

Agenda

Board of Directors

Friday, January 5, 2024

**** 8:30 a.m. ****

**Kent County Administration Building
300 Monroe, NW • Grand Rapids, MI 49503**

- | | | |
|----|---|--------------|
| 1. | Call to Order | Richard Winn |
| 2. | Minutes of December 1, 2023 | Action |
| 3. | Election of Officers | Action |
| 4. | Committee Reports | |
| | A. Finance Committee | |
| | i. Consolidated Financial Statements for Period Ending November 30, 2023 | Action |
| | ii. ASM Global Financial Statements for Period Ending November 30, 2023 – DeVos Place® and Van Andel Arena® | Information |
| 5. | Public Comment | |
| 6. | Closed Session to Consider a Written Privileged Legal Opinion Under MCL 15.268(h) | |
| 7. | Board Member Comments | |
| 8. | Adjournment | |

****Please note that the start time is approximate. The CAA Operations Committee meeting started at 8:00AM, followed by the CAA Board meeting. Timing for the CAA Board meeting varies based on how long the Committee meeting takes.****

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
JOINT MEETING OF
BOARD OF DIRECTORS AND COMMITTEES
VAN ANDEL ARENA® | 130 WEST FULTON | GRAND RAPIDS, MI
FRIDAY, DECEMBER 1, 2023**

Attendance

Board Members: Richard Winn, Chairperson
Rosalynn Bliss
Mandy Bolter
Birgit Klohs
Mike Verhulst

Absent: Lew Chamberlin

Finance Committee: Jeff Dood
Jill Ferris
Krista Flynn
Robert Herr
Joe Jones
Jay Preston
Jana Wallace

Absent: Tricia Chapman
Marvin Van Nortwick

**Operations
Committee:** Jim Conner
Glenn Del Vecchio
Al Jano

Absent: Peter D'Arienzo
Darius Quinn
John Van Fossen

Liaison Committee: Rosalynn Bliss
Carol Hennessy
Jennifer Merchant

Absent: David Hildenbrand
Nathaniel Moody
Jon O'Connor

**Community
Inclusion Group:** Omar Cuevas
Jordoun Eatman
Cesar Gonzalez
Joe Jones
Evette Pittman

Absent:	Mercedes Barragan Connie Dang Rosie del Valle Kristian Grant Minnie Morey Darius Quinn Darel Ross Adrian Sotelo Robert Womack	
Staff/Others:	Andrea Anderson Chris Anderson Kathy Bart Krystal Benson Hilarie Carpenter Meghan Distel Jeff Dubin Cathy George Tim Gortsema Jen Henkel Mark Hodges Todd Johnson Deandre Jones Jennifer Kasper Andy Kursch Chris Machuta Rich MacKeigan Mary Manier Cheri McConomy Brian McVicar Jackie Morse Sam Rodriguez Doug Small Eddie Tadlock Brad Thomas John Van Houten Al Vanderberg Susan Waddell Mark Washington Rachel Watson Mike Wilbraham Tim Wondergem Jessica Wood Paul Ymker	City of Grand Rapids ASM Global ASM Global Rehmann ASM Global Broadway Grand Rapids` SAVOR Grand Rapids Rise Grand Rapids Griffins ASM Global Grand Rapids Comic-Con ASM Global Jump Ahead L3C City of Grand Rapids ASM Global ASM Global ASM Global Experience Grand Rapids McConomy Properties LLC <i>MLive/The Grand Rapids Press</i> ASM Global Sparkle Pros Experience Grand Rapids ASM Global Progressive AE Progressive AE Kent County CAA City of Grand Rapids <i>Crain's Grand Rapids Business</i> ShowSpan Integrated Issues Advisors, Inc. Dickinson Wright Bluewater Technologies

1. Call to Order

Richard Winn, Chairperson, called the meeting to order at 8:10 a.m. Staff recorded the meeting minutes. Joint Convention/Arena Authority (CAA) Board and Committee meetings are held in June and December each year.

2. Sparkle Pros Building Maintenance, Inc.

Owner Sam Rodriguez established Sparkle Pros in 2017, after being in the rope-access industry since 2007. Mr. Rodriguez has worked across the nation cleaning some of the tallest buildings in the United States. From store fronts to high-rise buildings, Sparkle Pros services include window and commercial cleaning, janitorial, and maintenance for both interior and exterior. Sparkle Pros also provides documented inspections of building exteriors that provide information needed to identify leak locations, damages, and future construction plans. Through his work at ACH Hospitality, Mr. Rodriguez was introduced to Chris Anderson, ASM Director of Facilities. Sparkle Pros provided a competitive option for hard-to-access cleaning areas at DeVos Place®. The relationship has grown to include cleaning the exterior of the Van Andel Arena®. The ASM team provided a mentor-type working relationship by providing insights into certificate programs that were offered in the city, such as the minority-owned business certificate program provided by the Grand Rapids Chamber. Within weeks of certification, GRCC reached out to Sparkle Pros for a bid. The minority certificate has opened doors and opportunities for future growth in the city, state, and national levels. Mr. Rodriguez thanked ASM for helping Sparkle Pros grow into that sustainable resource. Sparkle Pros can provide competitive options that are safe, efficient, and guaranteed.

3. Grand Rapids Rise Pro Volleyball

Tim Gortsema, President of the Grand Rapids Griffins, announced that the Grand Rapids Rise pro volleyball team will kick off its initial season at the Van Andel Arena® on Thursday, January 25, 2024. The Pro Volleyball Federation League currently consists of seven teams in Atlanta, Columbus, Omaha, Orlando, San Diego, Grand Rapids, and Las Vegas. Three more teams are committed for 2025. The Rise head coach is Cathy George, who has coached the MSU team for the past 17 seasons and is the first woman to lead a women's volleyball team to the NCAA Final Four. The Pro Volleyball Federation has attracted prominent league equity holders, such as Joe Burrows, Jason Derulo, Dan DeVos, Foley Entertainment Group, and Kerri Walsh Jennings. A free, open to the public, Meet the Team Showcase event will be held December 7, from 6p-9p, at the Van Andel Arena®. Mr. Gortsema introduced Coach Cathy George, who recently moved with her family to downtown Grand Rapids. Coach George declared that she has a dream to grow the sport. In the Big 10, volleyball is the third most-watched sport behind football and basketball. Coach George's goal is to draw viewers from Indiana, Illinois, and Ohio. Coach George extended an invitation to attend the games, which are fast, exciting, athletic, and diverse.

4. Minutes of November 3, 2023

Motion by Ms. Klohs, supported by Ms. Bliss, to approve the November 3, 2023, Board minutes. Motion approved.

5. Committee Reports

A. Operations Committee

i. Experience Grand Rapids Report

Ms. Manier provided an overview of the CVB's recent bookings, sales activities, and marketing efforts, for the month of November. Staff attended conferences in Grand Rapids and in Washington, DC. The sales team hosted nine site visits for potential business. The team produced two opportunities for conventions to be hosted in 2024 through 2027. Ms. Manier presented the new sales video to introduce meeting planners to Grand Rapids.

