

Agenda

Board of Directors

Friday, November 3, 2023

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

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

- | | | |
|----|--|--------------|
| 1. | Call to Order | Richard Winn |
| 2. | Minutes of October 6, 2023 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | Information |
| | i. Experience Grand Rapids Report | |
| | B. Finance Committee | |
| | i. Consolidated Financial Statements for Period Ending September 30, 2023 | Action |
| | ii. ASM Global Financial Statements for Period Ending September 30, 2023 – DeVos Place® and Van Andel Arena® | Information |
| 4. | Public Comment | |
| 5. | Board Member Comments | |
| 6. | Adjournment | |

****Please note that the start time is approximate. The CAA Finance Committee meeting starts 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, OCTOBER 6, 2023**

Attendance:

Members Present: Richard Winn, Chairperson
Mandy Bolter
Lew Chamberlin
Birgit Klohs

Members Absent: Rosalynn Bliss
Mike Verhulst

| | | |
|---------------|-------------------|---------------------------------|
| Staff/Others: | Carolyn Alt | ShowSpan |
| | Chris Anderson | ASM Global |
| | Kathy Bart | ASM Global |
| | Dawn Baker | ShowSpan |
| | Kate Berens | City of Grand Rapids |
| | Rosie Bono | Gand Rapids Comic Con |
| | Tim Bradshaw | Kent County |
| | Hilarie Carpenter | ASM Global |
| | Tim Gortsema | Grand Rapids Griffins |
| | Scott Gorsline | DP Fox |
| | Jen Henkel | ASM Global |
| | Mark Hodge | Grand Rapids Comic Con |
| | Deandre Jones | Jump Ahead L3C |
| | Andy Kursch | ASM Global |
| | Rich MacKeigan | ASM Global |
| | Mary Manier | Experience Grand Rapids |
| | Cheri McConomy | McConomy Properties, LLC |
| | Brian McVicar | <i>Grand Rapids Press/MLive</i> |
| | Jackie Morse | ASM Global |
| | Jay Preston | Ernst & Young |
| | Lindsey Ruffin | ShowSpan |
| | Doug Small | Experience Grand Rapids |
| | Eddie Tadlock | ASM Global |
| | Brad Thomas | Progressive AE |
| | John Van Houten | Progressive AE |
| | Al Vanderberg | Kent County |
| | Susan Waddell | CAA |
| | Mike Wilbraham | ShowSpan |
| | Tim Wondergem | Wondergem Consulting |
| | Jessica Wood | Dickinson Wright |
| | Connor Woodruff | ASM Grand Rapids |

1. Call to Order

The Chairperson, Richard Winn, called the meeting to order at 9:24 a.m. Staff recorded the meeting minutes.

2. Minutes of August 25, 2023, Meeting

Motion by Ms. Klohs, supported by Mr. Chamberlin, to approve the August 25, 2023, Board Minutes. Motion carried.

3. Committee Reports

A. Finance Committee

i. Consolidated Financial Statements for Periods Ending August July 31, 2023

Cheri McConomy referred to the dashboard and noted that the Van Andel Arena® hosted one more concert than was budgeted and event income was much higher than anticipated. Operating income for both venues was \$600,000 more than budgeted.

Motion by Ms. Bolter, supported by Mr. Chamberlin, to accept the consolidated financial statement for the period ending August 31, 2023. Motion carried.

ii. ASM Global Financial Statements for Period Ending August 31, 2023 – DeVos Place® and Van Andel Arena®

The financial statements were included as information items.

iii. FY 24 Capital Budget Amendment Request

Motion by Ms. Klohs, supported by Mr. Chamberlin, to approve the FY 24 capital budget amendment request in the amount of \$6,680,000. Motion carried.

4. Resolution Authorizing Amphitheater Donor Recognition Policy

Boardmember Lew Chamberlin, supported by Boardmember Mandy Bolter, moved the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) and the Grand Action Foundation 2.0 (“GA2.0”) entered into a Memorandum of Understanding dated August 5, 2022, pursuant to which the CAA and GA2.0 have worked together with the City and others toward the development, funding and construction of a public outdoor amphitheater to be located at, or in the vicinity of, 201 Market Avenue in the City (the “MOU”), and

WHEREAS, the MOU provides in pertinent part that GA2.0 shall establish or cause to be established a Donor Recognition Policy relating to the amphitheater (the “Policy”) which shall be mutually agreed to by the CAA and GA2.0; and

WHEREAS, together, authorized representatives of the CAA and GA2.0 have worked and continue to work together to develop a Donor Recognition Policy for use as fundraising efforts continue.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Executive Director of the CAA is hereby authorized to finalize and agree to a Donor Recognition Policy, as anticipated in the MOU, in coordination with GA2.0, in a form approved as to substance by the Board Chair, and as to form by CAA legal counsel.

2. *That all resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.*

RESOLUTION DECLARED ADOPTED.

5. Resolution Authorizing a Third Memorandum of Understanding Between the Grand Rapids-Kent County Convention/Arena Authority and the Grand Action Foundation 2.0

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

WHEREAS, *the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) is an authority created by the City of Grand Rapids (the “City”) and the County of Kent (the “County”) pursuant to Act 203 of the Public Acts of Michigan of 1999, as amended, for the purpose, in part, of the development and operation of certain facilities including sports facilities including a public outdoor stadium for soccer and other uses as permitted by Act 203; and*

WHEREAS, *GA2.0 is a 501c(3) organization and a Michigan nonprofit corporation formed for civic purposes including gaining private and public support for public facilities including a public outdoor amphitheater and soccer stadium; and*

WHEREAS, *the CAA and GA2.0 have been working together with the City, County and others toward the development, funding and construction of a public outdoor stadium (the “Stadium”); and*

WHEREAS, *the CAA and GA2.0 intend to enter into an MOU for the purpose of reaching agreements regarding the development, funding, construction, ownership and operation of the Stadium, contingent upon the CAA’s authority as set forth in the CAA’s Articles of Organization and Operating Agreement, as amended, and as may be amended; and*

WHEREAS, *the CAA and GA2.0 previously entered into an MOU for the purpose of reaching agreements regarding the development, funding, construction, ownership and operation of the Amphitheater (the “MOU”), and also previously entered an MOU for the purpose of reaching an agreement regarding the development of the parcels surrounding, and related to, the Amphitheater (the “Second MOU”); and*

WHEREAS, *the CAA and GA2.0 now intend to enter into a third MOU (the “Third MOU”) for the purpose of reaching an agreement regarding the development, funding, construction, ownership, and operation of the Soccer Stadium.*

RESOLVED:

1. *That the CAA determines to enter a Third Memorandum of Understanding with GA2.0 for the purpose of reaching an agreement regarding the development, funding, construction, ownership, and operation of the Soccer Stadium, and the Chairperson of the Board is authorized and directed to execute said agreement, in a form approved as to substance by the Board Chair, and as to form by CAA legal counsel, contingent upon the CAA’s authority as set forth in the CAA’s Articles of Organization and Operating Agreement, as amended, and as may be amended.*

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

RESOLUTION DECLARED ADOPTED.

