b>Consultations with other accountants</b>	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
<b>Major issues discussed with management prior to retention</b>	Prior to our being retained as auditor for the current fiscal year, there were no major accounting or other issues of concern discussed with management.
<b>Significant difficulties encountered during the audit</b>	There were no significant difficulties encountered during the audit.

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## Required Communications (continued)

Requirement	Discussion Points
<b>Representations requested from management</b>	The management representation letter will be provided when we conclude our audit.
<b>Other issues arising from the audit the auditor considers significant and relevant to those charged with governance</b>	There were no other issues arising from the audit that we consider significant and relevant to those charged with governance.
<b>Material alternative accounting treatments discussed with management</b>	There was no discussion with management concerning alternative accounting treatments.

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## Independence Communication

Our engagement letter dated August 25, 2011 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the Authority with respect to independence as agreed to by the Authority. Please refer to that letter for further information.



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# Significant Accounting and Reporting Matters

## STATEMENT NO. 62 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD CODIFICATION OF ACCOUNTING AND FINANCIAL REPORTING GUIDANCE CONTAINED IN PRE-NOVEMBER 30, 1989 FASB AND AICPA PRONOUNCEMENTS

- Incorporates relevant legacy guidance into the GASB standards.
  - FASB statements and interpretations used before 11/30/89 (through FAS 102 and FIN 38).
  - APB opinions and ARB issued before 11/30/89 (through APB Opinion 31 and ARB 51).
  - Unless they contradict or conflict with GASB standards.
  - Excludes subsequent amendments to pronouncements.
- Effective for years beginning July 1, 2012.

## GASB STATEMENT NO. 63, *FINANCIAL REPORTING OF DEFERRED OUTFLOWS OF RESOURCES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION*

- GASB Concepts Statement No. 4 introduced and defined these elements:
  - Deferred outflows are consumptions of net assets that are applicable to a future reporting period.
  - Deferred inflows are acquisition of net assets that are applicable to a future reporting period.
  - These elements do not include items such as prepaid rent or deferred revenue because net assets have not been consumed or acquired.
- This pronouncement amends GASB Statement No. 34 to incorporate these elements:
  - Deferred outflows should be reported in financial statements in a separate section following assets.
  - Deferred inflows should be reported in separate section following liabilities.
  - Net position replaces net assets and represents the difference between all other elements.
- Currently, the only deferred inflows/outflows identified by GASB are related to derivatives and service concession arrangements.
- Effective for years beginning July 1, 2012.

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# BDO Resources

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

The firm serves clients through 40 offices and more than 400 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multinational clients through a global network of 1,082 offices in 119 countries. BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms. For further information, please refer to <http://www.bdo.com/about/>.

Below is a summary of just some of the many resources BDO makes available at no additional charge to our clients. To subscribe to BDO publications, please use our RSS (Really Simple Syndication) Feeds or complete registration at BDO's Subscription Center at <https://subscriptions.bdo.com/>.

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

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

## **TAX ALERTS AND NEWSLETTERS**

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


## **INDUSTRY PUBLICATIONS**


BDO's industry publications are numerous and span the sectors of technology, finance, insurance, health care, retail and consumer products, governmental/nonprofit and real estate, among many others.

For a complete listing of services, publications, archives of various webinars and events and other information regarding BDO, please visit <http://www.bdo.com/> for further information.