B. Finance Committee

- i. SMG, a Division of ASM Global, Special Purpose Financial Statements as of and for the Years Ended June 30, 2023 and 2022– Rehmann

Krystal Benson of Rehmann presented the Special Purpose Financial Statements for DeVos Place® and the Van Andel Arena®. The main purposes of the special purpose financial statements are (i) to calculate the incentive fee and (ii) to express an opinion on the DeVos Place® and Van Andel Arena® special purpose financial statements for the year ended June 30, 2023, in conformity with generally accepted accounting principles. Ms. Benson stated that Rehmann issued unmodified, clean audit opinions. Operating revenues for DeVos Place® totaled \$8.5 million, up \$2.3 million over the previous year. Operating expenses totaled \$8.3 million, from \$6.8 million the prior year. Operating revenues at the Van Andel Arena® totaled \$9.1 million, up \$1.2 million over the prior year. Expenses totaled \$5.5 million, up \$1.2 million over the previous year. Operating revenue was \$3.6 million at the end of the year. ASM Global earned a total incentive fee of \$382,642.

- ii. Communication from Independent Auditors Concerning
SMG, a Division of ASM Global, Special Purpose Financial Statements

Ms. Benson reviewed the management letter. There were no control deficiencies. During the year ended June 30, 2023, Rehmann was not aware of any significant changes in accounting policies or their application during the year. There were no uncorrected misstatements or disclosure items passed identified during the audit. Rehmann received the full cooperation of SMG’s management staff and had unrestricted access to SMG’s senior management in the performance of the audit.

- iii. Consolidated Financial Statements and Supplementary Information for the Years Ended June 30, 2023 and 2022 – Rehmann

Ms. Benson stated that Rehmann issued an unmodified, clean opinion for the CAA’s FY 2023 Financial Statements. Because the CAA is a governmental entity, the audit contains a management discussion and analysis section at the beginning of the report. The CAA had total assets of \$73.1 million at the end of the year, which is up from \$50 million the previous year. Approximately \$62.6 million is in cash and investments. Liabilities increased from \$22.5 million to \$43.5 million, of which \$13.5 million is unearned revenue related to the MEDC grant for the amphitheater. Total net position at the end of the year is \$29.6 million, and 93% of that amount is unrestricted.

- v. Audit Wrap-Up Letter for the Year Ended June 30, 2023

Ms. Benson stated that the management letter did not reveal any control deficiencies. During the year ended June 30, 2023, Rehmann was not aware of any significant changes in accounting policies or their application during the year. There were no uncorrected misstatements or disclosure items passed identified during the audit. Rehmann received the full cooperation of CAA staff. Rehmann conducted additional testing of the Management Agreement to ensure that revenue and expenses are booked properly and additional procedures regarding SAVOR since it is a related party. Ms. Benson concluded by stating the process was clean and she was pleased with the assistance provided to Rehmann staff.

Motion by Ms. Bliss, supported by Ms. Wallace, to accept the SMG, a Division of ASM Global, Special Purpose Financial Statements as of and for the Years Ended June 30, 2023 and 2022. Motion carried.

Motion by Mr. Conner, supported by Mr. Jones, to accept the CAA Financial Statements and Supplementary Information for the Years Ended June 30, 2023 and 2022. Motion carried.

- v. Consolidated Financial Report, for the Year Ended
June 30, 2023, Recap – Budget to Actual

Ms. McConomy presented the recap report as an information item.

- vi. Acceptance of October 2023 Consolidated Financial Statements

Ms. McConomy discussed the dashboard and stated that, other than attendance at DeVos Place®, all categories are trending upward. The year-to-date budget forecast a loss of (\$144,000), but instead the impact on the fund balance trended positively at \$1.37 million. Mr. Machuta stated that Van Andel Arena® kicked-off the new Griffins season and hosted a sold-out Billy Strings concert, in addition to Jurassic World and Fantasia shows that were not part of the original budget. October was a strong month at DeVos Place®, as the theater hosted 10 concerts outside of the arts groups including sold out Bob Dylan, Ringo Starr, and Menopause the Musical shows. Strong activity is expected through the end of the fiscal year. Ms. McConomy referred to the roll page and noted that total net operating proceeds are estimated to be \$5.3 million at the end of the fiscal year as compared to the budget of \$2.7 million. At the fiscal year-end, unrestricted fund balance will total approximately \$22.5 million. Mr. Machuta stated that the capital projects currently underway are on time and within budget. Capital expenses will increase as new projects begin.

Motion by Ms. Bliss, supported by Ms. Wallace, to accept the October 2023 Consolidated Financial Statements. Motion carried.

- vii. ASM Global Financial Statements for Period Ending October 31, 2023 –
DeVos Place® and Van Andel Arena®

The ASM Global Financial Statements were included as information items.

6. Second Addendum to Management Agreement

Boardmember Rosalynn Bliss, supported by Boardmember Birgit Klohs, moved the adoption of the following resolution:

WHEREAS, the CAA and SMG entered into a Management Agreement (the “Agreement”) dated and effective as of July 1, 2018, for SMG to promote, operate, maintain, market and manage the Arena and Convention Center, collectively referred to as the Facilities, as an independent contractor pursuant to the terms of the Agreement; and

WHEREAS, the CAA further desired to engage SMG to provide additional services to the CAA outside and beyond the scope of services to be provided by SMG pursuant to the Agreement and the Parties entered into a First Addendum to Management Agreement (the “First Addendum”) dated July 1, 2018, in order that SMG provide Additional Services as defined therein, to be principally performed by SMG Employee Rich MacKeigan (“MacKeigan”); and

WHEREAS, since the Parties entered into the First Addendum, MacKeigan has devoted additional time to, and been further focused on, providing expanded additional services for the CAA in relation to the Facilities and is dedicating time and services relative to CAA efforts and consideration of expansion, including an expansion study, an Amphitheater, a public soccer stadium, hotel development, and other destination initiatives; and

WHEREAS, the Parties now wish to enter into this Second Addendum to Management Agreement in order to more accurately reflect the additional time and expanded additional services being

provided by MacKeigan and to compensate him accordingly, and to eliminate any potentially inconsistent provisions within the Agreement.

RESOLVED:

1. *That the Second Addendum substantially in the form presented at this meeting is hereby approved with such modifications not materially adverse to the CAA approved as to content by the CAA Chairman and as to form by the CAA's legal counsel and the CAA Chairman is authorized and directed to execute the approved Second Addendum for and on behalf of the CAA.*

2. *That all resolutions and parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.*

RESOLUTION DECLARED ADOPTED.

7. Liaison Committee Meeting Structure

Mr. MacKeigan stated that the Liaison Committee was established in 2000. Over the years, the members have opted for either stand-alone meetings or the two joint meetings in June and December to serve as Liaison Committee meetings. Committee members concurred to continue with the June and December joint meetings as Liaison Committee meetings. Mr. MacKeigan invited Liaison Committee members to reach out to staff for individual meetings to familiarize themselves with the workings of the Committee. Ms. Bliss stated that members also have the opportunity to call Committee meetings at any time. Ms. Bolter suggested inviting new County Commissioners to the meetings, as well.