6. Resolution Authorizing Written Consent of a Memorandum of Understanding Between the City of Grand Rapids and the Grand Action Foundation 2.0

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

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) is an authority created by the City of Grand Rapids (the “City”) and the County of Kent (the “County”) pursuant to Act 203 of the Public Acts of Michigan of 1999, as amended, for the purpose, in part, of the development and operation of certain facilities including entertainment facilities including a public outdoor amphitheater and other uses as permitted by Act 203; and

WHEREAS, GA2.0 is a 501c(3) organization and a Michigan nonprofit corporation formed for charitable and civic purposes including gaining private and public support for public facilities; and

WHEREAS, in connection therewith, GA 2.0 has been working with public and private interests toward the development, funding, and construction of an outdoor amphitheater to be located at 201 Market Avenue (the “Amphitheater”), which property currently houses certain City facilities and activities; and

WHEREAS, the City has been planning to transition its use of such property to other facilities and supports the use of 201 Market for the Amphitheater, and a portion of the activities currently conducted at 201 Market will be transitioned to temporary facilities at 201 Market as well as the City’s Wastewater Treatment Plant property located at 1300 Market; and

WHEREAS, the City and GA2.0 intend to enter into an MOU for the purpose of reaching agreement regarding the scope, schedule and budget associated with the construction and use of temporary facilities at 201 Market and 1300 Market while the City transitions and relocates its operations (the “Relocation MOU”); and

WHEREAS, the CAA and the City are parties to an Option Agreement to Purchase Real Estate involving the sale of 201 Market, which requires CAA, consent prior to the City entering into any agreement, lease, use, occupancy arrangement, easement or other agreement with respect to all or any portion of the property.

RESOLVED:

1. That the CAA authorizes its Board Chair to provide written consent to a Relocation MOU between the City and GA2.0, in a form approved as to substance by the Board Chair, and as to form by CAA legal counsel.

2. That all resolutions or parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded.

RESOLUTION DECLARED ADOPTED.

7. Public Comments

Deandre Jones, Jump Ahead L3C, supports the International Wine, Beer & Food Festival and has volunteered in the past. Deandre requested support for the KDL esports initiative and repeated his wish to host esports events at a CAA venue.

8. Board Member Comments

Chair Winn congratulated Experience Grand Rapids on being selected to receive the Chairman's Award at the International Wine, Beer & Food Festival. Mr. Winn thanked Board members for approving the budget amendments and stated that additional amendments will come before the Board for review and action. The Chair and Rich are working with HVS for an updated convention hotel study. Mr. Winn is working to enhance Mr. MacKeigan's role as the CAA Executive Director.

9. Adjournment

The meeting was adjourned at 9:32 a.m.

Susan M. Waddell, Recording Secretary



Consolidated Financial Report
September 30, 2023

| | 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 (3 Months)
September 30, 2023

| Van Andel Arena® | | | | | | |
|---------------------------------|--------------|--------------|--------------|------------------|--------------|--------------|
| | All Events | | | Concert | | |
| | Prior Year | Budget | Actual | Prior Year | Budget | Actual |
| Events | 9 | 14 | 15 | 6 | 8 | 9 |
| Attendance | 52,424 | 97,000 | 103,583 | 53,603 | 64,000 | 80,335 |
| Event Income | \$ 1,602,530 | \$ 1,777,408 | \$ 2,552,973 | \$ 802,097 | \$ 813,280 | \$ 1,509,443 |
| | | | | | | |
| DeVos Place® | | | | | | |
| | All Events | | | Convention/Trade | | |
| | Prior Year | Budget | Actual | Prior Year | Budget | Actual |
| Events | 82 | 94 | 125 | 46 | 51 | 59 |
| Attendance | 67,318 | 72,300 | 103,237 | 40,530 | 59,160 | 30,180 |
| Event Income | \$ 1,205,155 | \$ 1,678,240 | \$ 1,864,071 | \$ 627,128 | \$ 1,051,246 | \$ 767,703 |
| | | | | | | |
| | | | | Prior Year | Budget | Actual |
| Operating Income (Loss) | | | | \$ 172,341 | \$ 318,528 | \$ 1,425,216 |
| Capital/Repair/Replacement | | | | (242,076) | (620,358) | (620,358) |
| Net - To/(From) on Fund Balance | | | | \$ (69,735) | \$ (301,830) | \$ 804,858 |

