Independent Auditor's Report on Audit of Financial Statements

Enmarket Arena

as of December 31, 2023 and 2022
and for the year ended December 31, 2023
and the eleven month period ended December 31, 2022

SCOTT + COMPANY

Contents

Page

Independent Auditor's Report

To the Management of
Enmarket Arena
Savannah, Georgia

Opinion

We have audited the accompanying financial statements of the Enmarket Arena (the "Arena") owned by the City of Savannah and managed by OVG Facilities, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of revenues, expenses, and equity and cash flows for the year ended December 31, 2023 and eleven month period ended December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Arena as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year and eleven month period then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Arena and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Arena's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Arena's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Selling, General, and Administrative Expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Scott and Company LLC

Columbia, South Carolina
April 29, 2024

Enmarket Arena
Balance Sheets
as of December 31,

	2023	2022
Assets:		
Cash and cash equivalents	**$ 6,570,759**	$ 6,436,201
Accounts receivable, net	**4,627,075**	8,090,680
Prepaid expenses	**238,018**	97,711
Total current assets	**11,435,852**	14,624,592
Property, plant, and equipment, net	**1,018,132**	142,926
Right of use asset, net	**442,156**	490,412
Contract acquisition costs, net	**1,437,355**	1,615,172
Total assets	**$ 14,333,495**	$ 16,873,102
Liabilities:		
Accounts payable	**$ 1,700,764**	$ 1,290,505
Accrued expenses	**1,193,841**	2,249,222
Event liability	**172,388**	889,245
Ticketing liability	**3,706,674**	3,612,967
Deferred revenues	**5,826,009**	6,361,056
Lease liability, current portion	**27,412**	-
Total current liabilities	**12,627,088**	14,402,995
Lease liability, net of current portion	**554,744**	560,412
Total liabilities	**13,181,832**	14,963,407
Equity:		
Retained earnings	**89**	326,070
Cumulative excess of expenses over revenues	**1,151,574**	1,583,625
Total equity	**1,151,663**	1,909,695
Total liabilities and equity	**$ 14,333,495**	$ 16,873,102

The accompanying notes are an integral part of these financial statements.

Enmarket Arena
Statements of Revenues, Expenses, and Equity
for the year and eleven month period ended December 31,

	2023	2022
Revenues:		
Event related	**$ 11,551,478**	$ 14,683,038
Sponsorship and premium seating	**7,412,789**	5,282,334
Total revenues	**18,964,267**	19,965,372
Expenses:		
Event related	**8,188,180**	10,899,722
Sponsorship and premium seating	**1,996,576**	1,146,879
Gross profit	**8,779,511**	7,918,771
Selling, general, and administrative expenses	**7,631,857**	5,763,123
Other income (expense)		
Interest income	**138,363**	11,891
City profit sharing	**(134,443)**	(583,914)
Total other expense	**3,920**	(572,023)
Excess of revenues over expenses	**1,151,574**	1,583,625
Member distributions	**(1,909,606)**	-
Retained earnings, beginning of year	**1,909,695**	326,070
Retained earnings, end of year	**$ 1,151,663**	$ 1,909,695

The accompanying notes are an integral part of these financial statements.

Enmarket Arena
Statements of Cash Flows
for the year and eleven month period ended December 31,

		2023		2022
Cash flows provided by operating activities:				
Excess of expenses over revenues	**$**	**1,151,574**	$	1,583,625
Adjustments to reconcile the excess of expenses over revenues to net cash provided by operating activities:				
Depreciation and amortization		**313,328**		222,082
Changes in operating assets and liabilities:				
Accounts receivable		**3,463,605**		(2,328,907)
Prepaid expenses		**(140,307)**		156,922
Contract acquisition costs		**-**		(852,796)
Accounts payable		**410,259**		765,490
Accrued expenses		**(1,055,381)**		2,217,554
Event liability		**(716,857)**		874,245
Ticketing liability		**93,707**		(1,391,319)
Deferred rent		**21,744**		20,932
Deferred revenues		**(535,047)**		3,502,391
Net cash provided by operating activities		**3,006,625**		4,770,219
Cash flows used in investing activities:				
Purchases of property, plant, and equipment		**(962,461)**		(93,692)
Net cash used in investing activities		**(962,461)**		(93,692)
Cash flows used in financing activities:				
Member distributions		**(1,909,606)**		-
Net cash used in financing activities		**(1,909,606)**		-
Net increase in cash and cash equivalents		**134,558**		4,676,527
Cash and cash equivalents, beginning of year		**6,436,201**		1,759,674
Cash and cash equivalents, end of year	**$**	**6,570,759**	$	6,436,201
Non-cash investing and financing activities:				
Right of use assets obtained in exchange for lease liabilities	**$**	**-**	$	539,480
Lease liabilities arising from obtaining right of use assets	**$**	**-**	$	539,480

The accompanying notes are an integral part of these financial statements.