8. HVS Hotel Feasibility & Convention Center Expansion Analysis Update

HVS has been engaged to assess the feasibility of a convention center hotel and convention center expansion. HVS had submitted a study prior to COVID; however, the project was halted due to the pandemic. HVS will reexamine today's market regarding the practicality of moving forward again.

9. ASM Global Report and Facilities Calendars

Mr. MacKeigan provided a summary of events occurring at DeVos Performance Hall and the Van Andel Arena® through the end of the fiscal year. The CAA's Community Inclusion Group gets a lot of credit for Sparkle Pros obtaining the Chamber's certification as a minority-owned business. Rich, Eddie Tadlock, and the sales team will be in Dallas, Texas next week for the ASM convention center sales meetings. Rich invited CAA Board members to join him at any of the various conferences and meetings that he attends. He will assemble and distribute a listing.

10. Public Comment

Deandre Jones, Jump Ahead L3C, spoke in support of bringing e-sports competitions to Grand Rapids. Mr. Jones acknowledged his support for the stagehands who are instrumental in the success of large events.

11. Board and Committee Comments

Mark Washington recognized Experience Grand Rapids as recipient of the Chairman's Award at the International Wine, Beer & Food Festival. Mr. Washington invited all to the City's Christmas Tree lighting that takes place tonight.

Ms. Kloh's welcomed Coach Cathy George and family and thanked the DeVos family for bringing professional volleyball to Grand Rapids. Of the 15 best cities to live in, *Architectural Digest* declared that Grand Rapids is #4.

12. Adjournment

The meeting was adjourned at 9:20 a.m.

Susan M. Waddell, Recording Secretary

Memorandum

To: CAA Board Members

From: Susan Waddell, Administrative Manager

Date: January 5, 2024

Re: Election of Officers

According to Section 5.1 of the CAA Bylaws, the officers of the Board are the Chairperson, Vice Chairperson, Secretary, and Treasurer. The CAA Board of Directors selects the officers biannually at the Board meeting in January, following the initial organizational meeting held on April 18, 2000. The Secretary and Treasurer need not be directors of the Board, and the same person may hold the office of Secretary and Treasurer.

An election of officers should occur for terms expiring January 2026.

The current officers are:

Chairperson	Richard Winn
Vice Chairperson	Birgit Klohs
Secretary-Treasurer	Jay Preston

Recommended slate:

Chairperson	Richard Winn
Vice Chairperson	Birgit Klohs
Secretary-Treasurer	Jay Preston

Action Requested: Elect officers of the Board for terms expiring January 2026.



Consolidated Financial Report
30-Nov-23

	Page
Dashboard	1
Summary by Facility	
Rolling Forecast	2
Monthly Capital Status	3
Year-to-Date Comparable	4
Trend Analysis	
Monthly Net Operating Proceeds - FY23 & FY24	5
Administrative Accounts	
Year-to-Date Comparable	6
Special Accounts	
MEDC Amphitheater Grant	7



GRAND RAPIDS-KENT COUNTY

CONVENTION / ARENA AUTHORITY

Financial Dashboard
Year-To-Date (5 Months)
November 30, 2023

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	45	33	47	10	13	16
Attendance	264,423	205,000	237,755	87,750	104,000	127,033
Event Income	\$ 2,815,517	\$ 2,887,802	\$ 4,109,656	\$ 1,339,876	\$ 1,321,580	\$ 2,380,171
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	168	177	220	62	79	84
Attendance	171,151	221,960	214,234	67,579	71,710	59,592
Event Income	\$ 2,745,287	\$ 3,166,186	\$ 3,611,239	\$ 1,160,894	\$ 1,518,671	\$ 1,244,268
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ 1,074,824	\$ 968,022	\$ 2,557,929
Capital/Repair/Replacement				(656,973)	(1,557,432)	(1,557,432)
Net - To/(From) on Fund Balance				\$ 417,851	\$ (589,410)	\$ 1,000,497

***NOTES:**

(1) Unrestricted Fund Balance - 6/30/23 \$27,438,982
(audited)

Grand Rapids-Kent County Convention/Arena Authority

Summary by Facility/Other

Fiscal Year Ending June 30, 2024

FY 2024

	7/1 - 11/30/23			
	Year-to-Date	Roll	Estimate⁽¹⁾	Budget
Van Andel Arena				
Operating - Revenues	\$ 4,109,656	\$ 5,236,342	\$ 9,345,998	\$ 7,106,175
- Expenses - Facilities	(2,107,705)	(3,050,177)	(5,157,882)	(5,157,882)
- Base Management Fees	(82,109)	(114,952)	(197,061)	(197,061)
- Incentive Fee	-	(208,197)	(208,197)	(93,069)
Net Operating Income (Loss)	1,919,842	1,863,016	3,782,858	1,658,163
Parking	167,973	216,527	384,500	384,500
Pedestrian Safety	(18,112)	(51,888)	(70,000)	(70,000)
Net Proceeds (Cost) of VAA	2,069,703	2,027,655	4,097,358	1,972,663
DeVos Place Convention Center				
Operating - Revenues	3,611,239	4,674,153	8,285,392	7,983,737
- Expenses - Facilities	(3,385,658)	(4,407,538)	(7,793,196)	(7,793,196)
- Base Management Fees	(82,109)	(114,952)	(197,061)	(197,061)
- Incentive Fee	-	(185,925)	(185,925)	(301,053)
Net Operating Income (Loss)	143,472	(34,262)	109,210	(307,573)
Parking	642,805	1,046,215	1,689,020	1,689,020
Pedestrian Safety	-	-	-	-
Net Proceeds (Cost) of DVP	786,277	1,011,953	1,798,230	1,381,447
Other				
Revenues	336,868	300,882	637,750	637,750
Expenses	(634,919)	(644,764)	(1,279,683)	(1,279,683)
Net Other	(298,051)	(343,882)	(641,933)	(641,933)
Total Net Proceeds/Operating	2,557,929	2,695,726	5,253,655	2,712,177
Capital/Repair Expenditures	(1,557,432)	(13,633,240)	(15,190,672)	(15,190,672) ⁽²⁾
Results Net of Capital/Repair Expenditures	\$ 1,000,497	\$ (10,937,514)	\$ (9,937,017)⁽³⁾	\$ (12,478,495)

Notes:

(1) Estimates compiled quarterly through third quarter (March 31) and monthly thereafter.