***NOTES:**

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

Grand Rapids-Kent County Convention/Arena Authority

Summary by Facility/Other

Fiscal Year Ending June 30, 2024

FY 2024

| | 7/1 - 9/30/23 | | | |
|---|----------------------|------------------------|-------------------------------------|-----------------------------|
| | Year-to-Date | Roll | Estimate⁽¹⁾ | Budget |
| Van Andel Arena | | | | |
| Operating - Revenues | \$ 2,552,973 | \$ 6,793,025 | \$ 9,345,998 | \$ 7,106,175 |
| - Expenses - Facilities | (1,201,546) | (3,956,336) | (5,157,882) | (5,157,882) |
| - Base Management Fees | (49,265) | (147,796) | (197,061) | (197,061) |
| - Incentive Fee | - | (208,197) | (208,197) | (93,069) |
| Net Operating Income (Loss) | 1,302,162 | 2,480,696 | 3,782,858 | 1,658,163 |
| Parking | 104,768 | 279,732 | 384,500 | 384,500 |
| Pedestrian Safety | - | (70,000) | (70,000) | (70,000) |
| Net Proceeds (Cost) of VAA | 1,406,930 | 2,690,428 | 4,097,358 | 1,972,663 |
| DeVos Place Convention Center | | | | |
| Operating - Revenues | 1,864,071 | 6,421,321 | 8,285,392 | 7,983,737 |
| - Expenses - Facilities | (1,872,309) | (5,920,887) | (7,793,196) | (7,793,196) |
| - Base Management Fees | (49,265) | (147,796) | (197,061) | (197,061) |
| - Incentive Fee | - | (185,925) | (185,925) | (301,053) |
| Net Operating Income (Loss) | (57,503) | 166,713 | 109,210 | (307,573) |
| Parking | 293,627 | 1,395,393 | 1,689,020 | 1,689,020 |
| Pedestrian Safety | - | - | - | - |
| Net Proceeds (Cost) of DVP | 236,124 | 1,562,106 | 1,798,230 | 1,381,447 |
| Other | | | | |
| Revenues | 209,858 | 427,892 | 637,750 | 637,750 |
| Expenses | (427,696) | (851,987) | (1,279,683) | (1,279,683) |
| Net Other | (217,838) | (424,095) | (641,933) | (641,933) |
| Total Net Proceeds/Operating | 1,425,216 | 3,828,439 | 5,253,655 | 2,712,177 |
| Capital/Repair Expenditures | (620,358) | (14,570,314) | (15,190,672) | (15,190,672) ⁽²⁾ |
| Results Net of Capital/Repair Expenditures | \$ 804,858 | \$ (10,741,875) | \$ (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 7/1-9/30/23 | Roll | Appropriation Lapse | Requested Carryover |
|-------------------------------------|--|----------------------|-----------------------|-------------|------------------------|------------------------|
| Van Andel Arena® | | | | | | |
| | Emergency Exit Door Replacement | 95,000 | | | | |
| | Ice Plant Compressor Change | 190,000 | \$ 4,170 | | | |
| | 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 | 29,170 | - | - | - |
| 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 | | | | |
| | Convention Center Public Space Furniture | 95,000 | | | | |
| | Ballroom Lighting & Controls | 3,100,000 (2) | 86,916 | | | |
| | Westside Ballroom HVAC Repair | 120,000 (2) | | | | |
| | Performance Hall Seating/Box Seating | | | | | |
| | Additional Needs | 30,000 | | | | |
| | Total DVP | 4,609,000 | 218,126 | - | - | - |
| 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 | \$ 620,358 | \$ - | \$ - | \$ - |

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

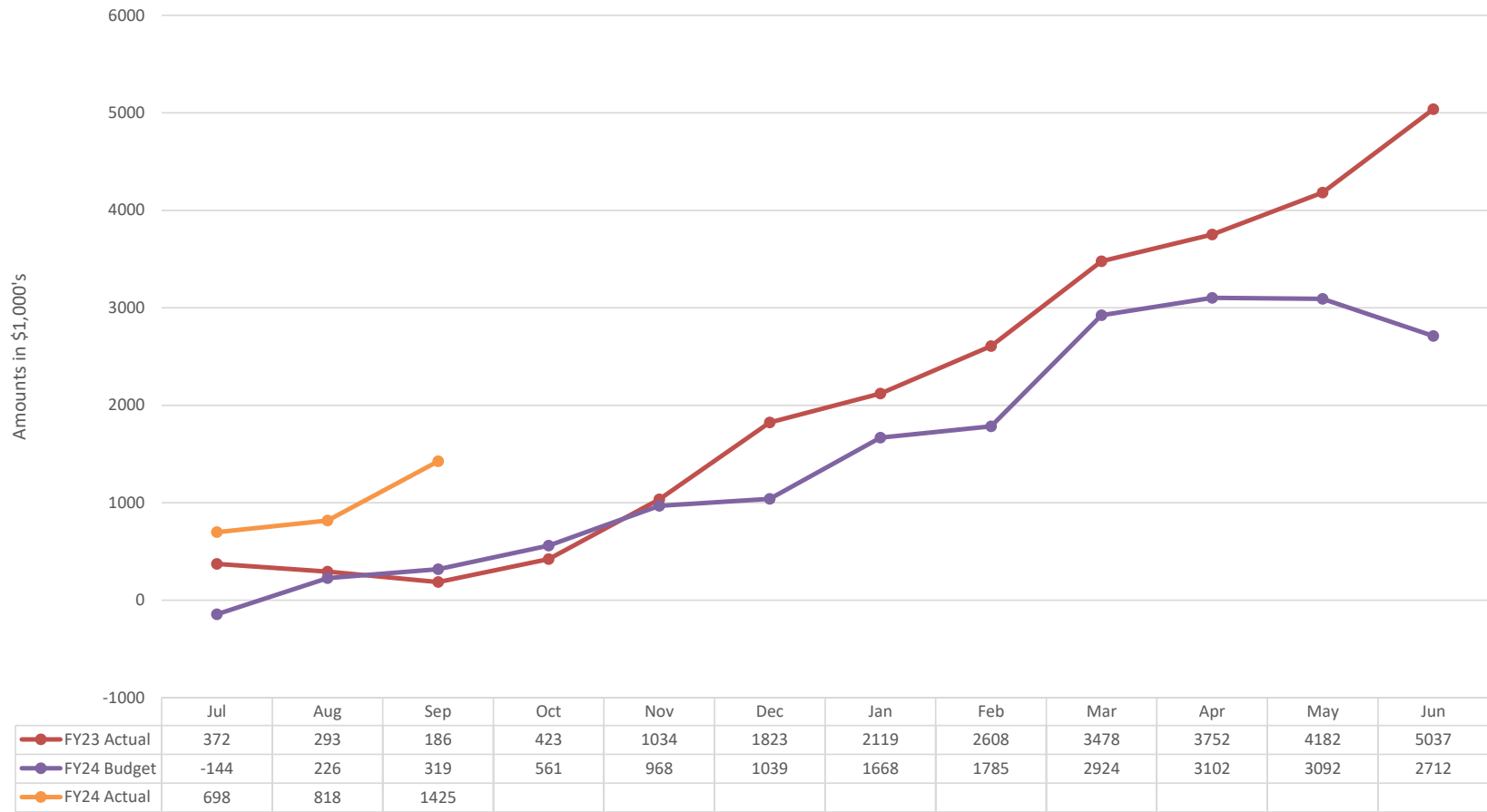
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2024