Note 1. Description of Business and Basis of Presentation

Enmarket Arena (the "Arena") commenced operations on February 5, 2022 and is owned by the City of Savannah (the "City"). The City engaged OVG Facilities, LLC (the "Company" or "OVG") on November 7, 2019 to manage the activities and operations including rental of the space, advertising, promotions, marketing, event management, public relations, and support services of the arena located in Savannah, Georgia. The agreement between OVG and the City is for ten operating years commencing on the first event at the arena after receiving a Certificate of Occupancy.

Note 2. Summary of Significant Accounting Principles

Basis of Financial Presentation

The accompanying financial statements include only the Company's operating accounts of the Arena. They do not include the building, and certain furniture and equipment of the Complex or the related depreciation of such assets as the City owns them. The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash Equivalents

The Arena considers all highly liquid debt instruments purchased with original maturity dates of three months or less and investments in money market funds to be cash equivalents. The carrying amounts reported in the balance sheet for cash approximate fair value. The Arena had no cash equivalents as of December 31, 2023 and 2022.

Income Taxes

The Arena is owned by the City, a non-taxable governmental agency exempt from federal and state income taxes. Accordingly, no provision for income taxes has been recorded.

Advertising Expense

Advertising costs are expensed when incurred, unless related to an event. If the advertising cost is related to an event, the cost is expensed upon occurrence of the event. The amount of advertising costs expensed during the year ended December 31, 2023 and eleven month period ended December 31, 2022 was approximately $113,000 and $108,000, respectively.

Property, plant, and equipment

Property, plant, and equipment are stated at cost, net of depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of assets as follows: three to ten years for furniture and fixtures and ten years for computer equipment. The Arena itself is owned by the City and not included in the Arena's property, plant, and equipment balance.

Note 2. Summary of Significant Accounting Principles (continued)

Revenue from Contracts with Customers

Revenue is recognized when control over a product or service is transferred to a customer. Control is generally transferred when the Arena's service is performed based on the terms contained within the underlying contracts or agreements. Revenue is measured at the price which is based on the amount of consideration that the Arena expects to receive in exchange for transferring the promised goods or services to the customer. Revenue is adjusted to anticipate probable discounts and incentives.

Revenue is recognized on a gross or net basis based on the Arena's assessment of whether the Arena acts as principal or agent in the transaction. To the extent the Arena acts as the principal, revenue is reported on a gross basis. The determination of whether the Arena acts as a principal or an agent in a transaction is based on an evaluation of whether the Arena controls the good or service before it is transferred to the customer.

The Arena's general payment terms are short-term in duration. The Arena does not have significant financing components in the underlying contracts or agreements. Revenues due to the Arena, but not received, are accrued in the related period and recognized as contracts assets. If the Arena receives cash in excess of the current year's contractual payments or has a contractual right to an amount of consideration that is unconditional, it is recorded as contract liabilities and will be recognized as revenues in the applicable future period.

During the year ended December 31, 2023 and the eleven month period ended December 31, 2022, the Arena's revenues were derived from sponsorship fees, suites and premium revenues, and event-related revenues. Sponsorship fees vary by contract based on the amount and type of advertising included in the agreement and are typically received in advance of the service performance. Suite and premium revenues vary by contract and the type of product. Sponsorship fees were recognized evenly over the period of each agreement which aligns with the fulfillment of the underlying performance obligations. Suite and premium revenues were recognized ratably over the period based on the number of events. Event-related revenues are directly associated with individual events at the Arena, such as concerts and sporting events and are recognized at a point in time when the event occurs.

Accounts Receivables and Allowance for Credit Losses – Receivables from contracts with customers, which are reported in accounts receivable represent the Arena's unconditional rights to consideration under its contracts with customers. An allowance for possible credit losses is recorded and reduces the carrying value of accounts receivable to its net realizable value. The amount of the reserve is based upon management's estimate of currently uncollectible accounts, age of the balance, current economic trends, forecasts about future trends and other factors. Provisions to increase the allowance are charged to operations. Allowances have been recorded for specific events at December 31, 2023 and 2022 for approximately $18,500. Bad debts charged to operations were approximately $0 and $18,500 during the year ended December 31, 2023 and eleven month period ended December 31, 2022, respectively.