(2) See detailed Capital Replacement/Improvement Budget schedule on following page (tab)

(3) At fiscal year end, estimated Unrestricted Fund Balance will total approximately \$22,501,965

Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2024 Budget

FY 2023 Eligible Projects:		Budget	Actual 7/1-11/30/23	Roll	Appropriation Lapse	Requested Carryover
Van Andel Arena®						
	Emergency Exit Door Replacement	95,000				
	Ice Plant Compressor Change	190,000	\$ 46,628			
	Video/Scoreboard	1,200,000				
	Fencing	150,000				
	Zamboni	150,000	25,000			
	Floor Seating Replacement	290,000				
	New Storage Room (Sports Tenants)	400,000				
	Food and Beverage POS System	410,000 (2)				
	Volleyball Court, Equipment & Install	150,000 (2)				
	Air Handler Motor Refurbishment	50,000				
	Total VAA	3,085,000	71,628	-	-	-
DeVos Place®						
	Parking Control Equipment & Software	254,000	131,210			
	Grand Gallery Beam Detector	50,000				
	Chiller Rebuild	300,000				
	Michigan Street Dock Doors	100,000				
	Fiber/Switch Upgrades & Replacement	160,000				
	Performance Hall Sound Board	250,000				
	Skywalk Carpeting	150,000	66,325			
	Convention Center Public Space Furniture	95,000	84,872			
	Ballroom Lighting & Controls	3,100,000 (2)	830,335			
	Westside Ballroom HVAC Repair	120,000 (2)				
	Performance Hall Seating/Box Seating					
	Additional Needs	30,000				
	Total DVP	4,609,000	1,112,742	-	-	-
Amphitheater						
	Land Advance Closing Payment	5,000,000 (2)				
Both Venues						
	Concrete	100,000				
	Surveillance	500,000				
	Total Both Venues	600,000	-	-	-	-
Carryover Projects						
Both	Radio System Upgrade	100,000 (1)				
Both	Small Motor Equipment	19,338 (1)	10,765			
DVP	Ballroom Lighting & Controls	362,297 (1)	362,297			
DVP	Projection Theater Upgrades	250,000				
DVP	Performance Hall LED	50,000				
DVP	Performance Hall Seating	347,450				
DVP	Performance Hall Box Seating	47,475				
VAA	Suite Refresher	720,112				
	Total Carryover	1,896,672	373,062	-	-	-
Total FY 2023 Capital Budget		\$ 15,190,672	\$ 1,557,432	\$ -	\$ -	\$ -

Note: The FY2024 budget, as adopted, included \$8,029,037 for capital repair/replacement projects

- (1) Request to re-appropriate a total of \$481,635 for previous year projects that could not be completed for supply issues approved at August 25th BOD meeting
- (2) The August monthly financial report included a request to fund the Amphitheater site Advance Closing Payment of \$5M, pull-forward \$1,000,000 for project work previously planned for FY25 as well as three additional projects totaling \$680,000 - see memo dated 10/3/23 and related BOD minutes for budget amendment approval

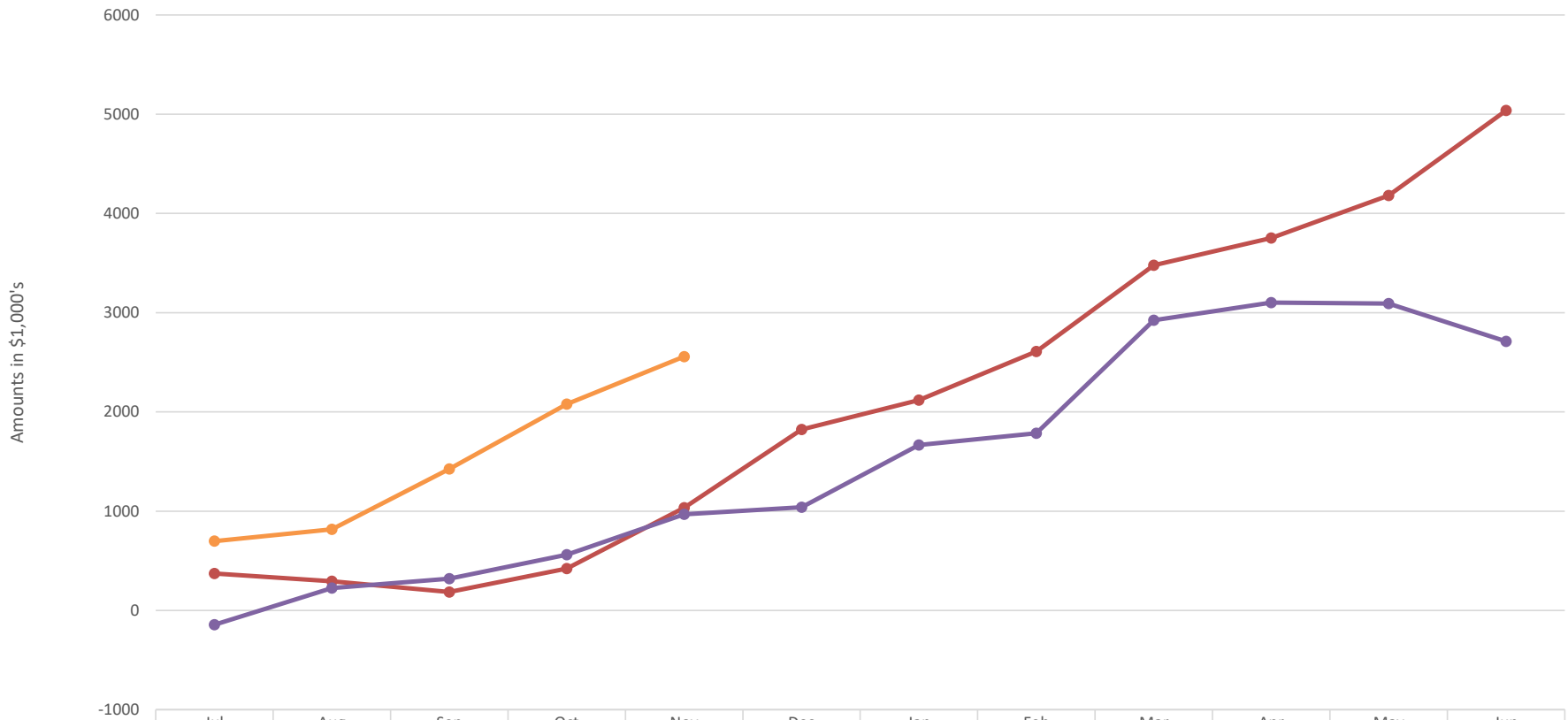
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2024

