

Agenda

Board of Directors

Friday, March 1, 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 February 2, 2024 | Action |
| 3. | Committee Reports | |
| | A. Finance Committee | |
| | i. Consolidated Financial Statements for Period Ending January 31, 2024 | Action |
| | ii. ASM Global Financial Statements for Period Ending January 31, 2024 | Information |
| 4. | Public Comment | |
| 5. | Board Member Comments | |
| 6. | 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
BOARD OF DIRECTORS
300 MONROE AVENUE, NW | GRAND RAPIDS, MI
FRIDAY, FEBRUARY 2, 2024**

Attendance:

Members Present: Richard Winn, Chairperson
Lew Chamberlin
Birgit Klohs
Michael Verhulst

Members Absent: Rosalynn Bliss
Mandy Bolter

Staff/Others:	Chris Anderson	ASM Global
	Tim Gortsema	Grand Rapids Griffins
	Jen Henkel	ASM Global
	Deandre “D” Jones	Jump Ahead L3C
	Chris Machuta	ASM Global
	Rich MacKeigan	ASM Global
	Mary Manier	Experience Grand Rapids
	Cheri McConomy	McConomy Properties, LLC
	Brian McVicar	<i>MLive/The Grand Rapids Press</i>
	Jackie Morse	ASM Global
	Eddie Tadlock	ASM Global
	Brad Thomas	Progressive AE
	John Van Houten	Progressive AE
	Al Vanderberg	Kent County
	Susan Waddell	CAA
	Mark Washington	City of Grand Rapids
	Brittney Whitefield	Grand Rapids Gold
	Tim Wondergem	Integrated Issues Advisors
	Jessica Wood	Dickinson Wright
	Connor Woodruff	ASM Global

1. Call to Order

The Chairperson, Richard Winn, called the meeting to order at 8:32 a.m. Staff recorded the meeting minutes.

2. Minutes of January 5, 2024

*Motion by Ms. Klohs, supported by Mr. Chamberlin, to approve the January 5, 2024, Board Minutes.
Motion carried.*

3. Committee Reports

A. Operations Committee

i. Report from Experience Grand Rapids

Ms. Manier provided an overview of the CVB's sales activities and marketing efforts for January 2024. Staff hosted five site visits and received a record number of RFP's. The sales team hosted Connect Midwest, the top conference for meeting planners in the Midwest.

B. Finance Committee

i. Consolidated Financial Statements for Period Ending December 31, 2023

Motion by Mr. Chamberlin, supported by Mr. Verhulst, to accept the consolidated financial statement for the period ending December 31, 2023. Motion carried.

4. Resolution Approving and Authorizing Execution of Second Amendment to Grand Rapids-Kent County Convention/Arena Authority Operating Agreement Between Kent County and the City of Grand Rapids

Boardmember Birgit Klohs, supported by Boardmember Lew Chamberlin, moved the adoption of the following resolution:

WHEREAS, in 2000 Kent County (the "County") and the City of Grand Rapids (the "City") established the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") and entered into a Grand Rapids-Kent County Convention/Arena Authority Operating Agreement (the "Agreement") dated as of March 29, 2000; and

WHEREAS, the Agreement addresses both the City's and the County's support for the Acrisure Amphitheater; and

WHEREAS, both the City Commission and the County Board of Commissioners have agreed to amend the Agreement, and have authorized this Second Amendment, as it relates to the inclusion of the Acrisure Amphitheater by the City and the County, respectively.

RESOLVED:

1. *That the Second Amendment to Grand Rapids-Kent County Convention/Arena Authority Operating Agreement (the "Second Amendment") between the County and the City in the form substantially presented at this meeting is approved and the Chairperson is authorized and directed to execute the Second Amendment for and on behalf of the CAA.*

2. *That all prior resolutions or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby rescinded.*

RESOLUTION DECLARED ADOPTED.

5. Public Comments

Deandre “D” Jones, Jump Ahead L3C, stated that his esports competitions will educate the underserved community on civics and voting, climate change, finances, life insurance, and health care. Mr. Jones met with Senator Gary Peters for support of his esports competitions and Mr. Jones looks forward to making a positive impact on the economy.

6. Board Member Comments

Mr. Washington stated that he is excited to see the venues busy even during inclement weather. So much activation and vibrancy will only be enriched by the amphitheater.

Mr. Verhulst inquired about the Auto Show, to which Mr. MacKeigan responded that the show opened yesterday, and the weather will cooperate for good attendance.

7. Adjournment

The meeting was adjourned at 8:46 a.m.

