



# Agenda

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## Board of Directors

**Friday, November 4, 2016**  
**Following CAA Operations Committee Meeting**  
**Kent County Commission Chambers**  
**300 Monroe Avenue, NW, Grand Rapids, MI**

- |    |   |                   |
|----|---|-------------------|
| 1. | Call to Order   | Steve Heacock     |
| 2. | Van Andel Arena® 20 <sup>th</sup> Anniversary Recap               | Hilarie Szarowicz |
| 3. | Minutes of October 7, 2016  | Action            |
| 4. | Committee Reports   |                   |
|    | A. Operations Committee   | Information       |
|    | B. Finance Committee  |                   |
|    | i. Acceptance of September 2016 Consolidated Financial Statements | Action            |
|    | ii. SMG – Sept. 2016 Van Andel Arena® and DeVos Place® Financials | Information       |
|    | iii. First Quarter Capital Update (Roll)                          | Information       |
| 5. | SMG Report and Facilities Calendars                               | Rich MacKeigan    |
| 6. | Public Comment  |                   |
| 7. | Adjournment   |                   |

**Next Meeting Date: Friday, December 2, 2016**  
**Joint Meeting of CAA Board & Committees**  
**Van Andel Arena®**

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
MEETING OF BOARD OF DIRECTORS  
Friday, October 7, 2016**

Attendance

Members Present: Steve Heacock, Chairperson  
Rosalynn Bliss  
Lew Chamberlin  
Charlie Secchia  
Richard Winn

Members Absent: Birgit Klohs  
Floyd Wilson, Jr.

Staff/Others:	Tom Bennett	Experience Grand Rapids
	Daryl Delabbio	Kent County
	Tim Gortsema	Grand Rapids Griffins
	Diane Jones	Kent County
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Doug Small	Experience Grand Rapids
	Greg Sundstrom	City of Grand Rapids
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Richard Wendt	Dickinson Wright
	Robert White	CAA

**1. Call to Order**

Chair Heacock called the meeting to order at 9:15 a.m. Secretary/Treasurer Richard Winn recorded the meeting minutes.

**2. Minutes of Prior Meetings**

*Motion by Ms. Bliss, support by Mr. Winn, to approve the August 5, 2016, Minutes. Motion carried.*

**3. Committee Reports**

**A. Operations Committee**

Mr. Chamberlin stated that he had nothing to add.

**B. Finance Committee**

i. Acceptance of August 2016 Consolidated Financial Statements

Mr. White presented the consolidated financial report for the period ended August 31, 2016. A look at the financial dashboard shows that the Arena hosted 6 concerts that generated \$702,417 in event revenue, an increase of 44.3% from prior year (5 concerts) of \$486,790. Net proceeds of \$528,282 increased by 134.5% from prior year of \$225,302. Convention/trade show business at DeVos Place ® generated

\$360,414 in event revenue, a decrease of (25.8%) from prior year of \$486,049. Attendance was down from 35,460 to 24,285. Net proceeds of (\$140,351), increased by 47.1% from prior year proceeds of (\$265,078).

*Motion: Mr. Winn, supported by Mr. Chamberlin, moved to accept the August 2016 Consolidated Financial Statements. Motion carried.*

ii. SMG August 2016 Van Andel Arena® and DeVos Place®  
Financial Statements

Mr. Machuta reported that August was a very successful month for the Van Andel Arena®, which hosted very strong concerts that included Journey, Dolly Parton, Kiss, Paul McCartney, and Blink 182. Chair Heacock asked for an analysis of the industry. Mr. MacKeigan responded that he intended to have a promoter or a TicketMaster representative to speak to the issue. DeVos Place® performed very consistently with budget and, through two months, is at expected levels and running very comparable to prior year.

iii. DeVos Place®/Area #2 Parking Facilities Financial/Contracts Overview

The overview was included in the agenda packet as an information item. Mr. White reviewed the parking rates, history of operating income, and the number of monthly passes issued at both the Area #2 and DeVos Place® parking ramps. A brief discussion took place regarding the number of passes issued to the City and County at the DeVos Place® parking ramp and the possible future need to limit the quantity. Both Daryl Delabbio and Greg Sundstrom expressed that they are aware of the importance that parking availability at DeVos Place is an important factor to the continued success of the venue and that they are willing to work with the CAA in a variety of ways including relocating staff that park there, limiting their access and/or a cap on the number of parking spaces used.

**4. SMG Report and Facilities Calendars**

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

**5. Public Comment**

None.

**6. Adjournment**

The meeting adjourned at 9:35 a.m.

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Richard A. Winn, Recording Secretary

**Grand Rapids-Kent County  
Convention/Arena Authority  
Consolidated Financial Report  
September 30, 2016**

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**Financial Dashboard  
Year-To-Date (3 Months)  
FY2017  
September 30, 2016**

<b>Van Andel Arena®</b>						
	<b>All Events</b>			<b>Concert</b>		
	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>
Events	14	8	11	7	7	8
Attendance	69,831	53,000	73,744	53,986	49,000	68,119
Event Income	\$ 690,373	\$ 584,585	\$ 985,091	\$ 668,513	\$ 531,195	\$ 902,152
<b>DeVos Place®</b>						
	<b>All Events</b>			<b>Convention/Trade</b>		
	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>
Events	85	74	81	35	33	33
Attendance	74,083	70,875	61,350	39,960	33,000	28,810
Event Income	\$ 991,545	\$ 1,014,344	\$ 871,614	\$ 589,537	\$ 628,650	\$ 427,969
				<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>
				\$ (60,293)	\$ (378,373)	\$ (29,148)
				(969,174)	(619,629)	(658,882)
				\$ (1,029,467)	\$ (998,002)	\$ (688,030)

\*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2016\*

\$ 22,254,841

**Grand Rapids-Kent County Convention/Arena Authority**  
**Summary by Facility/Other**  
**Fiscal Year Ending June 30, 2017**