# VAN ANDEL ARENA® WEEKLY

# Item 4

DATE '11	EVENT	EC	MOD	ROOM	TIME	FUNCTION
Wed, Nov 2	Griffins vs Lake Erie	GC	TODD	Arena	10A-12:30P 6:00 PM 7P-9:30P	Team practice Doors Hockey game
	JW Marriott	DG		East Nest	6P-9:30P	Banquet
	Zatkoff Seals Packing			West Nest	6P-9:30P	Banquet
	Michigan Office Solutions			MOS Corner Office	6P-9:30P	Banquet
	Available					
Thur, Nov 3	Available					
Fri, Nov 4	Rock and Worship Roadshow	GC	EDDIE	Arena	8:00 PM 9:00 AM 1:00 PM 3:30 PM 5:00 PM 5:30 PM 6:00 PM 7:15 PM 7:30P-10P 10P-10:10P 10:10P-11P 10:30 PM	Rigging call Load-in Chair set Volunteer arrival/training Security meeting VIP doors Public Doors Open Youth Pastor Reception Performance Intermission Performance Load-out
		DG		Banquet C/D	8A-10P	Backstage catering
Sat, Nov 5	Griffins vs Charlotte	GC	EDDIE	Arena	10A-12:30P 6:00 PM 7P-9:30P 9:30P-9:50P 9:50P-10:10P	Team practice Doors Hockey game Post-game skate Post-game autographs
	Lasers Resource	DG		Banquet C	6P-7P	Banquet
				East/West Nests	6P-10:10P	Banquet
	Cameo Kerr			Suite 101A	6P-10:10P	Banquet
Sun, Nov 6	Available 					
Mon, Nov 7	Savor	DG		Banquet B	6P-7P	TIPS training
Tue, Nov 8	Rockford Icehogs	KA		Arena	3P-5:30P	Team practice
Wed, Nov 9	Griffins vs Rockford	GC	LYNNE	Arena	11:00 AM 12p-2:30P	Doors Hockey game
		RM		Banquet All	11A-12:30P	Senior bingo
	Dell	DG		East Nest	11A-2:30P	Banquet
	Daktronics	KA		Arena	3:30P-5P	Scoreboard maintenance
Thur, Nov 10	Reba McEntire	GC	CHRIS	Arena	7:30 PM	Performance
Fri, Nov 11	Sesame Street Live	GC	KATHY	Arena	7:00 PM	Performance
Sat, Nov 12	Sesame Street Live	GC	EDDIE	Arena	10:30 AM 2:00 PM	Performance Performance
Sun, Nov 13	Sesame Street Live	GC	CHRIS	Arena	1:00 PM 4:30 PM	Performance Performance
Mon, Nov 14	Available					
Tue, Nov 15	Available					
Wed, Nov 16	Available					
Thur, Nov 17	Available					
Fri, Nov 18	Griffins vs San Antonio	GC	ROD	Arena	10A-12:30P 6:00 PM 7P-9:30P	Team practice Doors Hockey game
	Baker Perkins	DG		Crease Club	6P-9:30P	Banquet
	West Side Beer			East Nest	6P-9:30P	Banquet
	Medical Management Spec			West Nest	6P-9:30P	Banquet
				MOS Corner Office		
	MSU On-Line Auction Winr			Suite 101A	6P-9:30P	Banquet