	Annual			Year-To-Date		
	FY 2023 Audited	FY 2024 Budget	Change Positive (Negative)	FY 2023 7/1-11/30/22	FY 2024 7/1-11/30/23	Change Positive (Negative)
Van Andel Arena						
Operating - Revenues	\$ 9,129,475	\$ 7,106,175	-22.2%	\$ 2,815,517	\$ 4,109,656	46.0%
- Expenses - Facilities	(5,332,037)	(5,157,882)	3.3%	(2,035,508)	(2,107,705)	3.5%
- Base Management Fees	(191,321)	(197,061)	-3.0%	(76,972)	(82,109)	6.7%
- Incentive Fee	(189,217)	(93,069)	-	-	-	-
Net Operating Income (Loss)	3,416,900	1,658,163	51.5%	703,037	1,919,842	173.1%
Parking	383,002	384,500	0.4%	230,887	167,973	-27.2%
Pedestrian Safety	(95,167)	(70,000)	-100.0%	-	(18,112)	0.0%
Net Proceeds (Cost) of VAA	3,704,735	1,972,663	-87.8%	933,924	2,069,703	121.6%
DeVos Place Convention Center						
Operating - Revenues	8,492,699	7,983,737	-6.0%	2,745,287	3,611,239	31.5%
- Expenses - Facilities	(8,118,292)	(7,793,196)	4.0%	(2,815,779)	(3,385,658)	20.2%
- Base Management Fees	(191,321)	(197,061)	-3.0%	(79,212)	(82,109)	3.7%
- Incentive Fee	(193,425)	(301,053)	-	-	-	0.0%
Net Operating Income (Loss)	(10,339)	(307,573)	-2874.9%	(149,704)	143,472	195.8%
Parking	1,427,969	1,689,020	18.3%	585,873	642,805	9.7%
Pedestrian Safety	-	-	0.0%	-	-	0.0%
Net Proceeds (Cost) of DVP	1,417,630	1,381,447	-2.6%	436,169	786,277	-80.3%
Other						
Revenues	2,188,671	637,750	-70.9%	114,421	336,868	194.4%
Expenses	(993,493)	(1,279,683)	-28.8%	(409,689)	(634,919)	55.0%
Net Other	1,195,178	(641,933)	-81.0%	(295,268)	(298,051)	0.9%
Total Net Proceeds/Operating	6,317,543	2,712,177	78.0%	1,074,824	2,557,929	138.0%
Capital/Repair Expenditures	(4,291,394)	(15,190,672)	52.0%	(656,973)	(1,557,432)	-137.1%
Results Net of Capital Expenditures	\$ 2,026,149	\$ (12,478,495)	71.0%	\$ 417,851	\$ 1,000,497	139.4%

NOTES: Combined net operating income of VAA & DVP is just over \$1.5 million improvement over same point prior fiscal year.

CAA Trends

Monthly Net Operating Proceeds through November 30, 2023



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY23 Actual	372	293	186	423	1034	1823	2119	2608	3478	3752	4182	5037
FY24 Budget	-144	226	319	561	968	1039	1668	1785	2924	3102	3092	2712
FY24 Actual	698	818	1425	2080	2558							

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
November 30, 2023

	Annual			Actual		
	FY 2023	FY 2024	Change	FY 2023	FY 2024	Change
	Unaudited	Budget	Positive	7/1-11/30/23	7/1-11/30/23	Positive
			(Negative)			(Negative)
Other						
Revenues						
Interest/Capital Contr.	\$ 2,101,294	\$ 569,750	-72.9%	\$ 112,621 ⁽²⁾	\$ 336,868	199.1%
Miscellaneous	87,377	68,000	-22.2%	1,800	-	-100.0%
	<u>2,188,671</u>	<u>637,750</u>	<u>-70.9%</u>	<u>114,421</u>	<u>336,868</u>	<u>194.4%</u>
Expenses						
Recognition/New Venue						
Awareness	66,225	200,000 ⁽³⁾	-100.0%	21,115	232,954	0.0%
Marketing (CVB/Sports)	200,000	200,000	0.0%	66,667	66,667	0.0%
Diversity Initiative	100,349	200,000	-99.3%	57,614	20,811	63.9%
Wages/Benefits	99,508	113,982	-14.5%	20,089	41,005	-104.1%
Professional Services	164,714	139,852	15.1%	81,782	76,791	6.1%
DID Assessment	66,646	67,692	-1.6%	66,646	70,169	0%
Food & Beverage Repairs	46,042	45,000	-100.0%	-	-	0%
Consulting Services	135,857	200,000 ⁽¹⁾	-47.2%	29,429	56,061	-90.5%
Landscaping	38,413	47,615	-24.0%	3,919	17,579	0%
Procurement of Art	25,283	30,000	-100.0%	20,083	9,768	0%
Insurance	19,797	25,542	-29.0%	25,542	26,208	-2.6%
Supplies/Other	30,658	10,000	67.4%	16,803	16,906	-0.6%
	<u>993,493</u>	<u>1,279,683</u>	<u>-28.8%</u>	<u>409,689</u>	<u>634,919</u>	<u>-55.0%</u>
Net Proceeds - Operating	<u>\$ 1,195,178</u>	<u>\$ (641,933)</u>	<u>153.7%</u>	<u>\$ (295,268)</u>	<u>\$ (298,051)</u>	<u>0.9%</u>

Notes:

⁽¹⁾ SMG - \$58,880; Potomac Strategic Development - \$36,000; Progressive AE - \$50,000; \$55,120 Hotel Study

⁽²⁾ Excludes \$15M first installment received from MEDC for Amphitheater project

⁽³⁾ Includes \$150,000 contribution for ArtPrize events

Grand Rapids-Kent County Convention/Arena Authority
Special Accounts
Downtown Amphitheater Project
Grant Period: 10/1/22 to 12/31/26
Revenues/Expenses
November 30, 2023

Michigan Economic Development Corporation Grant

	<u>Budget</u>	<u>Receipts / Expenditures</u>
Revenues:		
State Grant	\$ 30,000,000	\$ 15,000,000
Expenses:		
Architecture and Construction costs	(30,000,000)	
Paid in May, 2023		(775,899)
Paid in June, 2023		(621,949)
Paid in September, 2023		(83,870)
Paid in November, 2023		(1,185,241)
Deferred Revenue Balance @ 11/30/23	<u><u>\$ -</u></u>	<u><u>\$ 12,333,041</u></u>

NOTES:

- Grant Agreement Signed February 9, 2023
- First installment of \$15M received and deposited @ LMCU 3/7/23 (deferred - revenue recognized as costs incurred)
- \$13M of grant proceeds transferred to County Investment Pool 5/5/23
- CAA Board - Memorandum of Understanding with Grand Action Foundation 2.0 (GA2.0) for reimbursement of Amphitheater architecture and construction costs approved
- Agreement regarding payment terms and closing date for Amphitheater site executed in July 2023.
- \$5M Advance Closing Payment placed in Escrow account July 31, 2023 - see 10/3/23 Capital Budget Amendment Request Memo
- Timing Limitation - All Grant Funds Must Be Spent on or Before 12/31/2026

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2023

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Cheri McConomy
Tony Cima
Jeffrey Wong
David Schmid
Richard MacKeigan
Chris Machuta



DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2024

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	220	235	455	429	26
ATTENDANCE	214,234	409,313	623,547	657,520	(33,973)
DIRECT EVENT INCOME	1,384,630	2,787,618	4,172,248	4,150,645	21,603
ANCILLARY INCOME	1,346,454	1,333,918	2,680,372	2,549,292	131,080
OTHER EVENT INCOME	823,165	456,249	1,279,414	1,167,800	111,614
TOTAL EVENT REVENUE	3,554,249	4,577,785	8,132,034	7,867,737	264,297
TOTAL OTHER REVENUE	56,990	96,368	153,358	116,000	37,358
TOTAL OPERATING REVENUE	3,611,239	4,674,153	8,285,392	7,983,737	301,655
INDIRECT EXPENSES					
EXECUTIVE	99,964	184,432	284,396	284,396	-
FINANCE	130,767	211,610	342,377	342,377	-
MARKETING	107,183	223,696	330,879	330,879	-
OPERATIONS	629,034	1,234,117	1,863,151	1,863,151	-
EVENT SERVICES	1,028,667	697,123	1,725,790	1,725,790	-
BOX OFFICE	111,103	186,313	297,416	297,416	-
SALES	238,711	341,046	579,757	579,757	-
OVERHEAD	1,122,338	1,444,153	2,566,491	2,566,491	-
TOTAL OPERATING EXP.	3,467,767	4,522,490	7,990,257	7,990,257	-
NET REVENUE ABOVE EXPENSES	143,472	151,663	295,135	(6,520)	301,655
INCENTIVE FEE		185,925	185,925	301,053	115,128
NET OPERATING REVENUE OVER OPERATING EXPENSES	143,472	(34,262)	109,210	(307,573)	416,783

Comments:

DeVos Place had a strong November as the theater hosted multiple strong shows including Broadway Grand Rapids Tina, Wild Kratts, Mark Normand, Drag Queen Christmas among other events. Comic Con also had very strong numbers.

Overall the bottom-line was consistent with budget as there was an increase in expenses, however, the year to date continues to be well ahead of budget.

DocuSigned by:



7ECB840AE99E405
General Manager

DocuSigned by:



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Assistant General Manager

DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2024

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

MONTH	November Actual	November Budget	November FY 2023
Number of Events	43	39	42
Attendance	65,845	49,900	66,151
Direct Event Income	\$350,263	\$334,438	\$324,387
Ancillary Income	204,676	199,091	189,519
Other Event Income	265,449	143,100	224,237
Other Operating Income	6,883	9,666	9,182
Indirect Expenses	(819,578)	(665,856)	(675,232)
Net Income	\$7,693	\$20,439	\$72,093

YTD	YTD 2024 Actual	YTD 2024 Budget	YTD 2023 Prior Year
Number of Events	220	177	168
Attendance	214,234	221,960	171,151
Direct Event Income	\$1,384,630	\$1,539,307	\$1,122,056
Ancillary Income	1,346,454	1,055,499	1,168,925
Other Event Income	823,165	523,050	415,776
Other Operating Income	56,990	48,330	38,530
Indirect Expenses	(3,467,767)	(3,329,280)	(2,894,991)
Net Income	\$143,472	(\$163,094)	(\$149,704)

EVENT INCOME

Direct event income came in consistent with budget overall.

ANCILLARY INCOME

Ancillary Income came in consistent with budget overall.

INDIRECT EXPENSES

Indirect expenses were higher than budget overall, however, some one time expenses in computer and related led to the overage. Overall indirect expenses are running about 4% higher than budget.

DeVos Place
Income Statement
For the Five Months Ended November 30, 2023

	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
Event Income								
Direct Event Income								
Rental Income	\$411,712	\$325,978	\$ 85,734	\$363,730	\$1,645,624	\$1,525,317	\$ 120,307	\$1,396,747
Service Revenue	550,154	278,198	271,956	466,879	2,055,222	1,381,007	674,215	1,377,494
Service Expenses	(611,603)	(269,738)	(341,865)	(506,222)	(2,316,216)	(1,367,017)	(949,199)	(1,652,185)
Total Direct Event Income	350,263	334,438	15,825	324,387	1,384,630	1,539,307	(154,677)	1,122,056
Ancillary Income								
F&B Concession	53,300	14,184	39,116	40,453	194,326	71,536	122,790	110,910
F&B Catering	58,190	69,072	(10,882)	69,369	484,366	389,890	94,476	453,961
Novelty Sales	10,552	6,940	3,612	5,042	34,859	21,360	13,499	16,561
Booth Cleaning	23,658	26,369	(2,711)	18,842	144,806	130,429	14,377	138,663
Telephone/Long Distance	0	-	-	0	0	-	-	0
Electrical Services	20,018	30,578	(10,560)	15,800	213,233	169,337	43,896	162,548
Audio Visual	14,939	24,754	(9,815)	18,426	148,853	151,969	(3,116)	168,789
Internet Services	4,959	7,887	4,764	3,667	47,065	44,096	4,764	50,537
Equipment Rental	19,060	19,307	(247)	17,920	78,946	76,882	2,064	66,956
Total Ancillary Income	204,676	199,091	5,585	189,519	1,346,454	1,055,499	290,955	1,168,925
Other Event Income								
Ticket Rebates(Per Event)	265,449	143,100	122,349	224,237	823,165	523,050	300,115	415,776
Total Other Event Income	265,449	143,100	122,349	224,237	823,165	523,050	300,115	415,776
Total Event Income	820,388	676,629	143,759	738,143	3,554,249	3,117,856	436,393	2,706,757
Other Operating Income								
Luxury Box Agreements	767	1,333	(566)	804	3,833	6,665	(2,832)	4,021
Advertising	0	1,000	(1,000)	0	0	5,000	(5,000)	0
Other Income	6,116	7,333	(1,217)	8,378	53,157	36,665	16,492	34,509
Total Other Operating Income	6,883	9,666	(2,783)	9,182	56,990	48,330	8,660	38,530
Adjusted Gross Income	827,271	686,295	140,976	747,325	3,611,239	3,166,186	445,053	2,745,287
Operating Expenses								
Salaries and Wages	552,325	481,421	70,904	413,660	2,428,756	2,407,105	21,651	1,805,553
Payroll Taxes and Benefits	168,395	121,790	46,605	129,431	780,637	608,950	171,687	564,805
Labor Allocations to Events	(396,292)	(307,794)	(88,498)	(298,923)	(1,751,765)	(1,538,970)	(212,795)	(1,281,802)
Net Salaries and Benefits	324,428	295,417	29,011	244,168	1,457,628	1,477,085	(19,457)	1,088,556
Contracted Services	56,341	38,350	17,991	56,256	265,654	191,750	73,904	254,666
General and Administrative	107,265	44,815	62,450	62,128	354,140	224,075	130,065	236,799
Operations	6,782	18,852	(12,070)	9,803	58,837	94,260	(35,423)	105,402
Repair and Maintenance	66,551	42,000	24,551	72,633	253,856	210,000	43,856	234,306
Operational Supplies	41,203	26,675	14,528	21,666	119,046	133,375	(14,329)	97,024
Insurance	49,556	46,725	2,831	48,088	197,419	233,625	(36,206)	161,094
Utilities	151,030	136,600	14,430	144,547	679,079	683,000	(3,921)	637,932
SMG Management Fees	16,422	16,422	-	15,943	82,109	82,110	(1)	79,212
Total Operating Expenses	819,578	665,856	153,722	675,232	3,467,767	3,329,280	138,487	2,894,991
Net Income(Loss) From Operatic	7,693	20,439	(12,746)	72,093	143,472	(163,094)	306,566	(149,704)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	7,693	20,439	(12,746)	72,093	143,472	(163,094)	306,566	(149,704)