	FY 2017				FY 2016
	7/1 - 9/30 Year-to-Date	Roll	Estimate	Budget	Prior Year <sup>(1)</sup>
<b>Van Andel Arena</b>					
Operating - Revenues	\$ 1,653,419	\$ 3,959,319	\$ 5,612,738	\$ 5,470,265	\$6,275,074
- Expenses - Facilities	(1,081,975)	(3,163,305)	(4,245,280)	(4,245,108)	(4,331,897)
- Base Management Fees	(43,415)	(130,246)	(173,661)	(173,833)	(171,942)
- Incentive Fee	-	(94,189)	(94,189)	(78,017)	(116,533)
Net Operating Income (Loss)	528,029	571,579	1,099,608	973,307	1,654,702
Parking	31,768	273,762	305,530	305,530	197,352
Pedestrian Safety	(10,310)	(89,690)	(100,000)	(91,960)	(98,078)
<b>Net Proceeds (Cost) of VAA</b>	<b>549,487</b>	<b>755,651</b>	<b>1,305,138</b>	<b>1,186,877</b>	<b>1,753,976</b>
<b>DeVos Place Convention Center</b>					
Operating - Revenues	880,674	4,997,313	5,877,987	5,779,735	6,840,070
- Expenses - Facilities	(1,384,478)	(4,420,667)	(5,805,145)	(5,804,973)	(5,917,324)
- Base Management Fees	(43,415)	(130,246)	(173,661)	(173,833)	(171,942)
- Incentive Fee	-	(253,133)	(253,133)	(269,649)	(227,351)
Net Operating Income (Loss)	(547,219)	193,267	(353,952)	(468,720)	523,453
Parking	120,199	935,350	1,055,549	1,055,549	1,006,026
Pedestrian Safety	(1,942)	(53,060)	(55,002)	(55,002)	(55,314)
<b>Net Proceeds (Cost) of DVP</b>	<b>(428,962)</b>	<b>1,075,557</b>	<b>646,595</b>	<b>531,827</b>	<b>1,474,165</b>
<b>Other</b>					
Revenues	18,456	190,358	208,814	208,814	335,839
Expenses	(168,129)	(800,530)	(968,659)	(968,659)	(825,979)
Net Other	(149,673)	(610,172)	(759,845)	(759,845)	(490,140)
		-			
<b>Total Net Proceeds/Operating</b>	<b>(29,148)</b>	<b>1,221,036</b>	<b>1,191,888</b>	<b>958,859</b>	<b>2,738,001</b>
Capital Expenditures	(658,882)	(1,912,607)	(2,571,489)	(2,532,236)	(2,379,484)
<b>Results Net of Capital Expenditures</b>	<b>\$ (688,030)</b>	<b>\$ (691,571)</b>	<b>\$ (1,379,601)</b>	<b>\$ (1,573,377)</b>	<b>\$ 358,517</b>

Notes:

<sup>(1)</sup> Preliminary, subject to audit.

**Grand Rapids-Kent County Convention/Arena Authority**  
**Budget Summary by Facility/Other**  
**Financial Trends for Year Ending June 30, 2017**

	Annual			Year-To-Date		
	FY 2016 Final <sup>(2)</sup>	FY 2017 Budget	Percentage Change	FY 2016 7/1 - 9/30	FY 2017 7/1 - 9/30	Percentage Change
<b>Van Andel Arena</b>						
Operating - Revenues	\$6,275,074	\$ 5,470,265	(12.8)	\$ 1,292,113	\$ 1,653,419	28.0
- Expenses - Facilities	(4,331,897)	(4,245,108)	2.0	(951,320)	(1,081,975)	(13.7)
- Base Management Fees	(171,942)	(173,833)	(1.1)	(42,943)	(43,415)	(1.1)
- Incentive Fee	(116,533)	(78,017)	33.1	-	-	-
Net Operating Income (Loss)	1,654,702	973,307	(41.2)	297,850	528,029	77.3
Parking	197,352	305,530	54.8	35,604	31,768	(10.8)
Pedestrian Safety	(98,078)	(91,960)	6.2	(5,718)	(10,310)	(80.3)
<b>Net Proceeds (Cost) of VAA</b>	<b>1,753,976</b>	<b>1,186,877</b>	<b>(32.3)</b>	<b>327,736</b>	<b>549,487</b>	<b>67.7</b>
<b>DeVos Place Convention Center</b>						
Operating - Revenues	6,840,070	5,779,735	(15.5)	1,000,835	880,674	(12.0)
- Expenses - Facilities	(5,917,324)	(5,804,973)	1.9	(1,298,333)	(1,384,478)	(6.6)
- Base Management Fees	(171,942)	(173,833)	(1.1)	(42,943)	(43,415)	(1.1)
- Incentive Fee	(227,351)	(269,649)	(18.6)	-	-	-
Net Operating Loss	523,453	(468,720)	(189.5)	(340,441)	(547,219)	(60.7)
Parking	1,006,026	1,055,549 <sup>(1)</sup>	4.9	84,511	120,199	42.2
Pedestrian Safety	(55,314)	(55,002)	0.6	(3,189)	(1,942)	39.1
<b>Net Proceeds (Cost) of DVP</b>	<b>1,474,165</b>	<b>531,827</b>	<b>(63.9)</b>	<b>(259,119)</b>	<b>(428,962)</b>	<b>(65.5)</b>
<b>Other</b>						
Revenues	335,839	208,814	(37.8)	20,762	18,456	(11.1)
Expenses	(825,979)	(968,659)	(17.3)	(149,672)	(168,129)	(12.3)
Net Other	(490,140)	(759,845)	(55.0)	(128,910)	(149,673)	(16.1)
<b>Total Net Proceeds/Operating</b>	<b>2,738,001</b>	<b>958,859</b>	<b>(65.0)</b>	<b>(60,293)</b>	<b>(29,148)</b>	<b>51.7</b>
Capital/Repair Expenditures	(2,379,484)	(2,532,236) <sup>(1)</sup>	(6.4)	(969,174)	(658,882)	32.0
<b>Results Net of Capital Expenditures</b>	<b>\$358,517</b>	<b>\$ (1,573,377)</b>	<b>\$ (538.9)</b>	<b>\$ (1,029,467)</b>	<b>\$ (688,030)</b>	<b>33.2</b>

Notes:

<sup>(1)</sup> Includes July budget amendments to a) increase DVP event rate (\$+73,501) and b) provide additional (\$232,236) capital for DVP parking equipment changes.

<sup>(2)</sup> Preliminary, subject to audit.

## Significant Notes

### Van Andel Arena®

- Page 1 - Eight concerts generated \$902,152 in event revenue, an increase of +34.9% from prior year (7 concerts) of \$668,513.
- Page 3 - Net proceeds, of \$549,487 increased by +67.7% from prior year of \$327,736.