Sat, Nov 19	Griffins vs Milwaukee	GC	KATHY	Arena	10A-12:30P 6:00 PM 7P-9:30P 9:30P-9:50P 9:50P-10:10P	Team practice Doors Hockey game Post-game skate Post-game autographs
	Milwaukee Admirals	DG		Banquet D	9:30P-10:30P	Post-game meal
	Cara Waite			East Nest	6P-10:10P	Banquet
	Michigan Kenworth			West Nest	6P-10:10P	Banquet
	Perrigo			MOS Corner Office	6P-10:10P	Banquet
	Nordic Hot Tubs			Suite 101A	6P-10:10P	Banquet
Sun, Nov 20	Available					
Mon, Nov 21	Available					
Tue, Nov 22	Available					
Wed, Nov 23	Griffins vs Hamilton	GC	KATHY	Arena	10A-12:30P 6:00 PM 7P-9:30P	Team practice Doors Hockey game
Thur, Nov 24	<b>Holiday</b> 					
Fri, Nov 25	Griffins vs Oklahoma City	GC	JIM	Arena	10A-12:30P 6:00 PM 7P-9:30P	Team practice Doors Hockey game
	RLA Management	DG		East Nest	6P-9:30P	Banquet
	Yellow Rose Transport			West Nest MOS Corner Office	6P-9:30P	Banquet
Sat, Nov 26	Griffins	KA		Arena	12P-2:30P	Team practice
Sun, Nov 27	Griffins vs Oklahoma City	GC	JIM	Arena	10A-12:30P 4:00 PM 5P-7:30P 7:30P-7:50P	Team practice Doors Hockey game Post-game skate
	Jaded 8	RM		Crease Club	4P-6P	Performance
	Thrilling 30 Contest Winners	DG		West Nest MOS Corner Office Suite 101A	4P-7:50P	Banquet
Mon, Nov 28	Available					
Tue, Nov 29	Available					
Wed, Nov 30	Available					
Thur, Dec 1	Available					
Fri, Dec 2	Griffins vs Toronto	GC		Arena	10A-12:30P 6:00 PM 7P-9:30P	Team practice Doors Hockey game
	Home Depot	DG		Banquet C	6P-9:30P	Banquet
	Select Bank			East Nest	4P-7:50P	Banquet
	Informis			West Nest	4P-7:50P	Banquet
	Michigan Office Solutions			MOS Corner Office	4P-7:50P	Banquet
	Robert Wittum			Suite 101A	4P-7:50P	Banquet
Sat, Dec 3	Griffins vs Chicago	GC		Arena	10A-12:30P 4:00 PM 5P-7:30P 7:30P-7:50P	Team practice Doors Hockey game Post-game autographs
	KDP Retirement Plan Services	DG		East/West Nests	4P-7:50P	Banquet
	TMI Michigan Air Solutions			Suite 101A/B	4P-7:50P	Banquet
Sun, Dec 4	Available					

# DEVOS-PLACE

## REVISED WEEKLY – 2011

			Outer Lobby DVPH/Lyon Dock	6:30pm 7:00pm 7:30pm – 8:15pm 8:30pm – 9:15pm 9:15pm – 10:15pm 9:15pm – 12:00am	Lobby Open Seating Open First Act Second Act Public Meet and Greet/Signing Move Out	2000
THURS. NOV 3	MichBio Expo and Conference	Grand Gallery GG (Hall C Entrance) Overlook G Exhibit Hall C Exhibit Hall C Overlook C – F Exhibit Hall C Exhibit Hall C Overlook C-F Exhibit Hall C Overlook C-F Grand Gallery B-E Grand Gallery B-E Grand Gallery	6:30am 7:00am 7:00am – 5:00pm 8:00am – 1:00pm 8:00am – 9:00am 9:00am – 10:15am 9:00am – 10:00am 10:15am – 10:45am 10:45am – 12:00pm 12:00pm – 1:00pm 1:00pm – 3:00pm 1:00pm – 2:15pm 2:30pm – 3:10pm 3:10pm – 4:00pm 4:00pm – 5:00pm	Client Arrival Registration Open Media Room Exhibits Open Roundtable Sessions Operations to strike Theatre setup for 200 Break Lunch Exhibitors Load Out Sessions Keynote Panel Discussion Reception Drop off mats	RC	Est. Attendance: 300
	CCCAM Fall Summit/MCJA Fall Conference	Grand Gallery Overlook Service Corridor			DA	
	Beneath the Wreath	Business Center Ballroom BCD	7:00am 7:00am-12:00pm 10:00am 1:00pm-8:00pm 10:00pm	Client Arrival Vendor Load In Fire Inspection Show Open Client Departure	DA	Est. Attendance: 3,000
	GRS Pops 2: Disney in Concert	DVPH/Lyon Dock DVPH	12:00pm – 5:00pm 7:00pm – 10:00pm	Move In Rehearsal	AK	
FRI NOV 4	Beneath the Wreath	Business Center Ballroom BCD	7:30am 8:00am 9:00am-8:00pm 10:00pm	Client Arrival Volunteers Arrival Show Open Client Departure	DA	Est. Attendance: 3,000
	CCCAM Fall Summit/MCJA Fall Conference	Grand Gallery Grand Gallery B-E	1:00pm 5:00pm-10:00pm 6:00pm-8:00pm 10:00pm	Client Arrival Vendor Set Up Opening Session Client Departure	DA	Est. Attendance: 400
	Online Strategies	Monroe Lobby Monroe Room A-D	7:30 am 8:00 am-9:00 am 9:00 am- 5:00 pm 5:00 pm- 9:00 pm 9:30 pm	Client Arrival Registration Seminar Sales and Wrap Up Client Departure	JD	Est. Attendance: 100
	GRS Pops 2: Disney in Concert	DVPH	6:30pm 7:00pm	Outside Doors Open Lobby Open	AK	Est.