Note 2. Summary of Significant Accounting Principles (continued)

Revenue from Contracts with Customers (continued)

Deferred Ticket Revenue – The Arena records deferred revenue when it receives a payment from a transaction prior to hosting an event. These transactions are initially recorded as liabilities and revenue is recognized once the performance obligation (event) is held. The sale of tickets for the various events began prior to year-end, thus the amounts were recorded as deferred revenues. The Arena also records deferred revenue when it receives sponsorship funds prior to the sponsorship agreement period. These transactions are initially recorded as liabilities and revenue is recognized over the period of the agreement.

Economic factors – The Arena is impacted by overall economic conditions, as visitors use their disposable income to purchase tickets.

Contract Acquisition Costs

The Arena incurred expenses prior to beginning normal operations in February 2022. These expenses were included as contract acquisition costs, net of accumulated amortization at December 31, 2023 and 2022 at $1,437,355 and $1,615,172, respectively. Contract acquisition costs consist of advance payments and purchases for various expenses which are considered prepaid rent. These amounts are amortized using the straight-line method over the respective contract period, which is 10 years. If the contract is terminated prior to its maturity date, the Arena is generally reimbursed for the unamortized client acquisition costs. Amortization was $177,817 and $162,998 for the year ended December 31, 2023 and the eleven month period ended December 31, 2022, respectively.

Concentrations of Credit Risk

Financial instruments that potentially expose the Arena to concentrations of credit risk consist principally of cash and cash equivalents. Management is not aware of any concentrations of customer receivables to classes of customers or industries that would be similarly affected by economic conditions; however, a substantial portion of customers' ability to honor their accounts is dependent on economic conditions in Lowell and surrounding areas. Management believes the credit risks associated with the cash balances on deposit are minimal due to the credit ratio of the financial institutions used by the Arena. At times, such deposits may be in excess of Federal Deposit Insurance Corporation ("FDIC") insured limits. Cash on deposit in excess of FDIC limits totaled approximately $5,960,000 at December 31, 2023.

Fair Value

The Arena measures fair value as it applies to items that are recognized and disclosed at fair value on a recurring basis and to non-financial assets and liabilities that are not recognized but are disclosed at fair value on a recurring basis using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The carrying amounts for cash, prepaid expenses and other assets, accounts payable and accrued expenses, construction payables, and due from affiliates approximate fair value because of the short-term nature of these instruments. The carry amount of the Arena's debt approximates fair value since its floating rate approximates market rates.

Note 2. Summary of Significant Accounting Principles (continued)

Leases

The Arena entered into contractual arrangements for the utilization of a non-owned asset, the Arena building. The Arena determines if an arrangement is a lease at inception. Leases are evaluated at commencement to determine proper classification as an operating or finance lease, of which the Arena only has an operating lease. The Arena recognizes a right-of-use ("ROU") asset and lease liability at lease commencement based on the present value of lease payments over the lease term. The Arena uses the risk free rate as the discount rate as the Arena's lease arrangement does not provide an implicit borrowing rate. Determination of the lease discount rate was calculated using the risk-free rate expedient option, based upon calculations using information obtained from current available investment rates.

For the operating lease, fixed lease payments are recognized on a straight-line basis over the lease term. The Arena's lease does not contain any material residual value guarantees or payments under purchase and termination options which are reasonably certain to be exercised. Lease terms are initially determined as the non-cancelable period of a lease adjusted for options to extend a lease that are reasonably certain to be exercised. Right of use assets are carried at cost less accumulated amortization. Initial cost comprises the lease liability adjusted for lease payments at or before the commencement date. Leases that have an original term of 12 months or less are not recognized on the Arena's balance sheet, and the lease expense related to those short-term leases is recognized over the lease term.

Use of Estimates

The preparation of the financial statements requires the Arena to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and the related disclosures of contingent assets and liabilities at the date of the financial statements. The Arena evaluates these estimates and judgments on an ongoing basis and bases its estimates on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities, as well as for identifying and assessing the accounting treatment with respect to commitments and contingencies. Actual results may materially differ from those estimates under different assumptions or conditions. The most significant estimate is the estimate useful lives of property, plant, and equipment.