### DeVos Place®

- Page 1 - Convention/trade show business generated \$427,969 in event revenue, a decrease of (27.4%) from prior year (attendance down from 39,960 to 28,810) of \$589,537.
- Page 3 - Net "proceeds," (deficit) of (\$428,962), increased by (65.5%) from prior year "proceeds" of (\$259,11



VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2017

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	11	90	101	99	2
ATTENDANCE	73,744	506,100	579,844	562,100	17,744
DIRECT EVENT INCOME	441,244	958,750	1,399,994	1,315,000	84,994
ANCILLARY INCOME	293,529	1,043,969	1,337,498	1,252,915	84,583
OTHER EVENT INCOME	250,318	390,500	640,818	631,000	9,818
<b>TOTAL EVENT INCOME</b>	<b>985,091</b>	<b>2,393,219</b>	<b>3,378,310</b>	<b>3,198,915</b>	<b>179,395</b>
TOTAL OTHER INCOME	668,328	1,566,100	2,234,428	2,271,350	(36,922)
<b>TOTAL INCOME</b>	<b>1,653,419</b>	<b>3,959,319</b>	<b>5,612,738</b>	<b>5,470,265</b>	<b>142,473</b>
INDIRECT EXPENSES					
EXECUTIVE	52,446	157,826	210,272	210,272	-
FINANCE	55,391	187,011	242,402	242,402	-
MARKETING	86,645	198,515	285,160	285,160	-
OPERATIONS	468,129	1,389,441	1,857,570	1,857,570	-
BOX OFFICE	40,313	121,459	161,772	161,772	-
LUXURY SEATING	11,054	71,382	82,436	82,436	-
SKYWALK ADMIN	9,431	44,229	53,660	53,660	-
OVERHEAD	401,982	1,123,687	1,525,669	1,525,669	-
<b>TOTAL INDIRECT EXP.</b>	<b>1,125,390</b>	<b>3,293,550</b>	<b>4,418,941</b>	<b>4,418,941</b>	<b>-</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>528,029</b>	<b>665,769</b>	<b>1,193,797</b>	<b>1,051,324</b>	<b>142,473</b>
LESS INCENTIVE FEE		94,189	94,189	78,017	(16,172)
<b>NET REVENUE ABOVE EXPENSES AFTER INCENTIVE</b>	<b>528,029</b>	<b>571,580</b>	<b>1,099,608</b>	<b>973,307</b>	<b>126,301</b>

Comments:

September was a slower month as only three events were hosted, however, the small banquet and both concerts hosted performed well.

This concludes a very successful first quarter of the fiscal year which puts the arena in a very good position to finish the year with a bottom line in excess of budget.

Expenses are trending with budget and no revision has been made.

**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR FISCAL YEAR ENDING JUNE 30, 2017**

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>	September Actual	September Budget	September FY 2016
Number of Events	3	2	9
Attendance	15,733	14,000	32,102
Direct Event Income	\$91,779	\$73,500	\$97,400
Ancillary Income	55,879	35,270	64,397
Other Event Income	54,427	43,000	41,788
Other Operating Income	170,197	169,376	190,178
Indirect Expenses	(372,545)	(368,245)	(289,623)
Net Income	(\$263)	(\$47,099)	\$104,140

<b>YTD</b>	YTD 2017 Actual	YTD 2017 Budget	YTD 2016 Prior Year
Number of Events	11	8	14
Attendance	73,744	53,000	69,831
Direct Event Income	\$441,244	\$285,250	\$341,254
Ancillary Income	293,529	136,835	207,402
Other Event Income	250,318	162,500	141,717
Other Operating Income	668,328	557,920	601,740
Indirect Expenses	(1,125,390)	(1,104,735)	(994,263)
Net Income	\$528,029	\$37,770	\$297,850

**EVENT INCOME**

Direct event income came in ahead of budget overall as the Avenged Sevenfold and Kanye West concerts both sold very well.

**ANCILLARY INCOME**

Ancillary income came in ahead of budget and per cap spending for the concerts hosted was very strong.

**INDIRECT EXPENSES**

Indirect expenses came in at budgeted levels for the month and continue to do so for the fiscal year.

DE VOS PLACE  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2017

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	81	381	462	454	8
ATTENDANCE	61,350	455,600	516,950	535,750	(18,800)
DIRECT EVENT INCOME	412,735	2,611,804	3,024,539	2,953,900	70,639
ANCILLARY INCOME	374,970	2,076,982	2,451,952	2,411,335	40,617
OTHER EVENT INCOME	83,909	285,587	369,496	382,500	(13,004)
		-			
<b>TOTAL EVENT REVENUE</b>	<b>871,614</b>	<b>4,974,373</b>	<b>5,845,987</b>	<b>5,747,735</b>	<b>98,252</b>
TOTAL OTHER REVENUE	9,060	22,940	32,000	32,000	-
<b>TOTAL OPERATING REVENUE</b>	<b>880,674</b>	<b>4,997,313</b>	<b>5,877,987</b>	<b>5,779,735</b>	<b>98,252</b>
INDIRECT EXPENSES					
EXECUTIVE	60,733	148,541	209,274	209,274	-
FINANCE	68,779	197,667	266,446	266,446	-
MARKETING	15,868	112,312	128,180	128,180	-
OPERATIONS	325,204	1,240,353	1,565,557	1,565,557	-
EVENT SERVICES	256,714	883,117	1,139,831	1,139,831	-
BOX OFFICE	34,673	67,117	101,790	101,790	-
SALES	102,924	319,022	421,946	421,946	-
OVERHEAD	562,999	1,582,784	2,145,783	2,145,783	-
<b>TOTAL OPERATING EXP.</b>	<b>1,427,893</b>	<b>4,550,913</b>	<b>5,978,806</b>	<b>5,978,806</b>	<b>-</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>(547,219)</b>	<b>446,400</b>	<b>(100,819)</b>	<b>(199,071)</b>	<b>98,252</b>
INCENTIVE FEE		253,133	253,133	269,649	16,516
<b>NET OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>(547,219)</b>	<b>193,267</b>	<b>(353,952)</b>	<b>(468,720)</b>	<b>114,768</b>

Comments:

DeVos Place concludes the first quarter of the fiscal year consistent overall with budget and behind prior year. The forecast calls for a nominal increase above budget, however, for continued tracking behind prior year.

Expenses continue to come in consistent overall and not change has been made to the forecast.