EH A-C = Exhibit Halls A-C

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# DEVOS-PLACE

## REVISED WEEKLY – 2011

				7:30pm 8:00pm – 10:00pm	Seating Open Performance	Attendance: 1500
SAT. NOV 5	Beneath the Wreath	Business Center Ballroom BCD		7:30am 8:00am 9:00am-8:00pm 8:00pm-11:00pm 11:00pm	Client Arrival Volunteers Arrival Show Open Vendor Load Out Client Departure	Est. Attendance: 3,000
	CCCAM Fall Summit/MCJA Fall Conference	Grand Gallery GG/GG Overlook Pre-Function GG A-F and GGO A-H GG B-E RO Pre-Function & EH A GG A-F and GGO A-H Grand Gallery		7:30am 8:00am 8:30am-12:20pm 10:20am 12:30pm-1:15pm 1:15pm-5:00pm 5:00pm-7:00pm	Client Arrival Registration Sessions Ops to pull airwall between BC & DE Lunch Sessions Load Out	Est. Attendance: 400
	Online Strategies	Monroe Lobby Monroe Room A-D		7:30 am 8:00 am-9:00 am 9:00 am- 5:00 pm 5:00 pm- 9:00 pm 9:30 pm	Client Arrival Registration Seminar Sales and Wrap Up Client Departure	Est. Attendance: 100
	GRS Pops 2: <i>Disney in Concert</i>	DVPH		6:30pm 7:00pm 7:30pm 8:00pm – 10:00pm	Outside Doors Open Lobby Open Seating Open Performance	Est. Attendance: 1500
SUN. NOV 6	2011 March of Dimes Signature Chef Auction	Ballroom A – D		8:00AM 8:00AM 10:00AM – 6:00PM	Amway Conf. Services arrive to skirt tables Production Load In All center tables to be set /linen/skirted Client Arrival March of Dimes truck arrival Volunteer arrival and prep Art Craft to hang Chef Banners	
	Online Strategies	Monroe Lobby Monroe Room A-D		7:30 am 8:00 am-9:00 am 9:00 am- 5:00 pm 5:00 pm- 9:00 pm 9:30 pm	Client Arrival Registration Seminar Sales and Wrap Up Client Departure	Est. Attendance: 100
	GRS Pops 2: <i>Disney in Concert</i>	DVPH  DVPH DVPH/Lyon Dock		1:30pm 2:00pm 2:30pm 3:00pm – 5:00pm 5:00pm – 8:00pm	Outside Doors Open Lobby Open Seating Open Performance Move Out	Est. Attendance: 1500
MON. NOV 7	2011 March of Dimes Signature Chef Auction	BALL A-D		12:00PM 2:00PM – 5:45PM 5:30PM	Client arrival Chef Move-in Doors	Attendance: 700