Susan M. Waddell, Recording Secretary



Consolidated Financial Report
31-Jan-24

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GRAND RAPIDS-KENT COUNTY

CONVENTION / ARENA AUTHORITY

Financial Dashboard
Year-To-Date (7 Months)
January 31, 2024

Van Andel Arena®

	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	62	64	83	13	13	16
Attendance	342,209	357,000	393,678	115,900	104,000	127,033
Event Income	\$ 4,901,169	\$ 4,204,751	\$ 5,997,615	\$ 1,724,514	\$ 1,321,580	\$ 2,380,171

DeVos Place®

	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	247	254	287	81	91	97
Attendance	298,489	371,470	315,614	88,029	88,470	78,742
Event Income	\$ 4,206,216	\$ 4,632,109	\$ 4,865,576	\$ 1,534,026	\$ 1,801,321	\$ 1,574,442

	Prior Year	Budget	Actual
Operating Income (Loss)	\$ 2,195,525	\$ 1,668,257	\$ 3,560,099
Capital/Repair/Replacement	(2,179,575)	(3,302,717)	(3,736,127)
Net - To/(From) on Fund Balance	\$ 15,951	\$ (1,634,460)	\$ (176,028)

***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 - 1/31/24			
	Year-to-Date	Roll	Estimate⁽¹⁾	Budget
Van Andel Arena				
Operating - Revenues	\$ 5,997,615	\$ 3,585,147	\$ 9,582,762	\$ 7,106,175
- Expenses - Facilities	(3,167,531)	(2,129,472)	(5,297,003)	(5,157,882)
- Base Management Fees	(114,952)	(76,369)	(191,321)	(197,061)
- Incentive Fee	-	(193,794)	(193,794)	(93,069)
Net Operating Income (Loss)	2,715,132	1,185,512	3,900,644	1,658,163
Parking	262,781	121,719	384,500	384,500
Pedestrian Safety	(29,991)	(40,009)	(70,000)	(70,000)
Net Proceeds (Cost) of VAA	2,947,922	1,267,222	4,215,144	1,972,663
DeVos Place Convention Center				
Operating - Revenues	4,865,576	3,921,909	8,787,485	7,983,737
- Expenses - Facilities	(4,988,336)	(3,325,463)	(8,313,799)	(7,793,196)
- Base Management Fees	(114,952)	(76,369)	(191,321)	(197,061)
- Incentive Fee	-	(188,848)	(188,848)	(301,053)
Net Operating Income (Loss)	(237,712)	331,229	93,517	(307,573)
Parking	1,073,514	615,506	1,689,020	1,689,020
Pedestrian Safety	-	-	-	-
Net Proceeds (Cost) of DVP	835,802	946,735	1,782,537	1,381,447
Other				
Revenues	653,921	(16,171)	637,750	637,750
Expenses	(877,546)	(402,137)	(1,279,683)	(1,279,683)
Net Other	(223,625)	(418,308)	(641,933)	(641,933)
Total Net Proceeds/Operating	3,560,099	1,795,649	5,355,748	2,712,177
Capital/Repair Expenditures	(3,736,127)	(11,454,545)	(15,190,672)	(15,190,672) ⁽²⁾
Results Net of Capital/Repair Expenditures	\$ (176,028)	\$ (9,658,896)	\$ (9,834,924)⁽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 \$ 22,604,058

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

FY 2023 Eligible Projects:		Budget	Actual 7/1-1/31/24	Roll	Appropriation Lapse	Requested Carryover
Van Andel Arena®						
	Emergency Exit Door Replacement	95,000		95,000		
	Ice Plant Compressor Change	190,000	\$ 46,628		143,372	
	Video/Scoreboard	1,200,000		1,200,000		
	Fencing	150,000		200,000	(50,000)	
	Zamboni	150,000	25,000			125,000
	Floor Seating Replacement	290,000	\$ 229,650	30,000	30,350	
	New Storage Room (Sports Tenants)	400,000		210,000	190,000	
	Food and Beverage POS System	410,000 (2)		410,000		
	Volleyball Court, Equipment & Install	150,000 (2)	\$ 113,475	36,525		
	Air Handler Motor Refurbishment	50,000		50,000		
	Total VAA	3,085,000	414,753	2,231,525	313,722	125,000
DeVos Place®						
	Parking Control Equipment & Software	254,000	262,420		(8,420)	
	Grand Gallery Beam Detector	50,000		38,000	12,000	
	Chiller Rebuild	300,000	53,701	246,299		
	Michigan Street Dock Doors	100,000		100,000		
	Fiber/Switch Upgrades & Replacement	160,000		160,000		
	Performance Hall Sound Board	250,000		250,000		
	Skywalk Carpeting	150,000	85,195		64,805	
	Convention Center Public Space Furniture	95,000	84,872		10,128	
	Ballroom Lighting & Controls	3,100,000 (2)	1,943,439	1,156,561		
	Westside Ballroom HVAC Repair	120,000 (2)	78,825		41,175	
	Performance Hall Seating/Box Seating					
	Additional Needs	30,000	24,935	5,065		
	Total DVP	4,609,000	2,533,387	1,955,926	119,688	-
Amphitheater						
	Land Advance Closing Payment	5,000,000 (2)		5,000,000		
Both Venues						
	Concrete	100,000		100,000		
	Surveillance	500,000		500,000		
	Total Both Venues	600,000	-	600,000	-	-
Carryover Projects						
Both	Radio System Upgrade	100,000 (1)		100,000		
Both	Small Motor Equipment	19,338 (1)	10,765	8,573		
DVP	Ballroom Lighting & Controls	362,297 (1)	362,297	-		
DVP	Projection Theater Upgrades	250,000		250,000		
DVP	Performance Hall LED	50,000		50,000		
DVP	Performance Hall Seating	347,450	347,450	-		
DVP	Performance Hall Box Seating	47,475	47,475	-		
VAA	Suite Refresher	720,112	20,000	700,112		
	Total Carryover	1,896,672	787,987	1,108,685	-	-
Total FY 2023 Capital Budget		\$ 15,190,672	\$ 3,736,127	\$ 10,896,136	\$ 433,410	\$ 125,000