**DE VOS PLACE  
FINANCIAL STATEMENT HIGHLIGHTS  
FISCAL YEAR ENDING JUNE 30, 2017**

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>	September Actual	September Budget	September FY 2016
Number of Events	32	32	33
Attendance	18,036	28,500	31,491
Direct Event Income	\$132,764	\$187,374	\$176,320
Ancillary Income	122,791	194,132	173,058
Other Event Income	11,634	11,000	49,816
Other Operating Income	3,189	2,666	4,317
Indirect Expenses	(539,266)	(498,235)	(449,002)
Net Income	(\$268,888)	(\$103,063)	(\$45,491)

<b>YTD</b>	YTD 2017 Actual	YTD 2017 Budget	YTD 2016 Prior Year
Number of Events	81	74	85
Attendance	61,350	70,875	74,083
Direct Event Income	\$412,735	\$473,836	\$518,160
Ancillary Income	374,970	487,508	411,074
Other Event Income	83,909	53,000	62,311
Other Operating Income	9,060	7,998	9,290
Indirect Expenses	(1,427,893)	(1,494,705)	(1,341,276)
Net Income	(\$547,219)	(\$472,363)	(\$340,441)

**EVENT INCOME**

Event income came in short of both budget and prior year. Main difference in year to year was the timing of the Broadway schedule with a full week run which shifted to October current year.

**ANCILLARY INCOME**

Ancillary income came in below budget for the month as spending in most areas fell below expectations. The budget for the month was too aggressive for the events hosted and year to year performance has been consistent.

**INDIRECT EXPENSES**

Indirect expenses continue to come in at expected levels overall for the month and fiscal year as a whole.

**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative Accounts**  
**Net Other Detail**  
**September 30, 2016**

	<b>Annual</b>			<b>Actual</b>		
	<b>FY 2016 Final<sup>(3)</sup></b>	<b>FY 2017 Budget</b>	<b>Percentage Change</b>	<b>FY 2016 7/1-9/30</b>	<b>FY 2017 7/1-9/30</b>	<b>Percentage Change</b>
Other						
Revenues						
Interest/Capital Contr.	\$ 168,454	\$ 154,358	(8.3)	\$ 17,682	\$ 12,200	(31.0)
Miscellaneous	167,385 <sup>(1)</sup>	54,456	(67.5)	3,080	6,256	103.1
	<u>335,839</u>	<u>- 208,814</u>	<u>(37.8)</u>	<u>20,762</u>	<u>18,456</u>	<u>(11.1)</u>
Expenses						
Marketing (CVB/Sports)	125,000	125,000	-	-	50,000	100.0+
Diversity Initiative	202,401 <sup>(2)</sup>	150,000	(25.9)	91,648	7,879	(91.4)
Wages/Benefits	119,059	124,425	4.5	16,680	18,320	9.8
Marketing Campaign	-	200,000	+100.0	-	-	-
Professional Services	62,910	59,900	(4.8)	8,914	27,044	203.4
DID Assessment	53,269	54,335	2.0	-	38,405	100.0+
Food & Beverage Repairs	46,890	40,000	(14.7)	-	-	-
Consulting Services	122,985	72,701	(40.9)	-	-	-
Landscaping	19,514	30,000	53.7	-	-	-
Procurement of Art	29,822	30,000	0.6	8,551	1,542	(82.0)
Insurance	21,861	22,298	2.0	21,861	22,496	2.9
Supplies/Other	22,268	60,000	169.4	2,018	2,443	21.1
	<u>825,979</u>	<u>968,659</u>	<u>17.3</u>	<u>149,672</u>	<u>168,129</u>	<u>12.3</u>
Net Proceeds - Operating	<u>\$ (490,140)</u>	<u>\$ (759,845)</u>	<u>(55.0)</u>	<u>\$ (128,910)</u>	<u>\$ (149,673)</u>	<u>(16.1)</u>

Notes:

- <sup>(1)</sup> Includes \$112,930 in FY 2016 from Broadway Grand Rapids.
- <sup>(2)</sup> Includes \$77,011 FY 2015 carry-forward for Pepe Anguilar concert sponsorship.
- <sup>(3)</sup> Preliminary, subject to audit.

# DEVOS PLACE

## DE VOS PLACE

FINANCIAL STATEMENT  
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

Distribution:

Grand Rapids – KentCounty Convention / Arena Authority  
Robert White  
Harry Cann  
Hope Parkin  
Howard Feldman  
Richard MacKeigan  
Chris Machuta



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*An SMG Managed Facility*

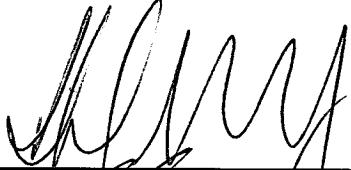
DE VOS PLACE  
 ROLLING FORECAST  
 FISCAL YEAR ENDING JUNE 30, 2017


	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	81	381	462	454	8
ATTENDANCE	61,350	455,600	516,950	535,750	(18,800)
DIRECT EVENT INCOME	412,735	2,611,804	3,024,539	2,953,900	70,639
ANCILLARY INCOME	374,970	2,076,982	2,451,952	2,411,335	40,617
OTHER EVENT INCOME	83,909	285,587	369,496	382,500	(13,004)
TOTAL EVENT REVENUE	871,614	4,974,373	5,845,987	5,747,735	98,252
TOTAL OTHER REVENUE	9,060	22,940	32,000	32,000	-
TOTAL OPERATING REVENUE	880,674	4,997,313	5,877,987	5,779,735	98,252
INDIRECT EXPENSES					
EXECUTIVE	60,733	148,541	209,274	209,274	-
FINANCE	68,779	197,667	266,446	266,446	-
MARKETING	15,868	112,312	128,180	128,180	-
OPERATIONS	325,204	1,240,353	1,565,557	1,565,557	-
EVENT SERVICES	256,714	883,117	1,139,831	1,139,831	-
BOX OFFICE	34,673	67,117	101,790	101,790	-
SALES	102,924	319,022	421,946	421,946	-
OVERHEAD	562,999	1,582,784	2,145,783	2,145,783	-
TOTAL OPERATING EXP.	1,427,893	4,550,913	5,978,806	5,978,806	-
NET REVENUE ABOVE EXPENSES	(547,219)	446,400	(100,819)	(199,071)	98,252
INCENTIVE FEE		253,133	253,133	269,649	16,516
NET OPERATING REVENUE OVER OPERATING EXPENSES	(547,219)	193,267	(353,952)	(468,720)	114,768

Comments:

DeVos Place concludes the first quarter of the fiscal year consistent overall with budget and behind prior year. The forecast calls for a nominal increase above budget, however, for continued tracking behind prior year.

Expenses continue to come in consistent overall and not change has been made to the forecast.