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# DEVOS PLACE

## REVISED WEEKLY - 2011

	SMG	DVPH	6:00PM 7:30PM - 10:00PM 10:00PM-12:00AM 8:30AM-5:30PM	Sampling starts Program Move-out Piano Maintenance	AK	
TUES. NOV 8	Calvin College Annual Scholarship Dinner	Ballroom A-D Ballroom A-D Lyon Dock Ballroom A-D Lyon Dock/Ballroom A-D Ballroom A-D Lyon Dock/Ballroom A-D Ballroom A-D Monroe Rooms Ballroom A-D Secchia Lobby Lyon Street/Welsh Lobby Ballroom/Secchia Ballroom/Secchia Ballroom A-D Ballroom A-D Ballroom A-D Ballroom A-D DVPH	8:00am 10:00am 10:00am 1:00pm 1:00pm 2:00pm 2:30pm 5:15pm 6:00pm 6:00pm 6:00pm-7:00pm 6:25pm 6:30pm 6:40pm 6:45pm 6:50pm 7:00pm-7:10pm 7:10pm-8:00pm 8:00pm-8:55pm 9:00pm 1:00pm - 5:00pm 7:30pm - 10:00pm	Production Load in Client Arrival Program Delivery Piano Tuning Special Occasions Linen Arrival Calvin Staff Arrival Florist Arrival Ensembles Sound Check Non-Scholarship Recipients Dinner Speakers Sound Check Reception Doors to A, B, C (Just Secchia Side) Students arrive Trumpets and Doors for Donors Woodwind Quartet String Quartet Welcome Dinner Program Production Load Out Move In Rehearsal	JL	Est. Attendance: 1300
WED. NOV 9	GRS Classical 3: <i>Beethoven's Ninth</i> <i>Symphony</i>	BALL AB DVPH	8:00AM-11:59PM 3:30pm - 6:00pm 7:30pm - 10:00pm	BANQUET Rehearsal Rehearsal	JH	
THURS. NOV 10	Ladies Weekend Expo	Exhibit Hall A Exhibit Hall A Exhibit Hall A	9:00am-4:00pm 3:00pm 4:00pm-8:00pm	Decorator Load In Client Arrival Vendor Load In	JL	
	Health Care Association of Michigan Tradeshow and Conference: Nadona	Ballroom AB Ballroom D Ballroom C Ballroom C Ballroom C Ballroom D Ballroom C Ballroom AB Ballroom AB Pre-function	6:45am 8:00am-2:00pm 8:00am-8:50am 8:50am-9:50am 10:10am-11:10am 11:30am-12:30pm 12:30pm-1:30pm 1:30pm-2:30pm 2:30pm-5:00pm 2:30pm-4:30pm	Client Arrival Vendor Load In Registration, Breakfast, General Assembly General Session (T1) General Session (T2) General Session (T3) Lunch General Session (T4) Exhibit Hall Open Case Studied and Poster Presentations	JL	Est. Attendance: 750

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# DEVOS-PLACE

## REVISED WEEKLY – 2011

		Ballroom AB	5:00pm-6:00pm	Vendor Load Out	
	INFORUM: MICHELE NORRIS	GG A-F	8:00AM-11:59PM	DINNER	RC
	GRS Classical 3: <i>Beethoven's Ninth Symphony</i>	DVPH	TBD Afternoon 7:30pm – 10:00pm	Mic Hang Rehearsal	JH
FRI. NOV 11	Ladies Weekend Expo	Exhibit Hall A Exhibit Hall A Exhibit Hall A Main Stage Main Stage	8:00am 8:00am-9:00am 10:00am-7:00pm 11:00am-3:00pm 11am, 12pm-4pm 6:00pm	Client Arrival Vendor Load In Show Hours Show Wide Scavenger Hunt Seminars Fashion Show	JL Est. Attendance: 5000
	VSA Arts of Michigan	Ballroom A Secchia Lobby	9:30 am 10:00am-3:30pm 6:00pm 6:30 pm 6:30pm – 8:30 pm 8:30 pm -9:00 pm 9:00 pm – 10:00pm 11:00 pm 11:30pm	Client Arrival/Volunteer Arrival Set Up Volunteer Arrival Event Begin / Registration Silent Auction/ Dinner Dessert / Program Live Auction Event Concludes Client Departure	JD Est. Attendance: 300
	WAECHTER FL 2011/BOBBIE CITRO EVENT	BALL B	8:00AM-11:59PM	GENERAL SESSION	JL
	GRS Classical 3: <i>Beethoven's Ninth Symphony</i>	Recital Hall DVPH  Recital Hall DVPH	5:30pm 6:30pm 6:45pm 7:00pm – 7:30pm 7:30pm 8:00pm – 9:45pm	Setup Outside Doors Open Lobby Open/Upbeat Open Upbeat Seating Open Performance	JH Est. Attendance: 1200
SAT. NOV 12	GLACUHO 2011	Business Center Grand Gallery A Grand Gallery B Grand Gallery C Grand Gallery A Grand Gallery B Business Center	12:30pm 1:00pm-4:45pm 1:00pm-4:45pm 1:00pm-6:00pm 6:00pm-10:00pm 6:00pm-10:00pm 10:30pm	Client Arrival Board of Directors Meeting Programming Committee Meeting MCI Board of Directors Meeting Programming Committee Meeting Client Departure	DA
	USMC BIRTHDAY BALL	BALL A WELSH	8:00AM-11:59PM 8:00AM-11:59PM	DINNER RECEPTION	JD
	Ladies Weekend Expo	Exhibit Hall A Exhibit Hall A Main Stage Exhibit Hall A Main Stage	9:00am 9:00am 10:00am-7:00pm 10:30, 11am, 12- 4pm 11:00am-3:00pm 6:00pm	Client Arrival Vendors Allowed in Hall Show Hours Seminars Show Wide Scavenger Hunt Fashion Show	JL Est. Attendance: 5000
	WAECHTER FL 2011/BOBBIE CITRO EVENT	BALL B	8:00AM-11:59PM	GENERAL SESSION	JL