Recently Implemented Accounting Standards

As of January 1, 2023, the Arena adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" which was required to be implemented for fiscal periods beginning after December 15, 2022. The provisions of this ASU replaces the incurred loss impairment methodology under prior GAAP with an expected credit loss model. This ASU affects trade receivables, loans, contract assets, certain beneficial interests, off-balance-sheet credit exposures not accounted for as insurance and other financial assets that are not subject to fair value through net income, as defined by the standard. Under the expected credit loss model, the Arena is required to consider future economic trends to estimate expected credit losses over the lifetime of the asset. The Arena has determined that the adoption of this ASU did not have a material impact on these financial statements.

Note 3. Accounts Receivable and Revenue

The following table shows the Arena's revenue disaggregated between revenue categories during the year and eleven month period ended December 31,:

	2023	2022
Event-related	**$ 5,789,372**	$ 5,461,070
Ticketing-related	**3,291,965**	6,933,067
Premium seating	**4,249,824**	2,979,796
Sponsorship	**3,038,014**	2,291,588
Concession, merchandise, and other	**2,595,092**	2,299,851
Total revenue from contracts with customers	**18,964,267**	19,965,372
Other income	**138,363**	11,891
Total revenues	**$19,102,630**	$19,977,263

The Arena's revenues from contracts with customers were recognized at a point in time according to the timing of transfer of goods or services for everything except sponsorship and premium seating, which was recognized over the time of the agreement.

Contract assets and liabilities arising from contracts with customers consisted of the following at December 31,:

	2023	2022
Contract assets:		
Accounts receivable	**$ 4,627,075**	$ 8,090,680
Total contract assets	**$ 4,627,075**	$ 8,090,680
Contract liabilities:		
Event liability	**$ 172,388**	$ 889,245
Ticketing liability	**3,706,674**	3,612,967
Deferred revenues	**5,826,009**	6,361,056
Total contract liabilities	**$ 9,705,071**	$10,863,268

Note 4. Management Agreement

The management agreement between OVG and the City provides OVG the right to retain all arena operating revenues and the obligation to pay all operating expenses in connection with the Arena. Each operating year, OVG shall pay the City a flat rent payment and a revenue share based on the achievement of net operating revenue. The flat rent payment for the operating years ended December 31, 2023 and 2022 is zero which is in line with the terms of the agreement. The revenue sharing for the year ended December 31, 2023 and the eleven month period ended December 31, 2022 is $134,443 and $583,914, respectively, and is included in accrued expenses on the Balance Sheet as of December 31, 2023 and 2022.

Note 4. Management Agreement (continued)

Below is the detailed calculation for the profit sharing amount for the year ended December 31, 2023:

		OVG	City
Parking income allocation		**25%**	**75%**
Net parking income	**$ 140,436**	**$ 35,109**	**$ 105,327**
Non parking income	**$ 1,145,584**		
Total profit to split	**$ 1,145,584**		
First $1.0 million		**1,000,000**	
Next $500,000	**80%/20%**	**116,467**	**29,117**
Next $500,000	**67%/33%**	**-**	**-**
Over $2.0 million	**50%/50%**	**-**	**-**
Net Operating Income Profit		**1,116,467**	**29,117**
Net Operating Income plus Net Parking Profit			**$ 134,443**

Below is the detailed calculation for the profit sharing amount for the eleven month period ended December 31, 2022:

		OVG	City
Parking income allocation		25%	75%
Net parking income	$ 406,736	$ 101,684	$ 305,052
Non parking income	1,760,803		
Pre-opening income	326,070		
Total profit to split	$ 2,086,873		
First $1.0 million		1,000,000	
Next $500,000	80%/20%	400,000	100,000
Next $500,000	67%/33%	335,000	165,000
Over $2.0 million	50%/50%	43,436	43,436
Net Operating Income Profit		1,778,436	308,436
Prorated %, 330/365 days			90.4116%
Prorated NOI Profit			278,862
Net Operating Income Prorated plus Net Parking Profit			$ 583,914

The above calculation disclosures are specifically for the City, and the OVG profit disclosed is not included in the basic financial statements.

Note 5. Property, plant, and equipment

Property, plant, and equipment consisted of the following as of December 31:

	2023	2022
Building improvements	**$ 904,438**	$ -
Furniture and fixtures	**128,851**	75,508
Computer equipment	**82,114**	77,434
Total	**1,115,403**	152,942
Less, accumulated depreciation	**97,271**	10,016
Net property, plant, and equipment	**$ 1,018,132**	$ 142,926

Depreciation expense was $87,255 and $10,016 for the year ended December 31, 2023 and for the eleven month period ended December 31, 2022, respectively.