  
 General Manager

  
 Finance Director

**DE VOS PLACE  
FINANCIAL STATEMENT HIGHLIGHTS  
FISCAL YEAR ENDING JUNE 30, 2017**

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>	September Actual	September Budget	September FY 2016
Number of Events	32	32	33
Attendance	18,036	28,500	31,491
Direct Event Income	\$132,764	\$187,374	\$176,320
Ancillary Income	122,791	194,132	173,058
Other Event Income	11,634	11,000	49,816
Other Operating Income	3,189	2,666	4,317
Indirect Expenses	(539,266)	(498,235)	(449,002)
Net Income	(\$268,888)	(\$103,063)	(\$45,491)

<b>YTD</b>	YTD 2017 Actual	YTD 2017 Budget	YTD 2016 Prior Year
Number of Events	81	74	85
Attendance	61,350	70,875	74,083
Direct Event Income	\$412,735	\$473,836	\$518,160
Ancillary Income	374,970	487,508	411,074
Other Event Income	83,909	53,000	62,311
Other Operating Income	9,060	7,998	9,290
Indirect Expenses	(1,427,893)	(1,494,705)	(1,341,276)
Net Income	(\$547,219)	(\$472,363)	(\$340,441)

**EVENT INCOME**

Event income came in short of both budget and prior year. Main difference in year to year was the timing of the Broadway schedule with a full week run which shifted to October current year.

**ANCILLARY INCOME**

Ancillary income came in below budget for the month as spending in most areas fell below expectations. The budget for the month was too aggressive for the events hosted and year to year performance has been consistent.

**INDIRECT EXPENSES**

Indirect expenses continue to come in at expected levels overall for the month and fiscal year as a whole.



**DeVos Place**  
**Income Statement**  
**For the Three Months Ending September 30, 2016**

	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	\$149,149	\$210,700	(\$61,551)	\$177,433	\$477,119	\$530,400	(\$53,281)	\$573,472
Service Revenue	112,787	136,050	(23,263)	250,255	383,260	386,825	(3,565)	490,596
Service Expenses	(129,172)	(159,376)	30,204	(251,368)	(447,644)	(443,389)	(4,255)	(545,908)
<b>Total Direct Event Income</b>	<b>132,764</b>	<b>187,374</b>	<b>(54,610)</b>	<b>176,320</b>	<b>412,735</b>	<b>473,836</b>	<b>(61,101)</b>	<b>518,160</b>
<b>Ancillary Income</b>								
F&B Concession	8,305	7,831	474	8,565	28,396	24,184	4,212	25,045
F&B Catering	45,487	72,600	(27,113)	66,418	134,754	175,875	(41,121)	136,564
Novelty Sales	511	500	11	3,320	10,634	3,500	7,134	3,828
Booth Cleaning	7,592	25,331	(17,739)	8,631	41,521	66,059	(24,538)	44,513
Telephone/Long Distance	0	0	0	0	563	0	563	450
Electrical Services	21,317	33,250	(11,933)	25,460	52,462	86,175	(33,713)	58,535
Audio Visual	16,967	29,970	(13,003)	33,249	57,810	70,365	(12,555)	76,437
Internet Services	5,975	9,550	(3,575)	9,022	17,984	24,050	(6,066)	22,614
Equipment Rental	16,637	15,100	1,537	18,393	30,846	37,300	(6,454)	43,088
<b>Total Ancillary Income</b>	<b>122,791</b>	<b>194,132</b>	<b>(71,341)</b>	<b>173,058</b>	<b>374,970</b>	<b>487,508</b>	<b>(112,538)</b>	<b>411,074</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	11,634	11,000	634	49,816	83,909	53,000	30,909	62,311
<b>Total Other Event Income</b>	<b>11,634</b>	<b>11,000</b>	<b>634</b>	<b>49,816</b>	<b>83,909</b>	<b>53,000</b>	<b>30,909</b>	<b>62,311</b>
<b>Total Event Income</b>	<b>267,189</b>	<b>392,506</b>	<b>(125,317)</b>	<b>399,194</b>	<b>871,614</b>	<b>1,014,344</b>	<b>(142,730)</b>	<b>991,545</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	1,353	1,333	20	2,517	4,058	3,999	59	5,170
Other Income	1,836	1,333	503	1,800	5,002	3,999	1,003	4,120
<b>Total Other Operating Income</b>	<b>3,189</b>	<b>2,666</b>	<b>523</b>	<b>4,317</b>	<b>9,060</b>	<b>7,998</b>	<b>1,062</b>	<b>9,290</b>
<b>Adjusted Gross Income</b>	<b>270,378</b>	<b>395,172</b>	<b>(124,794)</b>	<b>403,511</b>	<b>880,674</b>	<b>1,022,342</b>	<b>(141,668)</b>	<b>1,000,835</b>
<b>Operating Expenses</b>								
Salaries and Wages	257,807	289,370	(31,563)	255,018	651,335	868,110	(216,775)	664,779
Payroll Taxes and Benefits	61,291	94,847	(33,556)	73,418	199,742	284,541	(84,799)	200,985
Labor Allocations to Events	(94,183)	(178,739)	84,556	(168,252)	(274,642)	(536,217)	261,575	(363,922)
<b>Net Salaries and Benefits</b>	<b>224,915</b>	<b>205,478</b>	<b>19,437</b>	<b>160,184</b>	<b>576,435</b>	<b>616,434</b>	<b>(39,999)</b>	<b>501,842</b>
Contracted Services	37,943	21,025	16,918	30,854	102,716	63,075	39,641	83,647
General and Administrative	29,746	30,739	(993)	29,074	83,179	92,217	(9,038)	84,873
Operations	26,682	11,571	15,111	39,208	34,069	34,713	(644)	50,990
Repair and Maintenance	44,763	44,100	663	45,361	88,010	132,300	(44,290)	105,629
Operational Supplies	13,367	21,725	(8,358)	9,398	47,235	65,175	(17,940)	50,465
Insurance	12,565	20,544	(7,979)	15,418	39,397	61,632	(22,235)	43,834
Utilities	134,527	128,567	5,960	105,191	413,437	385,701	27,736	377,053
SMG Management Fees	14,758	14,486	272	14,314	43,415	43,458	(43)	42,943
<b>Total Operating Expenses</b>	<b>539,266</b>	<b>498,235</b>	<b>41,031</b>	<b>449,002</b>	<b>1,427,893</b>	<b>1,494,705</b>	<b>(66,812)</b>	<b>1,341,276</b>
<b>Net Income(Loss) From Operations</b>	<b>(268,888)</b>	<b>(103,063)</b>	<b>(165,825)</b>	<b>(45,491)</b>	<b>(547,219)</b>	<b>(472,363)</b>	<b>(74,856)</b>	<b>(340,441)</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>(268,888)</b>	<b>(103,063)</b>	<b>(165,825)</b>	<b>(45,491)</b>	<b>(547,219)</b>	<b>(472,363)</b>	<b>(74,856)</b>	<b>(340,441)</b>