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

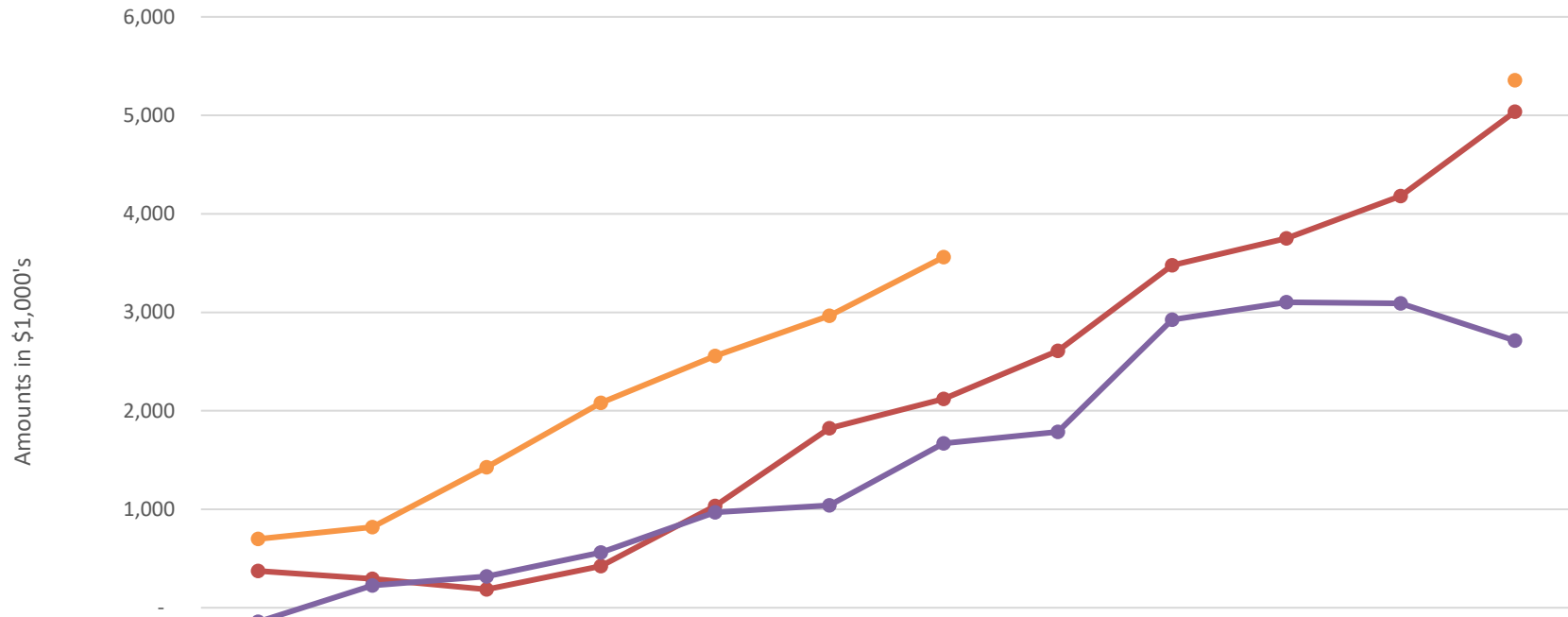
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2024