| | Annual | | | Year-To-Date | | |
|--|----------------------|------------------------|----------------------------------|------------------------|------------------------|----------------------------------|
| | FY 2023 Unaudited | FY 2024 Budget | Change Positive (Negative) | FY 2023 7/1-9/30/22 | FY 2024 7/1-9/30/23 | Change Positive (Negative) |
| Van Andel Arena | | | | | | |
| Operating - Revenues | \$ 9,249,244 | \$ 7,106,175 | -23.2% | \$ 1,602,530 | \$ 2,552,973 | 59.3% |
| - Expenses - Facilities | (5,391,190) | (5,157,882) | 4.3% | (1,141,738) | (1,201,546) | 5.2% |
| - Base Management Fees | (188,576) | (197,061) | -4.5% | (45,086) | (49,265) | 9.3% |
| - Incentive Fee | - | (93,069) | - | - | - | - |
| Net Operating Income (Loss) | 3,669,478 | 1,658,163 | 54.8% | 415,706 | 1,302,162 | 213.2% |
| Parking | 383,002 | 384,500 | 0.4% | 106,200 | 104,768 | -1.3% |
| Pedestrian Safety | (67,452) | (70,000) | -100.0% | - | - | 0.0% |
| Net Proceeds (Cost) of VAA | 3,985,028 | 1,972,663 | -102.0% | 521,906 | 1,406,930 | 169.6% |
| DeVos Place Convention Center | | | | | | |
| Operating - Revenues | 8,096,546 | 7,983,737 | -1.4% | 1,205,155 | 1,864,071 | 54.7% |
| - Expenses - Facilities | (7,911,327) | (7,793,196) | 1.5% | (1,548,166) | (1,872,309) | 20.9% |
| - Base Management Fees | (191,267) | (197,061) | -3.0% | (46,437) | (49,265) | 6.1% |
| - Incentive Fee | - | (301,053) | - | - | - | 0.0% |
| Net Operating Income (Loss) | (6,048) | (307,573) | -4985.5% | (389,448) | (57,503) | 85.2% |
| Parking | 1,427,969 | 1,689,020 | 18.3% | 237,463 | 293,627 | 23.7% |
| Pedestrian Safety | - | - | 0.0% | - | - | 0.0% |
| Net Proceeds (Cost) of DVP | 1,421,921 | 1,381,447 | -2.9% | (151,985) | 236,124 | 255.4% |
| Other | | | | | | |
| Revenues | 559,771 | 637,750 | 13.9% | 48,818 | 209,858 | 329.9% |
| Expenses | (929,456) | (1,279,683) | -37.7% | (246,399) | (427,696) | 73.6% |
| Net Other | (369,685) | (641,933) | -81.0% | (197,580) | (217,838) | 10.3% |
| Total Net Proceeds/Operating | 5,037,264 | 2,712,177 | 78.0% | 172,341 | 1,425,216 | 727.0% |
| Capital/Repair Expenditures | (4,101,429) | (15,190,672) | 52.0% | (242,076) | (620,358) | -156.3% |
| Results Net of Capital Expenditures | \$ 935,835 | \$ (12,478,495) | 71.0% | \$ (69,735) | \$ 804,858 | -1254.2% |

NOTES: Combined net operating income of VAA & DVP is just under \$1.2 million improvement over same point prior fiscal year.

CAA Trends

Monthly Net Operating Proceeds through September 30, 2023



Accumulative Net Proceeds by Month

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

| | Annual | | | Actual | | |
|--------------------------|---------------------|------------------------|-------------------|--------------------------|---------------------|-------------------|
| | FY 2023 | FY 2024 | Change | FY 2023 | FY 2024 | Change |
| | Unaudited | Budget | Positive | 7/1-9/30/22 | 7/1-9/30/23 | Positive |
| | | | (Negative) | | | (Negative) |
| Other | | | | | | |
| Revenues | | | | | | |
| Interest/Capital Contr. | \$ 533,495 | \$ 569,750 | 6.8% | \$ 47,018 ⁽²⁾ | \$ 209,858 | 346.3% |
| Miscellaneous | 26,276 | 68,000 | 158.8% | 1,800 | - | -100.0% |
| | <u>559,771</u> | <u>637,750</u> | <u>13.9%</u> | <u>48,818</u> | <u>209,858</u> | <u>329.9%</u> |
| Expenses | | | | | | |
| Recognition/New Venue | | | | | | |
| Awareness | 42,412 | 200,000 ⁽³⁾ | -100.0% | 1,885 | 151,860 | 0.0% |
| Marketing (CVB/Sports) | 200,000 | 200,000 | 0.0% | 66,667 | 66,667 | 0.0% |
| Diversity Initiative | 96,190 | 200,000 | -107.9% | 53,169 | 9,474 | 82.2% |
| Wages/Benefits | 90,841 | 113,982 | -25.5% | 2,778 | 18,455 | -564.2% |
| Professional Services | 145,776 | 139,852 | 4.1% | 13,052 | 39,258 | -200.8% |
| 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% | 9,000 | 20,861 | -131.8% |
| Landscaping | 36,130 | 47,615 | -31.8% | - | 17,579 | 0% |
| Procurement of Art | 25,283 | 30,000 | -100.0% | 7,489 | 6,568 | 0% |
| Insurance | 25,542 | 25,542 | 0.0% | 25,542 | 26,208 | -2.6% |
| Supplies/Other | 18,736 | 10,000 | 46.6% | 170 | 597 | -251.0% |
| | <u>929,456</u> | <u>1,279,683</u> | <u>-37.7%</u> | <u>246,399</u> | <u>427,696</u> | <u>-73.6%</u> |
| Net Proceeds - Operating | <u>\$ (369,685)</u> | <u>\$ (641,933)</u> | <u>-73.6%</u> | <u>\$ (197,580)</u> | <u>\$ (217,838)</u> | <u>10.3%</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
September 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) |
| Accrued at June 30, 2023 | | (83,870) |
| Accrued in September, 2023 | | (25,000) |
| Deferred Revenue Balance @ 9/30/23 | <u><u>\$ -</u></u> | <u><u>\$ 13,493,282</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 SEPTEMBER 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 | 125 | 330 | 455 | 429 | 26 |
| ATTENDANCE | 103,237 | 520,310 | 623,547 | 657,520 | (33,973) |
| DIRECT EVENT INCOME | 755,469 | 3,416,779 | 4,172,248 | 4,150,645 | 21,603 |
| ANCILLARY INCOME | 741,280 | 1,939,092 | 2,680,372 | 2,549,292 | 131,080 |
| OTHER EVENT INCOME | 326,464 | 952,950 | 1,279,414 | 1,167,800 | 111,614 |
| TOTAL EVENT REVENUE | 1,823,213 | 6,308,821 | 8,132,034 | 7,867,737 | 264,297 |
| TOTAL OTHER REVENUE | 40,858 | 112,500 | 153,358 | 116,000 | 37,358 |
| TOTAL OPERATING REVENUE | 1,864,071 | 6,421,321 | 8,285,392 | 7,983,737 | 301,655 |
| INDIRECT EXPENSES | | | | | |
| EXECUTIVE | 46,377 | 238,019 | 284,396 | 284,396 | - |
| FINANCE | 72,371 | 270,006 | 342,377 | 342,377 | - |
| MARKETING | 46,126 | 284,753 | 330,879 | 330,879 | - |
| OPERATIONS | 368,521 | 1,494,630 | 1,863,151 | 1,863,151 | - |
| EVENT SERVICES | 592,537 | 1,133,253 | 1,725,790 | 1,725,790 | - |
| BOX OFFICE | 60,385 | 237,031 | 297,416 | 297,416 | - |
| SALES | 114,883 | 464,874 | 579,757 | 579,757 | - |
| OVERHEAD | 620,375 | 1,946,116 | 2,566,491 | 2,566,491 | - |
| TOTAL OPERATING EXP. | 1,921,574 | 6,068,682 | 7,990,257 | 7,990,257 | - |
| NET REVENUE ABOVE EXPENSES | (57,503) | 352,639 | 295,135 | (6,520) | 301,655 |
| INCENTIVE FEE | | 185,925 | 185,925 | 301,053 | 115,128 |
| NET OPERATING REVENUE OVER OPERATING EXPENSES | (57,503) | 166,714 | 109,210 | (307,573) | 416,783 |