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**SMG DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Year to Date Event Summary Report**  
**For the Three Months Ended September 30, 2016**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	33	33	28,810	33,000	427,969	628,650
Consumer/Gated Shows	2	3	1,162	5,625	16,045	28,377
DeVos Performance Hall	17	12	20,842	16,000	228,702	168,800
Banquets	1	1	800	650	21,462	10,177
Meetings	16	16	3,325	4,800	129,384	112,496
Other	12	9	6,411	10,800	48,050	65,844
<b>GRAND TOTALS</b>	<b>81</b>	<b>74</b>	<b>61,350</b>	<b>70,875</b>	<b>871,614</b>	<b>1,014,344</b>

As Percentage of Overall

Convention/Trade Shows	40.74%	44.59%	46.96%	46.56%	49.10%	61.98%
Consumer/Gated Shows	2.47%	4.05%	1.89%	7.94%	1.84%	2.80%
Devos Performance Hall	20.99%	16.22%	33.97%	22.57%	26.24%	16.64%
Ballroom Exclusive	1.23%	1.35%	1.30%	0.92%	2.46%	1.00%
Meetings	19.75%	21.62%	5.42%	6.77%	14.84%	11.09%
Other	14.81%	12.16%	10.45%	15.24%	5.51%	6.49%

**DeVos Place**  
**Balance Sheet**  
**As of September 30, 2016**

**ASSETS**

**Current Assets**

Cash	1,914,627
Account Receivable	1,210,562
Prepaid Expenses	26,663

**Total Current Assets** ----- **\$3,151,852**

**Total Assets** ----- **\$3,151,852**  
=====

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	148,245
Accrued Expenses	493,656
Deferred Income	110,229
Advanced Ticket Sales & Deposits	2,162,590

**Total Current Liabilities** ----- **\$2,914,720**

**Other Liabilities**

**Equity**

Funds Remitted to CAA	(325,568)
Expenses Paid Direct by CAA	414,011
Beginning Balance Equity	695,910
Current Year Equity	(547,220)

**Total Equity** ----- **\$237,133**

**Total Liabilities and Equity** ----- **\$3,151,852**  
=====

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**SMG - DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of September 30, 2016**

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Current - Under 30 Days	
Food & Beverage	118,105
Ticketing	628,140
Merchandise	-
Decorating	7,592
Audio/Visual	16,967
Van Andel Arena	107,173
Operating	242,838
Over 30 Days	67,503
Over 60 Days	22,244
Over 90 Days	
Total Accounts Receivable	1,210,562

**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2017**

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2016 Atual
Net Revenue above Expenses	1,193,797	(100,819)	1,092,978	2,587,422
Benchmark ++			750,000	750,000
Excess	1,193,797	(100,819)	342,978	1,772,039
Incentive Fee Calculation (Only if above greater than zero)				
	Arena Actual	DeVos Place Actual	Total Actual	Total Est./Unaudited
Base Fee	173,661	173,661	347,322	343,884
Incentive Fee				
Revenue	5,612,738	5,877,987	11,490,725	13,230,701
Benchmark Revenue	5,100,000	4,500,000	9,600,000	9,500,000
Revenue Excess	512,738	1,377,987	1,890,725	3,615,144
Incentive Fee **	94,189	253,133	347,322	343,884
Total SMG Management Fee	<u>267,850</u>	<u>426,794</u>	<u>694,644</u>	<u>687,768</u>

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

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



# VAN ANDEL ARENA

FINANCIAL STATEMENT  
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

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



Distribution:

Grand Rapids – KentCounty Convention / Arena Authority  
Robert White  
Harry Cann  
Hope Parkin  
Howard Feldman  
Richard MacKeigan  
Chris Machuta



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*An SMG Managed Facility*

VAN ANDEL ARENA  
 ROLLING FORECAST  
 FISCAL YEAR ENDING JUNE 30, 2017

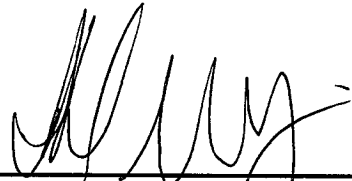
	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	11	90	101	99	2
ATTENDANCE	73,744	506,100	579,844	562,100	17,744
DIRECT EVENT INCOME	441,244	958,750	1,399,994	1,315,000	84,994
ANCILLARY INCOME	293,529	1,043,969	1,337,498	1,252,915	84,583
OTHER EVENT INCOME	250,318	390,500	640,818	631,000	9,818
<b>TOTAL EVENT INCOME</b>	<b>985,091</b>	<b>2,393,219</b>	<b>3,378,310</b>	<b>3,198,915</b>	<b>179,395</b>
TOTAL OTHER INCOME	668,328	1,566,100	2,234,428	2,271,350	(36,922)
<b>TOTAL INCOME</b>	<b>1,653,419</b>	<b>3,959,319</b>	<b>5,612,738</b>	<b>5,470,265</b>	<b>142,473</b>
<b>INDIRECT EXPENSES</b>					
EXECUTIVE	52,446	157,826	210,272	210,272	-
FINANCE	55,391	187,011	242,402	242,402	-
MARKETING	86,645	198,515	285,160	285,160	-
OPERATIONS	468,129	1,389,441	1,857,570	1,857,570	-
BOX OFFICE	40,313	121,459	161,772	161,772	-
LUXURY SEATING	11,054	71,382	82,436	82,436	-
SKYWALK ADMIN	9,431	44,229	53,660	53,660	-
OVERHEAD	401,982	1,123,687	1,525,669	1,525,669	-
<b>TOTAL INDIRECT EXP.</b>	<b>1,125,390</b>	<b>3,293,550</b>	<b>4,418,941</b>	<b>4,418,941</b>	<b>-</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>528,029</b>	<b>665,769</b>	<b>1,193,797</b>	<b>1,051,324</b>	<b>142,473</b>
LESS INCENTIVE FEE		94,189	94,189	78,017	(16,172)
<b>NET REVENUE ABOVE EXPENSES AFTER INCENTIVE</b>	<b>528,029</b>	<b>571,580</b>	<b>1,099,608</b>	<b>973,307</b>	<b>126,301</b>


Comments:

September was a slower month as only three events were hosted, however, the small banquet and both concerts hosted performed well.