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	GRS Classical 3: <i>Beethoven's Ninth Symphony</i>	Recital Hall DVPH	5:30pm 6:30pm 6:45pm 7:00pm - 7:30pm 7:30pm <b>8:00pm - 9:45pm</b> 9:45pm- 12:00am	Setup Outside Doors Open Lobby Open/Upbeat Open Upbeat Seating Open <b>Performance</b> Move Out	JH	Est. Attendance: 1200
SUN. NOV 13	Ladies Weekend Expo	Exhibit Hall A Exhibit Hall A Exhibit Hall A Main Stage Tea Area Exhibit Hall A	10:00am 10:00am <b>11:00am-5:00pm</b> 11:00am-3:00pm 11am, 12pm-4pm 1:00pm 5:30pm-10:00pm	Client Arrival Vendors Allowed in Hall <b>Show Hours</b> Show Wide Scavenger Hunt Seminars Afternoon Tea Vendor Load Out	JL	Est. Attendance: 5000
	GLACUHO 2011	Business Center GGO G, Overlook Pre-function GG Overlook H Chase Boardroom River Overlook Pre-Function Grand Gallery EF River Overlook A River Overlook B River Overlook C, D, E, F Chase Boardroom GG Overlook A-F, G, RO B Ballroom B GG AB, CD, EF, RO AB Secchia Lobby Ballroom A River Overlook C River Overlook D River Overlook AB Business Center	8:30am 9:00am-9:00pm 9:00am-9:00pm 9:00am-12:00pm 9:00am-5:00pm 9:00am-12:00am 10:00am-11:00am 10:00am-11:00am 11:15am-4:15pm 2:00pm-3:00pm 2:00pm-3:00pm 3:30pm-5:00pm 5:30pm-6:30pm 6:30pm-7:00pm 7:00pm-8:30pm 8:30pm-9:30pm 8:30pm-9:30pm 9:00pm-10:00pm 10:30pm	Client Arrival Learning On The Go Programming/Development Headquarters Board of Directors Meeting Info. Tables 2013 Conference Bids Case Study Judges Meeting Case Study Orientation Case Study Competition Financial Advisory Board Committee Meetings Conference Kickoff State Meetings Reception Opening Banquet CASHA Social Minority Mentoring Program Social Moderator Training Client Departure GENERAL SESSION	DA	Est. Attendance: 500
	WAECHTER FL 2011/BOBBIE CITRO EVENT	BALL B	8:00AM-11:59PM		JL	
	DRUMLINE LIVE!	DVPH	8AM-5PM 7PM-9PM 9PM-12AM	MOVE IN PERFORMANCE MOVE OUT	AK	
MON. NOV 14	2011 WINE & FOOD FESTIVAL	MON A-D	8:00AM-11:59PM	STORAGE	RC	
	GLACUHO 2011	Business Center Ballroom BCD Secchia Lobby Ballroom A River Overlook Pre-Function GGO G, Overlook Pre-function	7:30am 8:00am-5:00pm 8:00am-8:30am 8:30am-10:00am 9:00am-5:00pm 9:00am-9:00pm	Client Arrival Exhibitor Load In Business Meeting Check In Business Meeting Info. Tables Learning On The Go	DA	Est. Attendance: 500