Comments:

DeVos Place had a successful first quarter of the fiscal year finishing the quarter \$260K ahead of budget. The final 3 quarters look to remain somewhat consistent with budget overall with a \$295K revenue above expenses forecasted for the fiscal year overall.


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 | September Actual | September Budget | September FY 2023 |
|------------------------|---------------------|---------------------|----------------------|
| Number of Events | 52 | 25 | 30 |
| Attendance | 48,590 | 30,600 | 17,658 |
| Direct Event Income | \$273,473 | \$211,110 | \$92,442 |
| Ancillary Income | 269,847 | 101,968 | 132,419 |
| Other Event Income | 88,719 | 96,750 | 89,347 |
| Other Operating Income | 27,157 | 9,666 | 9,501 |
| Indirect Expenses | (669,089) | (665,856) | (527,319) |
| Net Income | (\$9,893) | (\$246,362) | (\$203,610) |

| YTD | YTD 2024 Actual | YTD 2024 Budget | YTD 2023 Prior Year |
|------------------------|--------------------|--------------------|------------------------|
| Number of Events | 125 | 94 | 82 |
| Attendance | 103,237 | 127,010 | 67,318 |
| Direct Event Income | \$755,469 | \$826,917 | \$478,757 |
| Ancillary Income | 741,280 | 598,975 | 541,985 |
| Other Event Income | 326,464 | 224,350 | 161,771 |
| Other Operating Income | 40,858 | 28,998 | 22,642 |
| Indirect Expenses | (1,921,574) | (1,997,568) | (1,594,633) |
| Net Income | (\$57,503) | (\$318,328) | (\$389,478) |

EVENT INCOME

Event income exceeded budget as the theater hosted an additional sold out comedy show.

ANCILLARY INCOME

Ancillary income came in well ahead of budget as spending in all areas exceeded expectations.

INDIRECT EXPENSES

Indirect expenses came in at budgeted levels for the month.