	Annual			Year-To-Date		
	FY 2023 Audited	FY 2024 Budget	Change Positive (Negative)	FY 2023 7/1-1/31/23	FY 2024 7/1-1/31/24	Change Positive (Negative)
Van Andel Arena						
Operating - Revenues	\$ 9,129,475	\$ 7,106,175	-22.2%	\$ 4,901,169	\$ 5,997,615	22.4%
- Expenses - Facilities	(5,332,037)	(5,157,882)	3.3%	(3,029,784)	(3,167,531)	4.5%
- Base Management Fees	(191,321)	(197,061)	-3.0%	(108,859)	(114,952)	5.6%
- Incentive Fee	(189,217)	(93,069)	-	-	-	-
Net Operating Income (Loss)	3,416,900	1,658,163	51.5%	1,762,526	2,715,132	54.0%
Parking	383,002	384,500	0.4%	314,011	262,781	-16.3%
Pedestrian Safety	(95,167)	(70,000)	-100.0%	(21,075)	(29,991)	0.0%
Net Proceeds (Cost) of VAA	3,704,735	1,972,663	-87.8%	2,055,461	2,947,922	43.4%
DeVos Place Convention Center						
Operating - Revenues	8,492,699	7,983,737	-6.0%	4,206,216	4,865,576	15.7%
- Expenses - Facilities	(8,118,292)	(7,793,196)	4.0%	(4,304,974)	(4,988,336)	15.9%
- Base Management Fees	(191,321)	(197,061)	-3.0%	(111,550)	(114,952)	3.0%
- Incentive Fee	(193,425)	(301,053)	-	-	-	0.0%
Net Operating Income (Loss)	(10,339)	(307,573)	-2874.9%	(210,308)	(237,712)	-13.0%
Parking	1,427,969	1,689,020	18.3%	855,728	1,073,514	25.5%
Pedestrian Safety	-	-	0.0%	-	-	0.0%
Net Proceeds (Cost) of DVP	1,417,630	1,381,447	-2.6%	645,420	835,802	-29.5%
Other						
Revenues	2,188,671	637,750	-70.9%	181,472	653,921	260.3%
Expenses	(993,493)	(1,279,683)	-28.8%	(686,827)	(877,546)	27.8%
Net Other	1,195,178	(641,933)	-81.0%	(505,356)	(223,625)	-55.7%
Total Net Proceeds/Operating	6,317,543	2,712,177	78.0%	2,195,525	3,560,099	62.2%
Capital/Repair Expenditures	(4,291,394)	(15,190,672)	52.0%	(2,179,575)	(3,736,127)	-71.4%
Results Net of Capital Expenditures	\$ 2,026,149	\$ (12,478,495)	71.0%	\$ 15,951	\$ (176,028)	-1203.6%

NOTES: Combined net operating income of VAA & DVP is just over \$.9 million improvement over same point prior fiscal year.

CAA Trends

Monthly Net Operating Proceeds through December 31, 2023



(1,000)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY23 Actual	372	293	186	423	1,034	1,823	2,119	2,608	3,478	3,752	4,182	5,037
FY24 Budget	(144)	226	319	561	968	1,039	1,668	1,785	2,924	3,102	3,092	2,712
FY24 Actual	698	818	1,425	2,080	2,558	2,965	3,560					5,356

Accumulative Net Proceeds by Month

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
January 31, 2024

	Annual			Actual		
	FY 2023	FY 2024	Change	FY 2023	FY 2024	Change
	Unaudited	Budget	Positive	7/1-1/31/23	7/1-1/31/24	Positive
			(Negative)			(Negative)
Other						
Revenues						
Interest/Capital Contr.	\$ 2,101,294	\$ 569,750	-72.9%	\$ 179,672 ⁽²⁾	\$ 653,921	264.0%
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>181,472</u>	<u>653,921</u>	<u>260.3%</u>
Expenses						
Recognition/New Venue						
Awareness	66,225	200,000 ⁽³⁾	-100.0%	21,115	245,190	0.0%
Marketing (CVB/Sports)	200,000	200,000	0.0%	200,000	200,000	0.0%
Diversity Initiative	100,349	200,000	-99.3%	64,318	36,329	43.5%
Wages/Benefits	99,508	113,982	-14.5%	43,129	60,484	-40.2%
Professional Services	164,714	139,852	15.1%	99,803	101,736	-1.9%
DID Assessment	66,646	67,692	-1.6%	66,646	70,169	0%
Food & Beverage Repairs	46,042	45,000	-100.0%	46,042	-	0%
Consulting Services	135,857	200,000 ⁽¹⁾	-47.2%	49,857	73,903	-48.2%
Landscaping	38,413	47,615	-24.0%	22,620	32,154	0%
Procurement of Art	25,283	30,000	-100.0%	25,283	9,768	0%
Insurance	19,797	25,542	-29.0%	25,542	26,208	-2.6%
Supplies/Other	30,658	10,000	67.4%	22,471	21,605	3.9%
	<u>993,493</u>	<u>1,279,683</u>	<u>-28.8%</u>	<u>686,827</u>	<u>877,546</u>	<u>-27.8%</u>
Net Proceeds - Operating	<u>\$ 1,195,178</u>	<u>\$ (641,933)</u>	<u>153.7%</u>	<u>\$ (505,356)</u>	<u>\$ (223,625)</u>	<u>-55.7%</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
January 31, 2024

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)
Paid in December, 2023		(604,507)
Paid in January, 2024		(476,595)
Deferred Revenue Balance @ 1/31/24	<u>\$ -</u>	<u>\$ 11,251,940</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 MONTH ENDED JANUARY 31, 2024