This concludes a very successful first quarter of the fiscal year which puts the arena in a very good position to finish the year with a bottom line in excess of budget.

Expenses are trending with budget and no revision has been made.

  
 \_\_\_\_\_  
 General Manager

  
 \_\_\_\_\_  
 Director of Finance

**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR FISCAL YEAR ENDING JUNE 30, 2017**

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>	September Actual	September Budget	September FY 2016
Number of Events	3	2	9
Attendance	15,733	14,000	32,102
Direct Event Income	\$91,779	\$73,500	\$97,400
Ancillary Income	55,879	35,270	64,397
Other Event Income	54,427	43,000	41,788
Other Operating Income	170,197	169,376	190,178
Indirect Expenses	(372,545)	(368,245)	(289,623)
Net Income	(\$263)	(\$47,099)	\$104,140

<b>YTD</b>	YTD 2017 Actual	YTD 2017 Budget	YTD 2016 Prior Year
Number of Events	11	8	14
Attendance	73,744	53,000	69,831
Direct Event Income	\$441,244	\$285,250	\$341,254
Ancillary Income	293,529	136,835	207,402
Other Event Income	250,318	162,500	141,717
Other Operating Income	668,328	557,920	601,740
Indirect Expenses	(1,125,390)	(1,104,735)	(994,263)
Net Income	\$528,029	\$37,770	\$297,850

**EVENT INCOME**

Direct event income came in ahead of budget overall as the Avenged Sevenfold and Kanye West concerts both sold very well.

**ANCILLARY INCOME**

Ancillary income came in ahead of budget and per cap spending for the concerts hosted was very strong.

**INDIRECT EXPENSES**

Indirect expenses came in at budgeted levels for the month and continue to do so for the fiscal year.



**Van Andel Arena  
Income Statement  
For the Three Months Ending September 30, 2016**

	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	\$70,418	\$77,500	(\$7,082)	\$142,544	\$447,846	\$299,250	\$148,596	\$392,454
Service Revenue	179,762	60,000	119,762	169,407	719,931	235,000	484,931	413,425
Service Expenses	(158,401)	(64,000)	(94,401)	(214,551)	(726,533)	(249,000)	(477,533)	(464,625)
<b>Total Direct Event Income</b>	<b>91,779</b>	<b>73,500</b>	<b>18,279</b>	<b>97,400</b>	<b>441,244</b>	<b>285,250</b>	<b>155,994</b>	<b>341,254</b>
<b>Ancillary Income</b>								
F&B Concession	40,559	25,970	14,589	51,482	218,237	101,495	116,742	163,337
F&B Catering	5,026	3,900	1,126	5,148	25,694	14,040	11,654	16,734
Novelty Sales	10,294	5,400	4,894	7,767	49,380	21,300	28,080	27,331
Audio Visual	0	0	0	0	218	0	218	0
<b>Total Ancillary Income</b>	<b>55,879</b>	<b>35,270</b>	<b>20,609</b>	<b>64,397</b>	<b>293,529</b>	<b>136,835</b>	<b>156,694</b>	<b>207,402</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	54,427	43,000	11,427	41,788	250,318	162,500	87,818	141,717
<b>Total Other Event Income</b>	<b>54,427</b>	<b>43,000</b>	<b>11,427</b>	<b>41,788</b>	<b>250,318</b>	<b>162,500</b>	<b>87,818</b>	<b>141,717</b>
<b>Total Event Income</b>	<b>202,085</b>	<b>151,770</b>	<b>50,315</b>	<b>203,585</b>	<b>985,091</b>	<b>584,585</b>	<b>400,506</b>	<b>690,373</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	117,556	113,292	4,264	112,650	502,415	389,668	112,747	426,855
Advertising	48,283	52,084	(3,801)	71,811	153,245	156,252	(3,007)	157,280
Other Income	4,358	4,000	358	5,717	12,668	12,000	668	17,605
<b>Total Other Operating Income</b>	<b>170,197</b>	<b>169,376</b>	<b>821</b>	<b>190,178</b>	<b>668,328</b>	<b>557,920</b>	<b>110,408</b>	<b>601,740</b>
<b>Adjusted Gross Income</b>	<b>372,282</b>	<b>321,146</b>	<b>51,136</b>	<b>393,763</b>	<b>1,653,419</b>	<b>1,142,505</b>	<b>510,914</b>	<b>1,292,113</b>
<b>Operating Expenses</b>								
Salaries and Wages	224,854	201,552	23,302	157,508	638,674	604,656	34,018	505,771
Payroll Taxes and Benefits	47,475	60,886	(13,411)	45,989	165,809	182,658	(16,849)	136,696
Labor Allocations to Events	(100,474)	(103,673)	3,199	(101,701)	(347,824)	(311,019)	(36,805)	(242,326)
<b>Net Salaries and Benefits</b>	<b>171,855</b>	<b>158,765</b>	<b>13,090</b>	<b>101,796</b>	<b>456,659</b>	<b>476,295</b>	<b>(19,636)</b>	<b>400,141</b>
Contracted Services	14,315	21,200	(6,885)	19,197	57,251	63,600	(6,349)	61,063
General and Administrative	38,257	26,581	11,676	24,668	135,713	79,743	55,970	71,488
Operations	1,354	7,565	(6,211)	5,607	4,644	22,695	(18,051)	18,970
Repair and Maintenance	29,304	24,424	4,880	23,386	86,837	73,272	13,565	85,959
Operational Supplies	16,326	16,125	201	17,422	47,813	48,375	(562)	61,742
Insurance	7,678	14,736	(7,058)	10,778	27,098	44,208	(17,110)	25,915
Utilities	78,698	84,363	(5,665)	72,455	265,960	253,089	12,871	226,042
SMG Management Fees	14,758	14,486	272	14,314	43,415	43,458	(43)	42,943
<b>Total Operating Expenses</b>	<b>372,545</b>	<b>368,245</b>	<b>4,300</b>	<b>289,623</b>	<b>1,125,390</b>	<b>1,104,735</b>	<b>20,655</b>	<b>994,263</b>
<b>Net Income(Loss) From Operations</b>	<b>(263)</b>	<b>(47,099)</b>	<b>46,836</b>	<b>104,140</b>	<b>528,029</b>	<b>37,770</b>	<b>490,259</b>	<b>297,850</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>(263)</b>	<b>(47,099)</b>	<b>46,836</b>	<b>104,140</b>	<b>528,029</b>	<b>37,770</b>	<b>490,259</b>	<b>297,850</b>

