

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2026 AND 2025

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2026 AND 2025**

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	9
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	11
STATEMENTS OF CASH FLOWS	12
NOTES TO FINANCIAL STATEMENTS	13
SUPPLEMENTARY INFORMATION	
SCHEDULE OF TRAVEL AND ENTERTAINMENT EXPENSES	34
STATE OF RHODE ISLAND REQUIRED FORMAT	
ATTACHMENT B STATEMENT OF NET POSITION	35
ATTACHMENT C STATEMENT OF ACTIVITIES	37
ATTACHMENT D SCHEDULE OF DEBT SERVICE TO MATURITY – LONG-TERM DEBT	38
ATTACHMENT E SCHEDULE OF CHANGES IN LONG-TERM DEBT	39
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	40
SCHEDULE OF FINDING AND RESPONSE	42

Independent Auditor's Report

To the Board of Commissioners of
Rhode Island Convention Center Authority:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Rhode Island Convention Center Authority (the "Authority"), a component unit of the State of Rhode Island, as of and for the years ended June 30, 2026 and 2025, and the related notes to the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2026 and 2025, and the respective changes in financial position and its cash flows thereof for the years then ended in accordance 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Authority, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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 GAAS and *Government 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.

In performing an audit in accordance with GAAS and *Government 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 Authority'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 Authority'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of travel and entertainment expenses and the statements and schedules in the State of Rhode Island required format including the statement of net position, statement of activities, schedule of debt service to maturity – long-term debt, and the schedule of changes in long-term debt (collectively, the supplementary information) on pages 34-39 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying schedule of travel and entertainment expenses and the statements and schedules in the State of Rhode Island required format including the statement of net position, statement of activities, schedule of debt service to maturity – long-term debt, and the schedule of changes in long-term debt (collectively, the supplementary information) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts and other grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads 'Withum Smith+Brown, PC'.

September 30, 2026

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026 AND 2025**

As management of the Rhode Island Convention Center Authority (the "Authority"), a Component Unit of the State of Rhode Island (the "State"), we offer readers this overview and analysis of the Authority's financial activities for the years ended June 30, 2026 and 2025. The Authority owns and operates the Rhode Island Convention Center (the "Convention Center" or "RICC"), Amica Mutual Pavilion ("AMP"), and Innovation District Garage ("IDG"), and operates the Veterans Memorial Auditorium ("The Vets"). These facilities support convention, sports, entertainment, parking, and related activities throughout the State.

The Authority manages its facilities through third-party management contracts. The Authority is governed by an eleven-member Board of Commissioners, eight of whom are appointed by the Governor, two by the Mayor of the City of Providence, and one by the Providence City Council. The Board elects its Chairperson, Vice Chairperson, Secretary, and Treasurer.

The RICC, AMP, The Vets, and IDG are significant drivers of economic activity in downtown Providence and throughout the State. The Authority's financial statements, accompanying notes, and supplementary information should be read in conjunction with this discussion.

Overview of the Financial Statements

The Authority engages only in business-type activities, financed in whole or in part by charges to external stakeholders for goods and services. Consequently, the Authority's financial statements include the statements of net position; statements of revenues, expenses, and changes in net position; statements of cash flows; and notes to the financial statements. These financial statements are intended to provide the reader with a broad overview of the Authority's financial status, similar to private-sector entities.

The statement of net position presents detail on the Authority's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position.

Changes in the Authority's net position serve as a useful indicator of whether the Authority's financial position is improving or deteriorating. Readers should also consider other non-financial factors when evaluating the Authority's net position. The statement of revenues, expenses, and changes in net position presents information regarding how the Authority's net position changed during the year.

The Authority's financial statements are prepared using the accrual basis of accounting, under which revenues and expenses are reported in the periods to which they relate rather than when cash is received or paid. Accordingly, changes in net position may differ from changes in cash balances.

RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026 AND 2025

Financial Summary

The following table reflects a summary of changes in certain balances in the statements of net position, and revenues, expenses, and changes in net position (in thousands):

	2026	2025	2024	Increase (decrease)	
				2026 v 2025	2025 v 2024
Net Position					
Current assets	\$ 30,776	\$ 39,492	\$ 44,024	\$ (8,716)	\$ (4,532)
Capital assets, net	153,876	152,483	144,547	1,393	7,936
Other noncurrent assets	21,870	23,691	20,285	(1,821)	3,406
Total assets	206,522	215,666	208,856	(9,144)	6,810
Deferred outflows of resources	186	597	1,255	(411)	(658)
Current liabilities	29,960	35,244	29,538	(5,284)	5,706
Noncurrent liabilities	76,275	97,358	118,984	(21,083)	(21,626)
Total liabilities	106,235	132,602	148,522	(26,367)	(15,920)
Deferred inflows of resources	23,611	25,089	22,400	(1,478)	2,689
Net position	<u>\$ 76,862</u>	<u>\$ 58,572</u>	<u>\$ 39,189</u>	<u>\$ 18,290</u>	<u>\$ 19,383</u>
Changes in Net Position					
Operating revenues	\$ 41,360	\$ 39,533	\$ 37,007	\$ 1,827	\$ 2,526
Operating expenses	49,807	47,508	45,547	2,299	1,961
Operating loss	(8,447)	(7,975)	(8,540)	(472)	565
Other nonoperating revenues, net	26,737	27,358	35,528	(621)	(8,170)
Change in net position	<u>\$ 18,290</u>	<u>\$ 19,383</u>	<u>\$ 26,988</u>	<u>\$ (1,093)</u>	<u>\$ (7,605)</u>
Components of Net Position					
Net investment in capital assets, net of related debt	\$ 69,884	\$ 50,445	\$ 29,482	\$ 19,439	\$ 20,963
Restricted	4,181	1,684	4,959	2,497	(3,275)
Unrestricted	2,797	6,443	4,748	(3,646)	1,695
Net position	<u>\$ 76,862</u>	<u>\$ 58,572</u>	<u>\$ 39,189</u>	<u>\$ 18,290</u>	<u>\$ 19,383</u>