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	287	175	462	429	33
ATTENDANCE	315,614	327,272	642,886	657,520	(14,634)
DIRECT EVENT INCOME	1,851,783	2,320,465	4,172,248	4,150,645	21,603
ANCILLARY INCOME	1,802,240	1,018,899	2,821,139	2,549,292	271,847
OTHER EVENT INCOME	1,122,453	466,676	1,589,129	1,167,800	421,329
TOTAL EVENT REVENUE	4,776,476	3,806,040	8,582,516	7,867,737	714,779
TOTAL OTHER REVENUE	89,100	115,869	204,969	116,000	88,969
TOTAL OPERATING REVENUE	4,865,576	3,921,909	8,787,485	7,983,737	803,748
INDIRECT EXPENSES					
EXECUTIVE	170,727	114,414	285,141	284,396	(745)
FINANCE	181,959	119,509	301,468	342,377	40,909
MARKETING	146,726	138,269	284,995	330,879	45,884
OPERATIONS	926,721	649,853	1,576,574	1,863,151	286,577
EVENT SERVICES	1,548,150	947,292	2,495,442	1,725,790	(769,652)
BOX OFFICE	168,048	137,132	305,180	297,416	(7,764)
SALES	352,733	243,442	596,175	579,757	(16,418)
OVERHEAD	1,608,223	1,051,922	2,660,145	2,566,491	(93,654)
TOTAL OPERATING EXP.	5,103,288	3,401,833	8,505,120	7,990,257	(514,863)
NET REVENUE ABOVE EXPENSES	(237,712)	520,076	282,365	(6,520)	288,885
INCENTIVE FEE		188,848	188,848	301,053	112,205
NET OPERATING REVENUE OVER OPERATING EXPENSES	(237,712)	331,228	93,517	(307,573)	401,090

Comments:

DeVos Place had a strong month for the events that were hosted for the month and consistent with overall forecast. The Auto Show was originally budgeted to be in January and less theater concerts hosted during the month caused the shortfall for the month, however, should balance back out during February and March.

DocuSigned by:

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General Manager


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	January Actual	January Budget	January FY 2023
Number of Events	36	29	42
Attendance	55,878	40,350	79,828
Direct Event Income	\$335,201	\$520,895	\$403,129
Ancillary Income	221,882	271,102	218,705
Other Event Income	69,723	111,700	166,141
Other Operating Income	6,131	9,666	5,886
Indirect Expenses	(780,267)	(665,856)	(714,931)
Net Income	(\$147,330)	\$247,507	\$78,930

YTD	YTD 2024 Actual	YTD 2024 Budget	YTD 2023 Prior Year
Number of Events	287	254	247
Attendance	315,614	371,470	298,489
Direct Event Income	\$1,851,783	\$2,299,976	\$1,765,099
Ancillary Income	1,802,240	1,485,771	1,639,364
Other Event Income	1,122,453	778,700	741,614
Other Operating Income	89,100	67,662	60,139
Indirect Expenses	(5,103,288)	(4,660,992)	(4,416,524)
Net Income	(\$237,712)	(\$28,883)	(\$210,308)

EVENT INCOME

Direct event income fell below budget overall due to a shift of a couple of events, those hosted during the month performed as expected.

ANCILLARY INCOME

Ancillary income fell short of budget in most areas due to the shift of events in the calendar.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month, however, consistent with revised forecast.

DeVos Place
Income Statement
For the Seven Months Ended January 31, 2024

	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	\$419,435	\$539,495	\$ (120,060)	\$443,591	\$2,271,285	\$2,296,036	\$ (24,751)	\$2,144,786
Service Revenue	332,664	299,418	33,246	324,528	2,752,011	1,968,385	783,626	2,117,237
Service Expenses	(416,898)	(318,018)	(98,880)	(364,990)	(3,171,513)	(1,964,445)	(1,207,068)	(2,496,924)
Total Direct Event Income	335,201	520,895	(185,694)	403,129	1,851,783	2,299,976	(448,193)	1,765,099
Ancillary Income								
F&B Concession	46,010	48,605	(2,595)	50,207	280,730	138,772	141,958	197,893
F&B Catering	68,822	43,141	25,681	57,011	653,606	488,339	165,267	596,812
Novelty Sales	2,208	2,240	(32)	12,117	35,855	25,000	10,855	31,335
Booth Cleaning	37,210	70,484	(33,274)	33,531	219,583	218,216	1,367	197,402
Telephone/Long Distance	0	-	-	0	0	-	-	0
Electrical Services	32,586	55,964	(23,378)	34,770	288,548	248,335	40,213	248,869
Audio Visual	13,465	16,281	(2,816)	7,248	152,748	186,492	(33,744)	194,610
Internet Services	9,677	13,097	4,764	10,503	66,674	62,179	4,764	71,933
Equipment Rental	11,904	21,290	(9,386)	13,318	104,496	118,438	(13,942)	100,510
Total Ancillary Income	221,882	271,102	(49,220)	218,705	1,802,240	1,485,771	316,469	1,639,364
Other Event Income								
Ticket Rebates(Per Event)	69,723	111,700	(41,977)	166,141	1,122,453	778,700	343,753	741,614
Total Other Event Income	69,723	111,700	(41,977)	166,141	1,122,453	778,700	343,753	741,614
Total Event Income	626,806	903,697	(276,891)	787,975	4,776,476	4,564,447	212,029	4,146,077
Other Operating Income								
Luxury Box Agreements	0	1,333	(1,333)	0	4,600	9,331	(4,731)	4,825
Advertising	0	1,000	(1,000)	0	0	7,000	(7,000)	0
Other Income	6,131	7,333	(1,202)	5,886	84,500	51,331	33,169	55,314
Total Other Operating Income	6,131	9,666	(3,535)	5,886	89,100	67,662	21,438	60,139
Adjusted Gross Income	632,937	913,363	(280,426)	793,861	4,865,576	4,632,109	233,467	4,206,216
Operating Expenses								
Salaries and Wages	474,457	481,421	(6,964)	412,649	3,591,795	3,369,947	221,848	2,898,989
Payroll Taxes and Benefits	170,677	121,790	48,887	142,778	1,131,850	852,530	279,320	884,828
Labor Allocations to Events	(336,733)	(307,794)	(28,939)	(285,442)	(2,506,858)	(2,154,558)	(352,300)	(2,011,752)
Net Salaries and Benefits	308,401	295,417	12,984	269,985	2,216,787	2,067,919	148,868	1,772,065
Contracted Services	60,769	38,350	22,419	47,095	385,910	268,450	117,460	353,223
General and Administrative	69,250	44,815	24,435	63,299	501,988	313,705	188,283	337,914
Operations	13,463	18,852	(5,389)	10,550	81,430	131,964	(50,534)	117,285
Repair and Maintenance	74,355	42,000	32,355	52,018	365,900	294,000	71,900	325,038
Operational Supplies	31,836	26,675	5,161	30,584	193,037	186,725	6,312	164,196
Insurance	49,893	46,725	3,168	54,648	292,659	327,075	(34,416)	254,890
Utilities	155,878	136,600	19,278	170,358	950,625	956,200	(5,575)	980,363
SMG Management Fees	16,422	16,422	-	16,394	114,952	114,954	(2)	111,550
Total Operating Expenses	780,267	665,856	114,411	714,931	5,103,288	4,660,992	442,296	4,416,524
Net Income(Loss) From Operatic	(147,330)	247,507	(394,837)	78,930	(237,712)	(28,883)	(208,829)	(210,308)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(147,330)	247,507	(394,837)	78,930	(237,712)	(28,883)	(208,829)	(210,308)