DeVos Place
Income Statement
For the Three Months Ended September 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 | \$309,393 | \$215,720 | \$ 93,673 | \$170,426 | \$869,036 | \$829,227 | \$ 39,809 | \$665,286 |
| Service Revenue | 416,439 | 364,256 | 52,183 | 211,799 | 1,154,924 | \$780,179 | 374,745 | 587,323 |
| Service Expenses | (452,359) | (368,866) | (83,493) | (289,783) | (1,268,491) | (\$782,489) | (486,002) | (773,852) |
| Total Direct Event Income | 273,473 | 211,110 | 62,363 | 92,442 | 755,469 | 826,917 | (71,448) | 478,757 |
| Ancillary Income | | | | | | | | |
| F&B Concession | 55,568 | 13,315 | 42,253 | 14,060 | 105,403 | \$39,949 | 65,454 | 38,631 |
| F&B Catering | 83,762 | 31,098 | 52,664 | 71,797 | 270,382 | \$225,086 | 45,296 | 248,442 |
| Novelty Sales | 3,500 | 3,340 | 160 | 8,796 | 8,193 | \$5,720 | 2,473 | 10,023 |
| Booth Cleaning | 25,400 | 10,951 | 14,449 | 7,009 | 87,318 | \$71,706 | 15,612 | 74,614 |
| Telephone/Long Distance | 0 | - | - | 0 | 0 | \$0 | - | 0 |
| Electrical Services | 29,632 | 14,879 | 14,753 | 8,010 | 126,684 | \$96,124 | 30,560 | 83,958 |
| Audio Visual | 44,287 | 12,629 | 31,658 | 8,703 | 78,682 | \$93,359 | (14,677) | 31,821 |
| Internet Services | 13,584 | 4,311 | 4,764 | 5,776 | 27,636 | \$26,194 | 4,764 | 24,454 |
| Equipment Rental | 14,114 | 11,445 | 2,669 | 8,268 | 36,982 | \$40,837 | (3,855) | 30,042 |
| Total Ancillary Income | 269,847 | 101,968 | 167,879 | 132,419 | 741,280 | 598,975 | 142,305 | 541,985 |
| Other Event Income | | | | | | | | |
| Ticket Rebates(Per Event) | 88,719 | 96,750 | (8,031) | 89,347 | 326,464 | \$224,350 | 102,114 | 161,771 |
| Total Other Event Income | 88,719 | 96,750 | (8,031) | 89,347 | 326,464 | 224,350 | 102,114 | 161,771 |
| Total Event Income | 632,039 | 409,828 | 222,211 | 314,208 | 1,823,213 | 1,650,242 | 172,971 | 1,182,513 |
| Other Operating Income | | | | | | | | |
| Luxury Box Agreements | 767 | 1,333 | (566) | 804 | 2,300 | 3,999 | (1,699) | 2,413 |
| Advertising | 0 | 1,000 | (1,000) | 0 | 0 | 3,000 | (3,000) | 0 |
| Other Income | 26,390 | 7,333 | 19,057 | 8,697 | 38,558 | 21,999 | 16,559 | 20,229 |
| Total Other Operating Income | 27,157 | 9,666 | 17,491 | 9,501 | 40,858 | 28,998 | 11,860 | 22,642 |
| Adjusted Gross Income | 659,196 | 419,494 | 239,702 | 323,709 | 1,864,071 | 1,679,240 | 184,831 | 1,205,155 |
| Operating Expenses | | | | | | | | |
| Salaries and Wages | 460,937 | 481,421 | (20,484) | 355,486 | 1,413,020 | 1,444,263 | (31,243) | 956,660 |
| Payroll Taxes and Benefits | 147,558 | 121,790 | 25,768 | 109,742 | 464,629 | 365,370 | 99,259 | 297,543 |
| Labor Allocations to Events | (345,700) | (307,794) | (37,906) | (229,172) | (1,040,869) | (923,382) | (117,487) | (664,592) |
| Net Salaries and Benefits | 262,795 | 295,417 | (32,622) | 236,056 | 836,780 | 886,251 | (49,471) | 589,611 |
| Contracted Services | 60,533 | 38,350 | 22,183 | 52,415 | 165,513 | 115,050 | 50,463 | 157,074 |
| General and Administrative | 61,918 | 44,815 | 17,103 | 25,338 | 151,371 | 134,445 | 16,926 | 121,122 |
| Operations | 11,634 | 18,852 | (7,218) | 10,607 | 28,338 | 56,556 | (28,218) | 86,627 |
| Repair and Maintenance | 52,967 | 42,000 | 10,967 | 26,373 | 146,488 | 126,000 | 20,488 | 96,636 |
| Operational Supplies | 31,226 | 26,675 | 4,551 | 15,518 | 65,434 | 80,025 | (14,591) | 53,170 |
| Insurance | 43,913 | 46,725 | (2,812) | 24,831 | 108,191 | 140,175 | (31,984) | 78,571 |
| Utilities | 127,681 | 136,600 | (8,919) | 120,702 | 370,195 | 409,800 | (39,605) | 365,385 |
| SMG Management Fees | 16,422 | 16,422 | - | 15,479 | 49,265 | 49,266 | (1) | 46,437 |
| Total Operating Expenses | 669,089 | 665,856 | 3,233 | 527,319 | 1,921,574 | 1,997,568 | (75,994) | 1,594,633 |
| Net Income(Loss) From Operatic | (9,893) | (246,362) | 236,469 | (203,610) | (57,503) | (318,328) | 260,825 | (389,478) |
| Other Non-Operating Expenses | | | | | | | | |
| Adjusted Net Income(Loss) | (9,893) | (246,362) | 236,469 | (203,610) | (57,503) | (318,328) | 260,825 | (389,478) |

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

| Event Type | Events/Days | | Attendance | | Total Event Income | |
|------------------------|-------------|--------|------------|---------|--------------------|-----------|
| | Actual | Budget | Actual | Budget | Actual | Budget |
| Convention/Trade Shows | 59 | 51 | 30,180 | 59,160 | 767,703 | 1,051,246 |
| Consumer/Gated Shows | - | 4 | - | 6,000 | - | 30,915 |
| DeVos Performance Hall | 39 | 37 | 64,227 | 58,850 | 804,967 | 507,955 |
| Banquets | 6 | 2 | 2,440 | 3,000 | 31,488 | 60,126 |
| Meetings | 18 | - | 4,840 | - | 209,617 | - |
| Other | 3 | - | 1,550 | - | 9,438 | - |
| GRAND TOTALS | 125 | 94 | 103,237 | 127,010 | 1,823,213 | 1,650,242 |

As Percentage of Overall

| | | | | | | |
|------------------------|--------|--------|--------|--------|--------|--------|
| Convention/Trade Shows | 47.20% | 54.26% | 29.23% | 46.58% | 42.11% | 63.70% |
| Consumer/Gated Shows | 0.00% | 4.26% | 0.00% | 4.72% | 0.00% | 1.87% |
| Devos Performance Hall | 31.20% | 39.36% | 62.21% | 46.33% | 44.15% | 30.78% |
| Ballroom Exclusive | 4.80% | 2.13% | 2.36% | 2.36% | 1.73% | 3.64% |
| Meetings | 14.40% | 0.00% | 4.69% | 0.00% | 11.50% | 0.00% |
| Other | 2.40% | 0.00% | 1.50% | 0.00% | 0.52% | 0.00% |

DeVos Place
Balance Sheet
As of September 30, 2023

ASSETS

Current Assets

| | |
|--------------------|-----------|
| Cash | 6,518,767 |
| Account Receivable | 1,447,562 |
| Prepaid Expenses | 155,770 |

| | | |
|-----------------------------|--|--------------------|
| Total Current Assets | | \$8,122,100 |
|-----------------------------|--|--------------------|

| | | |
|---------------------|--|--------------------|
| Total Assets | | \$8,122,100 |
|---------------------|--|--------------------|

LIABILITIES AND EQUITY

Current Liabilities

| | |
|----------------------------------|-----------|
| Accounts Payable | 825,938 |
| Accrued Expenses | 319,880 |
| Deferred Income | 542,542 |
| Advanced Ticket Sales & Deposits | 4,143,160 |

| | | |
|---------------------------|--|-------------|
| Total Current Liabilities | | \$5,831,520 |
|---------------------------|--|-------------|

Other Liabilities

Equity

| | |
|-----------------------------|-----------|
| Funds Remitted to CAA | |
| Funds Received by CAA | (16,500) |
| Expenses Paid Direct by CAA | 359,500 |
| Beginning Balance Equity | 2,005,081 |
| Current Year Equity | (57,503) |

| | | |
|--------------|--|-------------|
| Total Equity | | \$2,290,580 |
|--------------|--|-------------|

| | | |
|-------------------------------------|--|--------------------|
| Total Liabilities and Equity | | \$8,122,100 |
|-------------------------------------|--|--------------------|

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of September 30, 2023

| | |
|-------------------------------|---------------|
| Current - Under 30 Days | |
| Food & Beverage | 139,842 |
| Ticketing | 50,275 |
| Merchandise | 3,708 |
| Decorating | 25,400 |
| Audio/Visual | 44,550 |
| Van Andel Arena | 269,389 |
| Operating | 628,894 |
| Over 30 Days | 193,293 |
| Over 60 Days | 92,211 |
| Over 90 Days | |
| Total Accounts Receivable | 1,447,562 |