At June 30, 2026, the Authority's net position was \$76,862,750, an increase of \$18,290,449 from \$58,572,301 at June 30, 2025. Net position at June 30, 2026 consisted of \$69,884,170 of net investment in capital assets, \$4,181,294 of restricted net position, and \$2,797,286 of unrestricted net position, compared to \$50,444,817, \$1,684,364, and \$6,443,120, respectively, at June 30, 2025.

Operating income for FY26, exclusive of \$8,885,330 in depreciation and amortization expense, totaled \$438,005, compared to \$58,924 for FY25.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026 AND 2025**

Detailed Analysis

Financial Position

Total assets decreased by \$9,144,244 at June 30, 2026 compared to June 30, 2025. Current assets decreased by \$8,715,783 principally due to a decrease in cash and cash equivalents resulting from expenditures of previously received RICAP appropriations and the Authority's IDG debt service contribution. Noncurrent assets, other than capital assets, decreased by \$1,821,470, principally due to decreases in long-term lease receivables related to leases that were in place during FY26.

Deferred outflows of resources decreased by \$410,873 due to amortization of net deferred charges on bond refundings.

Total liabilities of the Authority as of June 30, 2026, excluding bonds payable, decreased by \$4,392,906, principally due to decreases in accounts payable and accrued liabilities, retainage payable, and unearned advances.

Deferred inflows of resources decreased by \$1,477,660, principally due to decreases associated with leases that were in place during FY26.

Results of Operations

Overall events hosted by the Authority's operating facilities were as follows:

	2026	2025
RICC	129	169
AMP	90	90
The Vets	126	135
Total	345	394

Although the total number of events decreased from 394 in FY25 to 345 in FY26, with activity at the RICC impacted by construction, operating revenues increased by \$1,827,086. The increase was principally attributable to increases in event, food and beverage, and parking revenues at the RICC, parking revenues at the IDG, and event revenues at The Vets, partially offset by decreases in event revenues at the AMP, lease revenues, and other revenues.

Total operating expenses, exclusive of \$8,885,330 in depreciation and amortization expense, increased by \$1,448,005, principally due to increases in personnel and other expenses, partially to offset by a decrease in contractual services, to support operating activity.

As a result, operating income before depreciation and amortization of \$8,885,330 was \$438,005 in FY26 compared to \$58,924 in FY25.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026 AND 2025**

State Appropriations

The Authority is dependent upon annual State appropriations of lease revenue by the General Assembly of the State for capital-related debt service on its outstanding bonds and capital improvements, certain of which are provided via the State's Rhode Island Capital Plan Fund ("RICAP"). The Authority's appropriations consist of the following:

	2026	2025
Debt service, net (RICC, AMP, and IDG)	\$ 24,632,187	\$ 25,183,848
Capital improvements:		
RICAP (RICC and AMP)	6,450,106	7,068,279
Renewal and replacement (IDG)	115,276	111,919
Total	<u>\$ 31,197,569</u>	<u>\$ 32,364,046</u>

For the years ended June 30, 2026 and 2025, debt service appropriations from the State are net of \$2,903,193 and \$2,346,958, respectively, contributed by the Authority from the operations of the IDG.

Total State appropriations decreased by \$1,166,477 in FY26 compared to FY25, principally due to a \$556,235 increase in the Authority's IDG debt service contribution and a \$618,173 decrease in RICAP appropriations.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

Net capital assets, including right-to-use lease and subscription assets, increased by \$1,393,009 during FY26, principally due to approximately \$10,278,339 of capital additions, offset by \$8,885,330 of depreciation and amortization. Significant capital additions at the RICC included the 3rd floor rotunda renovations, 5th floor renovations, parking garage site improvements, and fire alarm replacement. Significant capital additions at the AMP included improvements to arena seating, renovations to certain locker rooms and the press room, and a fire alarm upgrade.

Changes in capital assets, including right-to-use lease and subscription assets, during FY26 were as follows:

	Beginning Balance	Additions, net of Depreciation and Amortization	Assets Placed In Service net of Disposals	Ending Balance
Total capital assets, net	<u>\$ 152,482,802</u>	<u>\$ 24,010,018</u>	<u>\$ (22,617,009)</u>	<u>\$ 153,875,811</u>

The Authority's remaining commitments under contracts associated with capital projects decreased from approximately \$8,952,000 at June 30, 2025 to approximately \$2,839,000 at June 30, 2026, as work was performed under existing capital project contracts during FY26.