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Seven Months Ended January 31, 2024

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	97	91	78,742	88,470	1,574,442	1,801,321
Consumer/Gated Shows	14	25	24,169	77,000	257,011	575,953
DeVos Performance Hall	109	110	181,330	164,000	2,284,625	1,636,095
Banquets	18	8	11,275	12,000	114,275	114,476
Meetings	42	20	10,448	30,000	435,235	436,602
Other	7	-	9,650	-	110,888	-
GRAND TOTALS	287	254	315,614	371,470	4,776,476	4,564,447

As Percentage of Overall

Convention/Trade Shows	33.80%	35.83%	24.95%	23.82%	32.96%	39.46%
Consumer/Gated Shows	4.88%	9.84%	7.66%	20.73%	5.38%	12.62%
Devos Performance Hall	37.98%	43.31%	57.45%	44.15%	47.83%	35.84%
Ballroom Exclusive	6.27%	3.15%	3.57%	3.23%	2.39%	2.51%
Meetings	14.63%	7.87%	3.31%	8.08%	9.11%	9.57%
Other	2.44%	0.00%	3.06%	0.00%	2.32%	0.00%

DeVos Place
Balance Sheet
As of January 31, 2024

ASSETS

Current Assets		
Cash	6,399,421	
Account Receivable	1,176,216	
Prepaid Expenses	283,260	
Total Current Assets		\$7,858,898
Total Assets		\$7,858,898
		=====

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	901,793	
Accrued Expenses	25,680	
Deferred Income	447,692	
Advanced Ticket Sales & Deposits	3,613,603	
Total Current Liabilities		\$4,988,768
Other Liabilities		
Equity		
Funds Remitted to CAA		
Funds Received by CAA	(38,500)	
Expenses Paid Direct by CAA	926,114	
Beginning Balance Equity	2,220,226	
Current Year Equity	(237,712)	
Total Equity		\$2,870,130
Total Liabilities and Equity		\$7,858,898
		=====

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of January 31, 2024

Current - Under 30 Days	
Food & Beverage	114,832
Ticketing	4,824
Merchandise	5,083
Decorating	37,209
Audio/Visual	13,662
Van Andel Arena	363,841
Operating	326,302
 Over 30 Days	 155,476
 Over 60 Days	 154,987
 Over 90 Days	
 Total Accounts Receivable	 1,176,216

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2023**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2022 Actual
Net Revenue above Expenses	4,094,438	282,365	4,376,803	3,012,987
Benchmark++			1,050,000	1,050,000
Excess	4,094,438	282,365	3,326,803	1,962,987

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	191,321	191,321	382,642	371,497
Incentive Fee				
Revenue	9,582,762	8,787,485	18,370,247	14,136,872
Benchmark Revenue	6,052,911	5,347,718	11,400,629	10,449,705
Revenue Excess	3,529,851	3,439,767	6,969,618	3,687,167
Incentive Fee **	193,794	188,848	382,642	371,497
Total SMG Management Fee	385,115	380,169	765,284	742,994