**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary**  
**For the Two Months Ending August 31, 2016**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	-	-	-	-	-	-
Sporting Event	1	1	5,325	4,000	76,562	53,390
Concert	8	7	68,119	49,000	902,152	531,195
Team Home Games	-	-	-	-	-	-
Other	2	-	300	-	6,377	-
<b>GRAND TOTALS</b>	<b>11</b>	<b>8</b>	<b>73,744</b>	<b>53,000</b>	<b>985,091</b>	<b>584,585</b>

As Percentage of Overall

Family Show	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sporting Event	9.09%	12.50%	7.22%	7.55%	7.77%	9.13%
Concert	72.73%	87.50%	92.37%	92.45%	91.58%	90.87%
Team Home Games	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	18.18%	0.00%	0.41%	0.00%	0.65%	0.00%

**Van Andel Arena  
Balance Sheet  
As of September 30, 2016**

**ASSETS**

**Current Assets**

Cash	5,053,586
Account Receivable	690,349
Prepaid Expenses	(7,388)

**Total Current Assets**

-----  
**\$5,736,547**

**Total Assets**

-----  
**\$5,736,547**  
=====

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	389,058
Accrued Expenses	628,029
Deferred Income	2,454,724
Advanced Ticket Sales & Deposits	3,473,529

Total Current Liabilities

-----  
**\$6,945,340**

**Other Liabilities**

**Equity**

Funds Remitted to CAA	(1,032,690)
Expenses Paid Direct by CAA	143,434
Beginning Balance Equity	(847,566)
Current Year Equity	528,030

Total Equity

-----  
**(\$1,208,793)**

**Total Liabilities and Equity**

-----  
**\$5,736,547**  
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5

**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of September 30, 2016**

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Current - Under 30 Days	
Food & Beverage	87,355
Ticketing	123,945
Merchandise	19,096
Permanent Advertising	505,617
DeVos Place	(107,173)
Operating	15,796
Over 30 Days	32,167
Over 60 Days	13,546
Over 90 Days	
Total Accounts Receivable	690,349

**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2017**

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**MANAGEMENT FEE SUMMARY**

	<u>Arena Estimate</u>	<u>DeVos Place Estimate</u>	<u>Total Estimate</u>	<u>FY 2016 Atual</u>
Net Revenue above Expenses	1,193,797	(100,819)	1,092,978	2,587,422
Benchmark ++			750,000	750,000
Excess	1,193,797	(100,819)	342,978	1,772,039
 Incentive Fee Calculation (Only if above greater than zero)				
	<u>Arena Actual</u>	<u>DeVos Place Actual</u>	<u>Total Actual</u>	<u>Total Est./Unaudited</u>
Base Fee	173,661	173,661	347,322	343,884
Incentive Fee				
Revenue	5,612,738	5,877,987	11,490,725	13,230,701
Benchmark Revenue	5,100,000	4,500,000	9,600,000	9,500,000
Revenue Excess	512,738	1,377,987	1,890,725	3,615,144
Incentive Fee **	94,189	253,133	347,322	343,884
Total SMG Management Fee	<u>267,850</u>	<u>426,794</u>	<u>694,644</u>	<u>687,768</u>

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

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

SMG - Van Andel Arena & DeVos Place  
 Summary of Capital Expenditures  
 Fiscal Year Ending June 30, 2017

Rolling Forecast as of September 30, 2016

Carryover from FY 2016	Actual YTD	Forecast	Total	Budget	Variance	Status
VAA Retractable Seating	-	275,000.00	275,000.00	275,000.00	-	PO Cut, install anticipated late December
DVP Lyon Street Dock Concrete	24,216.00	-	24,216.00	30,000.00	5,784.00	Complete
<b>Current FY Projects</b>						
VAA Security Upgrades/Metal Detectors	93,521.13	53,050.00	146,571.13	145,000.00	(1,571.13)	Phase I complete, evaluating Phase II
VAA Security Upgrades/Cameras	-	219,979.00	219,979.00	220,000.00	21.00	PO Cut, anticipated completion by December
VAA Refurb Basketball Lockerroom	-	75,000.00	75,000.00	75,000.00	-	Design phase
VAA Arena Bowl Lighting - LED	-	500,000.00	500,000.00	500,000.00	-	Phase I PO cut, completed in Oct, evaluating Phase II
VAA Concourse Lighting - LED	39,600.00	-	39,600.00	40,000.00	400.00	Complete
VAA Entrance Lighting - LED	32,095.00	-	32,095.00	35,000.00	2,905.00	Complete
VAA Outdoor Marquee - Refurb	57,306.00	105,000.00	162,306.00	125,000.00	(37,306.00)	PO Cut, anticipated completion in November
VAA Compressor Rebuilds	108,821.00	-	108,821.00	140,000.00	31,179.00	Complete
VAA Concrete Repair	-	100,000.00	100,000.00	100,000.00	-	PO Cut, anticipated completion in November
DVP Theater Lobby Carpet	61,500.00	-	61,500.00	55,000.00	(6,500.00)	Complete
DVP Theater Sound - Phase II	99,850.00	-	99,850.00	95,000.00	(4,850.00)	Complete
DVP Lighting: Secchia Lobby-LED	47,493.02	28,000.00	75,493.02	75,000.00	(493.02)	PO Cut, anticipated completion in November
DVP Rebuild Chillers	-	100,000.00	100,000.00	100,000.00	-	PO Cut, anticipated completion in February
DVP Security Upgrades/Cameras	-	105,000.00	105,000.00	105,000.00	-	PO Cut, anticipated completion in January
DVP Exterior Concrete	94,480.00	40,500.00	134,980.00	150,000.00	15,020.00	PO Cut, anticipated completion in November
DVP Cable TV Upgrades/Rewiring	-	35,000.00	35,000.00	35,000.00	-	Design phase
DVP Chiller Frequency Drive Repair	-	43,842.00	43,842.00	-	(43,842.00)	PO Cut, anticipated completion in November
CAA Parking Upgrades - Equipment	-	232,236.00	232,236.00	232,236.00	-	Parking services working on project
<b>Totals</b>	<b>658,882.15</b>	<b>1,912,607.00</b>	<b>2,571,489.15</b>	<b>2,532,236.00</b>	<b>(39,253.15)</b>	