**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 SEPTEMBER 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 | 15 | 122 | 137 | 112 | 25 |
| ATTENDANCE | 103,583 | 646,500 | 750,083 | 627,500 | 122,583 |
| DIRECT EVENT INCOME | 565,519 | 1,674,800 | 2,240,319 | 1,574,800 | 665,519 |
| ANCILLARY INCOME | 770,929 | 1,955,675 | 2,726,604 | 1,851,675 | 874,929 |
| OTHER EVENT INCOME | 549,097 | 1,346,600 | 1,895,697 | 1,382,100 | 513,597 |
| TOTAL EVENT INCOME | 1,885,545 | 4,977,075 | 6,862,620 | 4,808,575 | 2,054,045 |
| TOTAL OTHER INCOME | 667,428 | 1,815,950 | 2,483,378 | 2,297,600 | 185,778 |
| TOTAL INCOME | 2,552,973 | 6,793,025 | 9,345,998 | 7,106,175 | 2,239,823 |
| INDIRECT EXPENSES | | | | | |
| EXECUTIVE | 51,226 | 262,271 | 313,497 | 313,497 | - |
| FINANCE | 61,667 | 238,321 | 299,988 | 299,988 | - |
| MARKETING | 78,306 | 228,145 | 306,451 | 306,451 | - |
| OPERATIONS | 613,626 | 1,860,587 | 2,474,213 | 2,474,213 | - |
| BOX OFFICE | 56,494 | 239,719 | 296,213 | 296,213 | - |
| SKYWALK ADMIN | 6,651 | 47,449 | 54,100 | 54,100 | - |
| OVERHEAD | 382,841 | 1,227,640 | 1,610,481 | 1,610,481 | - |
| TOTAL INDIRECT EXP. | 1,250,811 | 4,104,132 | 5,354,943 | 5,354,943 | - |
| NET REVENUE ABOVE EXPENSES | 1,302,162 | 2,688,893 | 3,991,055 | 1,751,232 | 2,239,823 |
| LESS INCENTIVE FEE | | 208,197 | 208,197 | 93,069 | (115,128) |
| NET REVENUE ABOVE EXPENSES AFTER INCENTIVE | 1,302,162 | 2,480,696 | 3,782,858 | 1,658,163 | 2,124,695 |

Comments:

September concludes a successful first quarter of the fiscal year highlighted by sold out Zach Bryan, NF, The Chicks concerts.

With above average bookings over the last couple of months, the original conservative budget for the fiscal year will be exceeded by a large margin with the facility expected to end the year a little less than \$4 million revenue above expenses.


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 | September Actual | September Budget | September FY 2023 |
|------------------------|---------------------|---------------------|----------------------|
| Number of Events | 7 | 3 | 2 |
| Attendance | 38,717 | 24,000 | 15,145 |
| Direct Event Income | \$222,798 | \$182,000 | \$45,694 |
| Ancillary Income | 249,405 | 152,395 | 90,465 |
| Other Event Income | 221,179 | 215,500 | 108,480 |
| Other Operating Income | 254,934 | 204,972 | 176,218 |
| Indirect Expenses | (281,731) | (446,249) | (425,399) |
| Net Income | \$666,585 | \$308,618 | (\$4,542) |

| YTD | YTD 2024 Actual | YTD 2024 Budget | YTD 2023 Prior Year |
|------------------------|--------------------|--------------------|------------------------|
| Number of Events | 15 | 14 | 9 |
| Attendance | 103,583 | 97,000 | 69,258 |
| Direct Event Income | \$565,519 | \$424,000 | \$343,205 |
| Ancillary Income | 770,929 | 316,992 | 338,928 |
| Other Event Income | 549,097 | 431,500 | 373,799 |
| Other Operating Income | 667,428 | 604,916 | 546,598 |
| Indirect Expenses | (1,250,811) | (1,338,747) | (1,186,824) |
| Net Income | \$1,302,162 | \$438,661 | \$415,706 |

EVENT INCOME

Event income finished the month a little ahead of budget overall.

ANCILLARY INCOME

Ancillary income came in well ahead of budget as spending on Old Dominion concert and the Hot Wheels Monster Truck show exceeded expectations.

INDIRECT EXPENSES

Indirect expenses came in well below budget, however, mostly due to timing and year to date is expected to still come in overall at budget for the year.