** 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 MONTH ENDED JANUARY 31, 2024



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	83	70	153	112	41
ATTENDANCE	393,678	378,902	772,580	627,500	145,080
DIRECT EVENT INCOME	1,129,818	1,040,455	2,170,273	1,574,800	595,473
ANCILLARY INCOME	2,120,698	944,183	3,064,881	1,851,675	1,213,206
OTHER EVENT INCOME	1,298,751	705,138	2,003,889	1,382,100	621,789
TOTAL EVENT INCOME	4,549,267	2,689,776	7,239,043	4,808,575	2,430,468
TOTAL OTHER INCOME	1,448,348	895,371	2,343,719	2,297,600	46,119
TOTAL INCOME	5,997,615	3,585,147	9,582,762	7,106,175	2,476,587
INDIRECT EXPENSES					
EXECUTIVE	165,961	121,177	287,138	313,497	26,359
FINANCE	148,698	101,576	250,274	299,988	49,714
MARKETING	279,488	134,450	413,938	306,451	(107,487)
OPERATIONS	1,476,725	1,043,255	2,519,980	2,474,213	(45,767)
BOX OFFICE	152,731	122,366	275,097	296,213	21,116
SKYWALK ADMIN	11,933	9,066	20,999	54,100	33,101
OVERHEAD	1,046,948	673,950	1,720,898	1,610,481	(110,417)
TOTAL INDIRECT EXP.	3,282,483	2,205,840	5,488,324	5,354,943	(133,381)
NET REVENUE ABOVE EXPENSES	2,715,132	1,379,307	4,094,438	1,751,232	2,343,206
LESS INCENTIVE FEE		193,794	193,794	93,069	(100,725)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	2,715,132	1,185,513	3,900,644	1,658,163	2,242,481

Comments:

January was a strong month for the Arena on the strength of strong selling Harlem Globetrotters and Professional Bull Riding events.

January also marks the inaugural game for the new Grand Rapids Rise professional volleyball team to much success.

DocuSigned by:



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General Manager



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	January Actual	January Budget	January FY 2023
Number of Events	19	20	17
Attendance	75,598	100,000	77,786
Direct Event Income	\$133,095	\$142,750	\$15,488
Ancillary Income	410,052	333,151	390,831
Other Event Income	231,912	137,250	149,353
Other Operating Income	179,615	190,772	168,886
Indirect Expenses	(531,329)	(446,249)	(484,313)
Net Income	<u>\$423,345</u>	<u>\$357,674</u>	<u>\$240,245</u>

YTD	YTD 2024 Actual	YTD 2024 Budget	YTD 2023 Prior Year
Number of Events	83	64	62
Attendance	393,678	357,000	342,209
Direct Event Income	\$1,129,818	\$895,500	\$884,931
Ancillary Income	2,120,698	1,108,297	1,678,896
Other Event Income	1,298,751	835,600	997,639
Other Operating Income	1,448,348	1,365,354	1,339,703
Indirect Expenses	(3,282,483)	(3,123,743)	(3,138,643)
Net Income	<u>\$2,715,132</u>	<u>\$1,081,008</u>	<u>\$1,762,526</u>

EVENT INCOME

Event income came in consistent with budget overall.

ANCILLARY INCOME

Ancillary income came in higher than budget with strong selling PBR and the Disturbed concert as compared to the originally budgeted Christian show.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month and trending a little higher than budget for the fiscal year overall due to higher than anticipated event activity.