Note 6. Litigation

From time to time the Arena may become party to litigation or other legal proceedings that they consider to be part of the ordinary course of business. The Arena is not currently involved in any legal proceedings that could reasonably be expected to have a material adverse effect on their business prospects, financial condition, results of operations or cash flows.

Note 7. Related-Party Transactions

The Arena is a party to various agreements with owners and parties that share either full or partial common ownership.

These agreements include the following:

Sales Service Agreement – The Company is paid a commission from Enmarket Arena based upon the sales and service of sponsor and corporate partners. The Arena recorded commission expense associated with this agreement of approximately $443,000 and $416,000 for the year ended December 31, 2023 and for the eleven month period ended December 31, 2022, respectively.

Sales and Marketing Consulting agreement – The Company engaged a third party to be the sales agency for premium seating. The Arena recorded commissions expenses associated with this agreement of approximately $385,000 and $247,000 for the year ended December 31, 2023 and for the eleven month period ended December 31, 2022, respectively.

Hospitality – The Company is engaged with a subsidiary of OVG to provide hospitality services. The Arena recorded related revenues of approximately $2,197,000 and $1,809,000 for the year ended December 31, 2023 and for the eleven month period ended December 31, 2022, respectively. At December 31, 2023 and 2022, the Arena had an outstanding receivable of approximately $304,000 and $411,000, respectively, related to the aforementioned.

Note 7. Related-Party Transactions (continued)

In addition to the Arena, OVG also manages Johnny Mercer Theatre ("JMT") for the City. This can cause some overlap in receipts for various events and creates payables and receivables between the two entities. As of December 31, 2023 and 2022, JMT owed the Arena approximately $1,013,000 and $4,455,000, respectively. Additionally, as OVG manages the Arena, they are also considered a related party. As of December 31, 2023 and 2022, the Arena owed OVG approximately $0 and $105,000, respectively.

Note 8. Leases

As mentioned in Note 4, included within the management agreement is rent for the use of the Arena building. Per the agreement, rent will be zero for the first two operating periods. The lease is classified as an operating lease based on the criteria under Topic ASC 842. The remaining lease terms is eight years, and the discount rate is 3.88%.

Lease-related assets and liabilities as presented in the balance sheets consist of the following at December 31,:

	2023	2022
Assets		
Operating lease right of use assets, net	**$ 442,156**	$ 490,412
Total lease assets	**$ 442,156**	$ 490,412
Liabilities		
Current portion of operating lease liabilities	**$ 27,412**	$ -
Long-term portion of operating lease liabilities	**554,744**	560,412
Total lease liabilities	**$ 582,156**	$ 560,412

The components of leasing costs, included in selling, general, and administrative expenses, consist of the following during the year and eleven month period ending December 31,:

	2023	2022
Operating lease costs	**$ 70,000**	$ 70,000
Short-term lease costs	**33,706**	19,049
Total lease costs	**$ 103,706**	$ 89,049

Future minimum rent payments under the operating lease obligation are as follows for the periods ended December 31,:

2024	$ 50,000
2025	50,000
2026	100,000
2027	100,000
2028	100,000
Thereafter	300,000
	$ 700,000

The undiscounted cash flows differ from the lease liability on the balance sheet based on the net present value of future cash payments.

Note 9. Subsequent Events

The Arena has evaluated events and transactions occurring subsequent to the balance sheet date of December 31, 2023, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through April 29, 2024, the date these financial statements were available to be issued, and there were no items of significance requiring disclosure.

Enmarket Arena
Schedules of Selling, General, and Administrative Expenses
for the year and eleven month period ended December 31,

	2023	2022
Selling, general, and administrative expenses		
Salaries and benefits	**$ 3,246,562**	$ 2,348,253
Contracted services	**1,989,423**	1,413,005
Utilities	**875,304**	833,165
Supplies	**367,098**	238,424
Depreciation and amortization	**313,328**	222,082
Other general and administrative	**242,329**	204,237
Repair and maintenance	**222,178**	149,395
Insurance	**117,296**	88,884
Advertising	**113,092**	107,630
Travel and entertainment	**110,537**	96,435
Office expenses	**34,710**	61,613
Total selling, general, and administrative expenses	**$ 7,631,857**	$ 5,763,123

See accompanying Independent Auditor's Report