Van Andel Arena
Income Statement
For the Three Months Ended September 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 | \$ 396,093 | \$ 285,000 | \$ 111,093 | \$ 13,454 | \$ 909,491 | \$ 580,000 | \$ 329,491 | \$ 374,538 |
| Service Revenue | 400,623 | 215,000 | 185,623 | 287,294 | 1,065,347 | 577,000 | 488,347 | 879,772 |
| Service Expenses | (573,918) | (318,000) | (255,918) | (255,054) | (1,409,319) | (733,000) | (676,319) | (911,105) |
| Total Direct Event Income | 222,798 | 182,000 | 40,798 | 45,694 | 565,519 | 424,000 | 141,519 | 343,205 |
| Ancillary Income | | | | | | | | |
| F&B Concession | 206,257 | 129,850 | 76,407 | 71,983 | 638,770 | 261,687 | 377,083 | 268,917 |
| F&B Catering | 9,618 | 8,385 | 1,233 | 8,510 | 37,717 | 22,425 | 15,292 | 28,456 |
| Novelty Sales | 26,455 | 14,160 | 12,295 | 9,972 | 85,329 | 32,880 | 52,449 | 41,555 |
| Booth Cleaning | - | - | - | - | - | - | - | - |
| Audio Visual | - | - | - | - | 2,038 | - | 2,038 | - |
| Other Ancillary | 7,075 | - | 7,075 | - | 7,075 | - | 7,075 | - |
| Total Ancillary Income | 249,405 | 152,395 | 97,010 | 90,465 | 770,929 | 316,992 | 453,937 | 338,928 |
| Other Event Income | | | | | | | | |
| Ticket Rebates(Per Event) | 221,179 | 215,500 | 5,679 | 108,480 | 549,097 | 431,500 | 117,597 | 373,799 |
| Total Other Event Income | 221,179 | 215,500 | 5,679 | 108,480 | 549,097 | 431,500 | 117,597 | 373,799 |
| Total Event Income | 693,382 | 549,895 | 143,487 | 244,639 | 1,885,545 | 1,172,492 | 713,053 | 1,055,932 |
| Other Operating Income | | | | | | | | |
| Luxury Box Agreements | 157,564 | 146,888 | 10,676 | 105,242 | 470,933 | 430,664 | 40,269 | 363,944 |
| Advertising | 48,000 | 52,084 | (4,084) | 54,548 | 144,000 | 156,252 | (12,252) | 164,270 |
| Other Income | 49,370 | 6,000 | 43,370 | 16,428 | 52,495 | 18,000 | 34,495 | 18,384 |
| Total Other Operating Income | 254,934 | 204,972 | 49,962 | 176,218 | 667,428 | 604,916 | 62,512 | 546,598 |
| Adjusted Gross Income | 948,316 | 754,867 | 193,449 | 420,857 | 2,552,973 | 1,777,408 | 775,565 | 1,602,530 |
| Operating Expenses | | | | | | | | |
| Salaries and Wages | 194,133 | 207,291 | (13,158) | 237,148 | 711,006 | 621,873 | 89,133 | 651,992 |
| Payroll Taxes and Benefits | 58,680 | 60,851 | (2,171) | 66,992 | 227,984 | 182,553 | 45,431 | 187,111 |
| Labor Allocations to Events | (191,846) | (82,886) | (108,960) | (108,367) | (452,287) | (248,658) | (203,629) | (355,352) |
| Net Salaries and Benefits | 60,967 | 185,256 | (124,289) | 195,773 | 486,703 | 555,768 | (69,065) | 483,751 |
| Contracted Services | 32,768 | 35,534 | (2,766) | 32,552 | 105,743 | 106,602 | (859) | 104,929 |
| General and Administrative | 52,144 | 34,969 | 17,175 | 34,365 | 119,276 | 104,907 | 14,369 | 114,223 |
| Operations | 5,742 | 10,084 | (4,342) | 3,127 | 16,478 | 30,252 | (13,774) | 14,439 |
| Repair and Maintenance | 3,093 | 32,542 | (29,449) | 54,273 | 112,574 | 97,626 | 14,948 | 136,314 |
| Operational Supplies | 18,095 | 25,017 | (6,922) | 23,569 | 80,849 | 75,051 | 5,798 | 59,692 |
| Insurance | 28,404 | 27,250 | 1,154 | 14,984 | 75,434 | 81,750 | (6,316) | 52,788 |
| Utilities | 64,096 | 79,175 | (15,079) | 51,727 | 204,488 | 237,525 | (33,037) | 175,602 |
| SMG Management Fees | 16,422 | 16,422 | - | 15,029 | 49,265 | 49,266 | (1) | 45,086 |
| Total Operating Expenses | 281,731 | 446,249 | (164,518) | 425,399 | 1,250,811 | 1,338,747 | (87,936) | 1,186,824 |
| Net Income(Loss) From Operations | 666,585 | 308,618 | 357,967 | (4,542) | 1,302,162 | 438,661 | 863,501 | 415,706 |
| Other Non-Operating Expenses | | | | | | | | |
| Adjusted Net Income(Loss) | 666,585 | 308,618 | 357,967 | (4,542) | 1,302,162 | 438,661 | 863,501 | 415,706 |

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

| Event Type | Events/Days | | Attendance | | Total Event Income | |
|-----------------|-------------|--------|------------|--------|--------------------|-----------|
| | Actual | Budget | Actual | Budget | Actual | Budget |
| Family Show | 4 | 4 | 18,779 | 23,000 | 305,823 | 264,300 |
| Sporting Event | 2 | 2 | 4,469 | 10,000 | 70,278 | 94,912 |
| Concert | 9 | 8 | 80,335 | 64,000 | 1,509,443 | 813,280 |
| Team Home Games | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| GRAND TOTALS | 15 | 14 | 103,583 | 97,000 | 1,885,545 | 1,172,492 |

As Percentage of Overall

| | | | | | | |
|-----------------|--------|--------|--------|--------|--------|--------|
| Family Show | 26.67% | 28.57% | 18.13% | 23.71% | 16.22% | 22.54% |
| Sporting Event | 13.33% | 14.29% | 4.31% | 10.31% | 3.73% | 8.09% |
| Concert | 60.00% | 57.14% | 77.56% | 65.98% | 80.05% | 69.36% |
| Team Home Games | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Other | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Van Andel Arena
Balance Sheet
As of September 30, 2023

ASSETS

Current Assets

| | |
|--------------------|------------|
| Cash | 16,002,182 |
| Account Receivable | 1,427,604 |
| Prepaid Expenses | 288,050 |

| | | |
|-----------------------------|---------------------|--|
| Total Current Assets | \$17,717,836 | |
|-----------------------------|---------------------|--|

| | | |
|---------------------|---------------------|--|
| Total Assets | \$17,717,836 | |
|---------------------|---------------------|--|

LIABILITIES AND EQUITY

Current Liabilities

| | |
|----------------------------------|-----------|
| Accounts Payable | 2,487,140 |
| Accrued Expenses | 431,147 |
| Deferred Income | 2,073,751 |
| Advanced Ticket Sales & Deposits | 7,366,307 |

| | | |
|---------------------------|--------------|--|
| Total Current Liabilities | \$12,358,346 | |
|---------------------------|--------------|--|

Other Liabilities

Equity

| | |
|-----------------------------|-------------|
| Funds Remitted to CAA | (1,000,000) |
| Funds Received by CAA | - |
| Expenses Paid Direct by CAA | 168,489 |
| Beginning Balance Equity | 4,888,842 |
| Current Year Equity | 1,302,162 |

| | | |
|--------------|-------------|--|
| Total Equity | \$5,359,490 | |
|--------------|-------------|--|

| | | |
|-------------------------------------|---------------------|--|
| Total Liabilities and Equity | \$17,717,836 | |
|-------------------------------------|---------------------|--|

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of September 30, 2023

| | |
|-------------------------------|---------------|
| Current - Under 30 Days | |
| Food & Beverage | 275,800 |
| Ticketing | 95,331 |
| Merchandise | 1,167 |
| Permanent Advertising | 32,000 |
| DeVos Place | (269,389) |
| Operating | 800,515 |
| Over 30 Days | 387,193 |
| Over 60 Days | 104,987 |
| Over 90 Days | |
| Total Accounts Receivable | 1,427,604 |

**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.