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Five Months Ended November 30, 2023

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	84	79	59,592	71,710	1,244,268	1,518,671
Consumer/Gated Shows	5	6	8,765	14,000	57,372	102,033
DeVos Performance Hall	77	74	124,822	109,250	1,683,852	1,101,050
Banquets	13	2	7,880	3,000	111,152	60,126
Meetings	36	16	8,625	24,000	427,610	335,976
Other	5	-	4,550	-	29,994	-
GRAND TOTALS	220	177	214,234	221,960	3,554,249	3,117,856

As Percentage of Overall

Convention/Trade Shows	38.18%	44.63%	27.82%	32.31%	35.01%	48.71%
Consumer/Gated Shows	2.27%	3.39%	4.09%	6.31%	1.61%	3.27%
Devos Performance Hall	35.00%	41.81%	58.26%	49.22%	47.38%	35.31%
Ballroom Exclusive	5.91%	1.13%	3.68%	1.35%	3.13%	1.93%
Meetings	16.36%	9.04%	4.03%	10.81%	12.03%	10.78%
Other	2.27%	0.00%	2.12%	0.00%	0.84%	0.00%

DeVos Place
Balance Sheet
As of November 30, 2023

ASSETS

Current Assets

Cash	5,914,785
Account Receivable	1,714,192
Prepaid Expenses	9,355

Total Current Assets		\$7,638,333
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Total Assets		\$7,638,333
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	978,375
Accrued Expenses	215,550
Deferred Income	429,516
Advanced Ticket Sales & Deposits	3,017,081

Total Current Liabilities		\$4,640,522
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Other Liabilities

Equity

Funds Remitted to CAA	
Funds Received by CAA	(27,500)
Expenses Paid Direct by CAA	661,611
Beginning Balance Equity	2,220,226
Current Year Equity	143,472

Total Equity		\$2,997,811
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Total Liabilities and Equity		\$7,638,333
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of November 30, 2023

Current - Under 30 Days	
Food & Beverage	111,490
Ticketing	-
Merchandise	13,611
Decorating	23,657
Audio/Visual	14,939
Van Andel Arena	832,709
Operating	375,972
 Over 30 Days	 227,160
 Over 60 Days	 114,654
 Over 90 Days	
 Total Accounts Receivable	 1,714,192

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2024**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2023 Actual
Net Revenue above Expenses	3,991,055	295,135	4,286,190	3,663,430
Benchmark++			1,050,000	1,050,000
Excess	3,991,055	295,135	3,236,190	2,613,430

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	197,061	197,061	394,122	382,642
Incentive Fee				
Revenue	9,345,998	8,285,392	17,631,390	17,345,790
Benchmark Revenue	6,380,799	5,637,406	12,018,205	11,337,930
Revenue Excess	2,965,199	2,647,986	5,613,185	6,007,860
Incentive Fee **	208,197	185,925	394,122	382,642
Total SMG Management Fee	405,258	382,986	788,244	765,284

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

++ SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:

Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.

Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.

Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2023

PROUD HOME OF THE GRAND RAPIDS GRIFFINS AND GRAND RAPIDS GOLD

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Cheri McConomy
Tony Cima
Jeffrey Wong
David Schmid
Richard MacKeigan
Chris Machuta



**VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2024**

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	47	90	137	112	25
ATTENDANCE	237,755	512,328	750,083	627,500	122,583
DIRECT EVENT INCOME	794,338	1,445,981	2,240,319	1,574,800	665,519
ANCILLARY INCOME	1,369,358	1,357,246	2,726,604	1,851,675	874,929
OTHER EVENT INCOME	913,982	981,715	1,895,697	1,382,100	513,597
TOTAL EVENT INCOME	<u>3,077,678</u>	<u>3,784,942</u>	<u>6,862,620</u>	<u>4,808,575</u>	<u>2,054,045</u>
TOTAL OTHER INCOME	<u>1,031,978</u>	<u>1,451,400</u>	<u>2,483,378</u>	<u>2,297,600</u>	<u>185,778</u>
TOTAL INCOME	<u>4,109,656</u>	<u>5,236,342</u>	<u>9,345,998</u>	<u>7,106,175</u>	<u>2,239,823</u>
INDIRECT EXPENSES					
EXECUTIVE	105,387	208,110	313,497	313,497	-
FINANCE	106,646	193,342	299,988	299,988	-
MARKETING	195,341	111,110	306,451	306,451	-
OPERATIONS	957,899	1,516,314	2,474,213	2,474,213	-
BOX OFFICE	100,932	195,281	296,213	296,213	-
SKYWALK ADMIN	9,197	44,903	54,100	54,100	-
OVERHEAD	714,412	896,069	1,610,481	1,610,481	-
TOTAL INDIRECT EXP.	<u>2,189,814</u>	<u>3,165,129</u>	<u>5,354,943</u>	<u>5,354,943</u>	<u>-</u>
NET REVENUE ABOVE EXPENSES	<u>1,919,842</u>	<u>2,071,213</u>	<u>3,991,055</u>	<u>1,751,232</u>	<u>2,239,823</u>
LESS INCENTIVE FEE		208,197	208,197	93,069	(115,128)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	<u>1,919,842</u>	<u>1,863,016</u>	<u>3,782,858</u>	<u>1,658,163</u>	<u>2,124,695</u>

Comments:

November was another solid month for the Arena highlighted by strong selling WWE, Jonas Brothers and The 1975 concerts and the start of a new season of Grand Rapids Gold basketball.

DocuSigned by:



75CB840A-F00F405...
General Manager

DocuSigned by:



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Assistant General Manager

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2024**

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

MONTH	November Actual	November Budget	November FY 2023
Number of Events	16	5	7
Attendance	55,058	34,000	42,643
Direct Event Income	\$140,716	\$123,500	\$80,356
Ancillary Income	330,804	234,472	320,062
Other Event Income	238,197	110,600	115,145
Other Operating Income	188,060	199,972	172,314
Indirect Expenses	(511,191)	(446,249)	(405,947)
Net Income	<u>\$386,586</u>	<u>\$222,295</u>	<u>\$281,930</u>

YTD	YTD 2024 Actual	YTD 2024 Budget	YTD 2023 Prior Year
Number of Events	47	33	16
Attendance	237,755	205,000	111,901
Direct Event Income	\$794,338	\$621,000	\$440,101
Ancillary Income	1,369,358	659,842	888,338
Other Event Income	913,982	614,100	560,062
Other Operating Income	1,031,978	992,860	927,016
Indirect Expenses	(2,189,814)	(2,231,245)	(2,112,480)
Net Income	<u>\$1,919,842</u>	<u>\$656,557</u>	<u>\$703,037</u>

EVENT INCOME

Event income finished a little ahead of budget overall.