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REVISED WEEKLY - 2011

		GG Overlook H GG Overlook A-H, RO A-F Off Site GG Overlook A-H, RO A-F Chase Boardroom Ballroom A Ballroom BCD Ballroom BCD Business Center	9:00am-9:00pm 10:15am-12:30pm 12:30pm-2:00pm 2:00pm-4:15pm 3:15pm-4:15pm 4:30pm-5:30pm 4:30pm-5:30pm 5:30pm-7:30pm 9:00pm	Programming/Development Headquarters Interest Sessions I & II Lunch Break Interest Sessions III & IV Exhibitor Advisory Board General Session Exhibitor Early Show (SHO/PA) Exhibitor Show/Drawings Client Departure	
	BROADWAY GR: WHITE CHRISTMAS	DVPH DVPH, LYON ST	TBD TBD	HOUSE STRIP MOVE IN	AK
TUES. NOV 15	2011 WINE & FOOD FESTIVAL	MON A-D	8:00AM-11:59PM	STORAGE	RC
	GLACUHO 2011	Business Center River Overlook Pre-Function GGO G, Overlook Pre-function GG Overlook H Ballroom BCD Ballroom BCD GG Overlook A-H, RO A-F Off Site GG Overlook A-H, RO A-F Chase Boardroom Grand Gallery C-F Ballroom A Business Center	7:30am 8:00am-5:00pm 9:00am-6:00pm 9:00am-6:00pm 8:00am-10:00am 10:00am-3:00pm 10:00am-12:15pm 12:15pm-2:00pm 2:00pm-4:15pm 2:00pm-3:00pm 4:30pm-5:30pm 6:00pm-8:30pm 10:00pm	Client Arrival Info. Tables Learning On The Go Programming/Development Headquarters Exhibitor Breakfast/Drawings Exhibitor Load Out Interest Sessions V & VI Lunch Break Interest Sessions VII & VIII Board Transition Meeting General Session - Past Presidents Closing Banquet Client Departure	DA Est. Attendance: 500
	BROADWAY GR: WHITE CHRISTMAS	DVPH, LYON ST DVPH	8AM-5PM 7:30PM-10PM	MOVE IN PERFORMANCE	AK
WED. NOV 16	2011 WINE & FOOD FESTIVAL	MON A-D BALL A-D	8:00AM-11:59PM 8:00AM-11:59PM	STORAGE SET UP	RC
	KENT GOP DINNER	RO LOBBY RO A-F EH C CHASE EH A	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 6:30AM- 2:00PM	VIP RECEPTION RECEPTION DINNER RECEPTION AREA GENERAL SESSION	DA JL
	MICHIGAN MERIT EXAM TRAINING WORKSHOP				
	BROADWAY GR: WHITE CHRISTMAS	DVPH	7:30PM-10PM	PERFORMANCE	AK
THURS. NOV 17	2011 WINE & FOOD FESTIVAL	MON A-D BALL A-D GG A-F GGO A-H RO LOBBY CHASE	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	STORAGE EXHIBIT BREAKOUT BREAKOUT RECEPTION	RC
	PETER MAC GREGOR				