Van Andel Arena
Income Statement
For the Seven Months Ended January 31, 2024

	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	\$ 529,234	\$ 448,750	\$ 80,484	\$ 480,145	\$ 2,652,367	\$ 1,709,500	\$ 942,867	\$ 1,990,720
Service Revenue	182,831	130,000	52,831	73,739	2,452,269	1,169,000	1,283,269	1,983,408
Service Expenses	(578,970)	(436,000)	(142,970)	(538,396)	(3,974,818)	(1,983,000)	(1,991,818)	(3,089,197)
Total Direct Event Income	133,095	142,750	(9,655)	15,488	1,129,818	895,500	234,318	884,931
Ancillary Income								
F&B Concession	357,747	295,115	62,632	341,006	1,811,259	958,021	853,238	1,439,862
F&B Catering	31,313	23,876	7,437	27,275	138,790	85,758	53,032	135,973
Novelty Sales	20,370	14,160	6,210	22,550	157,053	64,518	92,535	102,121
Booth Cleaning	372	-	372	-	372	-	372	304
Audio Visual	250	-	250	-	2,649	-	2,649	636
Other Ancillary	-	-	-	-	10,575	-	10,575	-
Total Ancillary Income	410,052	333,151	76,901	390,831	2,120,698	1,108,297	1,012,401	1,678,896
Other Event Income								
Ticket Rebates(Per Event)	231,912	137,250	94,662	149,353	1,298,751	835,600	463,151	997,639
Total Other Event Income	231,912	137,250	94,662	149,353	1,298,751	835,600	463,151	997,639
Total Event Income	775,059	613,151	161,908	555,672	4,549,267	2,839,397	1,709,870	3,561,466
Other Operating Income								
Luxury Box Agreements	129,925	132,688	(2,763)	119,453	1,006,029	958,766	47,263	912,587
Advertising	48,000	52,084	(4,084)	48,000	336,000	364,588	(28,588)	356,270
Other Income	1,690	6,000	(4,310)	1,433	106,319	42,000	64,319	70,846
Total Other Operating Income	179,615	190,772	(11,157)	168,886	1,448,348	1,365,354	82,994	1,339,703
Adjusted Gross Income	954,674	803,923	150,751	724,558	5,997,615	4,204,751	1,792,864	4,901,169
Operating Expenses								
Salaries and Wages	192,233	207,291	(15,058)	218,939	1,787,717	1,451,037	336,680	1,745,177
Payroll Taxes and Benefits	65,358	60,851	4,507	80,698	558,112	425,957	132,155	541,301
Labor Allocations to Events	(96,028)	(82,886)	(13,142)	(100,436)	(1,189,013)	(580,202)	(608,811)	(969,796)
Net Salaries and Benefits	161,563	185,256	(23,693)	199,201	1,156,816	1,296,792	(139,976)	1,316,682
Contracted Services	40,796	35,534	5,262	33,563	252,417	248,738	3,679	245,170
General and Administrative	55,532	34,969	20,563	54,007	417,699	244,783	172,916	302,519
Operations	20,680	10,084	10,596	6,367	68,997	70,588	(1,591)	40,683
Repair and Maintenance	43,702	32,542	11,160	21,528	269,749	227,794	41,955	267,451
Operational Supplies	57,401	25,017	32,384	18,328	228,128	175,119	53,009	144,649
Insurance	48,396	27,250	21,146	44,658	261,840	190,750	71,090	214,250
Utilities	86,837	79,175	7,662	90,718	511,885	554,225	(42,340)	498,380
SMG Management Fees	16,422	16,422	-	15,943	114,952	114,954	(2)	108,859
Total Operating Expenses	531,329	446,249	85,080	484,313	3,282,483	3,123,743	158,740	3,138,643
Net Income(Loss) From Operations	423,345	357,674	65,671	240,245	2,715,132	1,081,008	1,634,124	1,762,526
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	423,345	357,674	65,671	240,245	2,715,132	1,081,008	1,634,124	1,762,526

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Seven Months Ending January 31, 2024

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	11	6	39,578	33,000	461,846	399,749
Sporting Event	7	4	41,400	22,000	937,485	283,899
Concert	20	16	161,935	130,000	2,852,422	1,591,518
Team Home Games	33	37	137,239	166,000	258,189	547,303
Other	12	1	13,526	6,000	39,325	16,928
GRAND TOTALS	83	64	393,678	357,000	4,549,267	2,839,397

As Percentage of Overall

Family Show	13.25%	9.38%	10.05%	9.24%	10.15%	14.08%
Sporting Event	8.43%	6.25%	10.52%	6.16%	20.61%	10.00%
Concert	24.10%	25.00%	41.13%	36.41%	62.70%	56.05%
Team Home Games	39.76%	57.81%	34.86%	46.50%	5.68%	19.28%
Other	14.46%	1.56%	3.44%	1.68%	0.86%	0.60%

Van Andel Arena
Balance Sheet
AS of January 31, 2024

ASSETS

Current Assets		
Cash	18,759,624	
Account Receivable	1,995,335	
Prepaid Expenses	341,229	

Total Current Assets		\$21,096,188
Total Assets		\$21,096,188
		=====

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	3,183,883	
Accrued Expenses	442,802	
Deferred Income	2,602,213	
Advanced Ticket Sales & Deposits	11,799,362	

Total Current Liabilities		\$18,028,261
Other Liabilities		
Equity		
Funds Remitted to CAA	(5,000,000)	
Funds Received by CAA	-	
Expenses Paid Direct by CAA	570,145	
Beginning Balance Equity	4,782,653	
Current Year Equity	2,715,132	
	
Total Equity		\$3,067,927
Total Liabilities and Equity		\$21,096,188
		=====

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
AS of January 31, 2024

Current - Under 30 Days	
Food & Beverage	608,778
Ticketing	767,632
Merchandise	1,172
Permanent Advertising	32,000
DeVos Place	(361,822)
Operating	546,070
 Over 30 Days	 190,658
 Over 60 Days	 210,847
 Over 90 Days	
 Total Accounts Receivable	 1,995,335

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2023**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2022 Actual
Net Revenue above Expenses	4,094,438	282,365	4,376,803	3,012,987
Benchmark++			1,050,000	1,050,000
Excess	4,094,438	282,365	3,326,803	1,962,987

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	191,321	191,321	382,642	371,497
Incentive Fee				
Revenue	9,582,762	8,787,485	18,370,247	14,136,872
Benchmark Revenue	6,052,911	5,347,718	11,400,629	10,449,705
Revenue Excess	3,529,851	3,439,767	6,969,618	3,687,167
Incentive Fee **	193,794	188,848	382,642	371,497
Total SMG Management Fee	385,115	380,169	765,284	742,994

** 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.