ANCILLARY INCOME

Ancillary income came in well ahead of budget as concession and merchandise per caps exceeded expectations on the concerts hosted during the month.

INDIRECT EXPENSES

Indirect expenses came in at expected levels for the month.

Van Andel Arena
Income Statement
For the Five Months Ended November 30, 2023

	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
Event Income								
Direct Event Income								
Rental Income	\$ 398,509	\$ 306,500	\$ 92,009	\$ 301,060	\$ 1,679,958	\$ 1,017,000	\$ 662,958	\$ 830,445
Service Revenue	549,110	202,000	347,110	291,417	1,954,811	905,000	1,049,811	1,509,359
Service Expenses	(806,903)	(385,000)	(421,903)	(512,121)	(2,840,431)	(1,301,000)	(1,539,431)	(1,899,703)
Total Direct Event Income	140,716	123,500	17,216	80,356	794,338	621,000	173,338	440,101
Ancillary Income								
F&B Concession	273,261	204,540	68,721	283,579	1,145,631	558,127	587,504	742,908
F&B Catering	27,457	20,572	6,885	23,338	81,994	53,235	28,759	75,164
Novelty Sales	30,086	9,360	20,726	13,145	128,759	48,480	80,279	69,630
Booth Cleaning	-	-	-	-	-	-	-	-
Audio Visual	-	-	-	-	2,399	-	2,399	636
Other Ancillary	-	-	-	-	10,575	-	10,575	-
Total Ancillary Income	330,804	234,472	96,332	320,062	1,369,358	659,842	709,516	888,338
Other Event Income								
Ticket Rebates(Per Event)	238,197	110,600	127,597	115,145	913,982	614,100	299,882	560,062
Total Other Event Income	238,197	110,600	127,597	115,145	913,982	614,100	299,882	560,062
Total Event Income	709,717	468,572	241,145	515,563	3,077,678	1,894,942	1,182,736	1,888,501
Other Operating Income								
Luxury Box Agreements	139,067	141,888	(2,821)	123,248	737,363	702,440	34,923	646,262
Advertising	48,000	52,084	(4,084)	48,000	240,000	260,420	(20,420)	260,270
Other Income	993	6,000	(5,007)	1,066	54,615	30,000	24,615	20,484
Total Other Operating Income	188,060	199,972	(11,912)	172,314	1,031,978	992,860	39,118	927,016
Adjusted Gross Income	897,777	668,544	229,233	687,877	4,109,656	2,887,802	1,221,854	2,815,517
Operating Expenses								
Salaries and Wages	315,958	207,291	108,667	183,032	1,294,208	1,036,455	257,753	1,174,007
Payroll Taxes and Benefits	99,177	60,851	38,326	57,383	412,290	304,255	108,035	358,791
Labor Allocations to Events	(283,593)	(82,886)	(200,707)	(144,148)	(949,164)	(414,430)	(534,734)	(671,963)
Net Salaries and Benefits	131,542	185,256	(53,714)	96,267	757,334	926,280	(168,946)	860,835
Contracted Services	40,846	35,534	5,312	41,255	178,841	177,670	1,171	178,408
General and Administrative	121,033	34,969	86,064	51,492	308,147	174,845	133,302	209,251
Operations	10,779	10,084	695	7,107	34,466	50,420	(15,954)	29,399
Repair and Maintenance	41,623	32,542	9,081	49,740	182,010	162,710	19,300	221,915
Operational Supplies	21,330	25,017	(3,687)	34,278	133,967	125,085	8,882	104,665
Insurance	50,239	27,250	22,989	34,480	162,575	136,250	26,325	114,985
Utilities	77,377	79,175	(1,798)	75,385	350,365	395,875	(45,510)	316,050
SMG Management Fees	16,422	16,422	-	15,943	82,109	82,110	(1)	76,972
Total Operating Expenses	511,191	446,249	64,942	405,947	2,189,814	2,231,245	(41,431)	2,112,480
Net Income(Loss) From Operations	386,586	222,295	164,291	281,930	1,919,842	656,557	1,263,285	703,037
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	386,586	222,295	164,291	281,930	1,919,842	656,557	1,263,285	703,037

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Five Months Ended November 30, 2023

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	10	4	34,828	23,000	377,257	264,300
Sporting Event	3	2	11,419	10,000	235,489	94,912
Concert	16	13	127,033	104,000	2,380,171	1,321,580
Team Home Games	12	14	57,993	68,000	73,948	214,150
Other	6	-	6,482	-	10,813	-
GRAND TOTALS	47	33	237,755	205,000	3,077,677	1,894,942

As Percentage of Overall

Family Show	21.28%	12.12%	14.65%	11.22%	12.26%	13.95%
Sporting Event	6.38%	6.06%	4.80%	4.88%	7.65%	5.01%
Concert	34.04%	39.39%	53.43%	50.73%	77.34%	69.74%
Team Home Games	25.53%	42.42%	24.39%	33.17%	2.40%	11.30%
Other	12.77%	0.00%	2.73%	0.00%	0.35%	0.00%

Van Andel Arena
Balance Sheet
As of November 30, 2023

ASSETS

Current Assets

Cash	16,539,219
Account Receivable	1,739,285
Prepaid Expenses	309,208

Total Current Assets	\$18,587,712	
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Total Assets	\$18,587,712	
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	1,432,060
Accrued Expenses	628,670
Deferred Income	2,569,117
Advanced Ticket Sales & Deposits	9,919,893

Total Current Liabilities	\$14,549,741	
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Other Liabilities

Equity

Funds Remitted to CAA	(3,000,000)
Funds Received by CAA	-
Expenses Paid Direct by CAA	335,479
Beginning Balance Equity	4,782,653
Current Year Equity	1,919,842

Total Equity	\$4,037,971	
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Total Liabilities and Equity	\$18,587,712	
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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of November 30, 2023

Current - Under 30 Days	
Food & Beverage	550,708
Ticketing	95,331
Merchandise	1,172
Permanent Advertising	32,000
DeVos Place	(797,719)
Operating	1,106,504
 Over 30 Days	 524,893
 Over 60 Days	 226,396
 Over 90 Days	
 Total Accounts Receivable	 1,739,285

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2024**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2023 Actual
Net Revenue above Expenses	3,991,055	295,135	4,286,190	3,663,430
Benchmark++			1,050,000	1,050,000
Excess	3,991,055	295,135	3,236,190	2,613,430

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	197,061	197,061	394,122	382,642
Incentive Fee				
Revenue	9,345,998	8,285,392	17,631,390	17,345,790
Benchmark Revenue	6,380,799	5,637,406	12,018,205	11,337,930
Revenue Excess	2,965,199	2,647,986	5,613,185	6,007,860
Incentive Fee **	208,197	185,925	394,122	382,642
Total SMG Management Fee	405,258	382,986	788,244	765,284

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

++ SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:

Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.

Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.

Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.