## REVISED WEEKLY - 2011

	BROADWAY GR: <i>WHITE CHRISTMAS</i>	DVPH	7:30PM-10PM	PERFORMANCE	AK
FRI. NOV 18	2011 WINE & FOOD FESTIVAL	MON A-D BALL A-D GG A-F GGO A-H RO A	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-12:00PM	STORAGE EXHIBIT BREAKOUT BREAKOUT MEETING	RC
	CITY MANAGERS MEETING				RC
	BROADWAY GR: <i>WHITE CHRISTMAS</i>	DVPH	8PM-10PM	PERFORMANCE	AK
SAT. NOV 19	2011 WINE & FOOD FESTIVAL	MON A-D BALL A-D GG A-F GGO A-H	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	STORAGE EXHIBIT BREAKOUT BREAKOUT	RC
	BROADWAY GR: <i>WHITE CHRISTMAS</i>	DVPH	2PM-4:30PM 8PM-10:30PM	PERFORMANCE PERFORMANCE	AK
SUN. NOV 20	2011 WINE & FOOD FESTIVAL	MON A-D BALL A-D DVPH	8:00AM-11:59PM 8:00AM-11:59PM 1PM-3:30PM 6:30PM-9PM 9PM-4AM	STORAGE TEARDOWN PERFORMANCE PERFORMANCE MOVE OUT	RC AK
MON. NOV 21	2011 WINE & FOOD FESTIVAL	MON A-D DVPH, LYON ST	8:00AM-11:59PM	STORAGE	RC
	GR BALLET: <i>NUTCRACKER</i>	DVPH, LYON ST.	8AM-5PM 6:30PM-9:30PM	MOVE IN REHEARSAL	AK
TUES. NOV 22	GR BALLET: <i>NUTCRACKER</i>	DVPH	8AM-5PM 6:30PM-9:30PM	MOVE IN REHEARSAL	AK
	2011 WINE & FOOD FESTIVAL	MON A-D	8:00AM-11:59PM	STORAGE	RC
	SMG	GG	6:00AM-11:59PM	Applying floor finish	RS
WED. NOV 23	MEL TROTTER THANKSGIVING BANQUET	BALL A-D	8:00AM-11:59PM	SETUP	DA
	2011 WINE & FOOD FESTIVAL	MON A-D	8:00AM-11:59PM	STORAGE	RC
	GR BALLET: <i>NUTCRACKER</i>	DVPH	8AM-5PM 6:30PM-9:30PM	MOVE IN REHEARSAL	AK
THURS. NOV 24	MEL TROTTER THANKSGIVING BANQUET	BALL A-D BUS. CNTR MON A-D	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	LUNCH OFFICE STORAGE	DA RC

EH A-C = Exhibit Halls A-C

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

GGO A-H = Overlook Meeting Rooms A-H

BALL A-D = Ballroom A-D

RO A-F = River Overlook A-F

MON A-D = Monroe Meeting Rooms

DVPH = DeVos Performance Hall

# DEVOS-PLACE

## REVISED WEEKLY - 2011

	GR BALLET: <i>NUTCRACKER</i>	DVPH		DARK	
FRI. NOV 25	2011 WINE & FOOD FESTIVAL	MON A-D	8:00AM-11:59PM	STORAGE	RC
	GR BALLET: <i>NUTCRACKER</i>	DVPH	2PM-4PM 7:30PM-9:30PM	PERFORMANCE PERFORMANCE	AK
SAT. NOV 26	2011 WINE & FOOD FESTIVAL	MON A-D	8:00AM-11:59PM	STORAGE	RC
	GR BALLET: <i>NUTCRACKER</i>	DVPH	2PM-4PM 7:30PM-9:30PM	PERFORMANCE PERFORMANCE	AK
SUN. NOV 27	2011 WINE & FOOD FESTIVAL	MON A-D	8:00AM-11:59PM	STORAGE	RC
	GR BALLET: <i>NUTCRACKER</i>	DVPH DVPH, LYON ST.	2PM-4PM 5PM-9PM	PERFORMANCE MOVE OUT	AK
MON. NOV 28	BROADWAY GR: <i>LES MISERABLES</i>	DVPH DVPH, LYON ST.	TBD 3PM-12AM	HOUSE STRIP MOVE IN	AK