Long-Term Financing

During FY26, the Authority's long-term debt decreased by \$21,975,000 due to scheduled principal payments on outstanding bonds payable.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026 AND 2025**

Changes in bonds payable during FY26 were as follows:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Amounts Due Within One Year
Revenue bonds	\$ 118,975,000	\$ -	\$ (21,975,000)	\$ 97,000,000	\$ 21,095,000

Currently Known Facts, Decisions, or Conditions

Debt Service and Renewal and Replacement Appropriations

The State's enacted FY27 budget includes \$22,845,851 of appropriations for the Authority's RICC and AMP capital-related debt service, a decrease of \$1,662,936 from FY26 due primarily to lower scheduled debt service requirements for the RICC.

The enacted FY27 State budget does not include the \$374,507 and \$118,734 of State appropriations proposed in the Authority's FY27 budget for IDG capital-related debt service and renewal and replacement requirements, respectively, after the Authority's budgeted contribution of \$2,652,210 from IDG operations. Under the applicable 2018 Series A bond documents, if the Authority's contribution from IDG operations is insufficient to meet the debt service and renewal and replacement requirements, the resulting deficiency is submitted through the State budget process for consideration as a supplemental appropriation.

RICAP Appropriations

The State's enacted FY27 budget includes RICAP appropriations totaling \$4,350,000, consisting of \$2,825,000, \$1,250,000, and \$275,000 for capital projects at the RICC, AMP, and The Vets, respectively. RICAP funding for The Vets pertains to assets owned by the State.

Effective July 15, 2026, the Authority and the State's Department of Administration amended the RICAP Agreement to provide for proposed appropriations totaling \$19,550,000 for FY27 through FY31, inclusive of the FY27 appropriations described above. The proposed appropriations consist of \$11,825,000, \$6,800,000, and \$925,000 for capital projects at the RICC, AMP, and The Vets, respectively, and are subject to annual appropriation by the Rhode Island General Assembly.

Requests for Information

This financial report is designed as a general overview of the Authority's financial picture for external and internal stakeholders. Questions concerning any of the information provided in this report or public requests for information should be addressed to the Rhode Island Convention Center Authority, One LaSalle Square, Providence, RI 02903.

RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,166,879	\$ 12,780,318
Cash and cash equivalents, restricted	18,803,043	21,959,060
Accounts receivable, less allowance for doubtful accounts of \$7,000 and \$89,000 in 2026 and 2025, respectively	558,573	2,063,234
Due from State	-	92,798
Prepaid expenses and other assets	726,755	660,587
Lease receivable, less allowance for doubtful accounts of \$0 and \$9,375 in 2026 and 2025, respectively	2,521,233	1,936,269
Total current assets	<u>30,776,483</u>	<u>39,492,266</u>
Noncurrent assets:		
Capital assets not being depreciated	48,028,807	60,592,230
Capital assets being depreciated, net	104,788,234	90,764,343
Prepaid expenses and other assets	64,970	52,922
Lease receivable	21,804,585	23,638,103
Right-to-use lease assets, net	118,010	8,369
Right-to-use subscription assets, net	940,760	1,117,860
Total noncurrent assets	<u>175,745,366</u>	<u>176,173,827</u>
Total assets	<u>206,521,849</u>	<u>215,666,093</u>
Deferred outflows of resources:		
Deferred charge on refunding	<u>186,348</u>	<u>597,221</u>

See accompanying Notes to Financial Statements.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025**

	<u>2026</u>	<u>2025</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,155,172	\$ 7,816,644
Unearned advances	3,187,390	4,850,526
Retainage payable	239,286	483,838
Due to State	123,007	-
Current portion of bonds payable	21,095,000	21,975,000
Lease liabilities	29,136	7,059
Subscription liabilities	130,827	110,803
Total current liabilities	<u>29,959,818</u>	<u>35,243,870</u>
Noncurrent liabilities:		
Bonds payable, less current portion	75,905,000	97,000,000
Lease liabilities	91,099	1,602
Subscription liabilities	278,530	356,881
Total noncurrent liabilities	<u>76,274,629</u>	<u>97,358,483</u>
Total liabilities	<u>106,234,447</u>	<u>132,602,353</u>
Deferred inflows of resources:		
Deferred lease revenues	<u>23,611,000</u>	<u>25,088,660</u>
NET POSITION		
Net investment in capital assets	69,884,170	50,444,817
Restricted by bond indentures	4,181,294	1,684,364
Unrestricted	<u>2,797,286</u>	<u>6,443,120</u>
Total net position	<u>\$ 76,862,750</u>	<u>\$ 58,572,301</u>

See accompanying Notes to Financial Statements.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2026 AND 2025**

	<u>2026</u>	<u>2025</u>
OPERATING REVENUES		
Charges for services	\$ 38,784,751	\$ 36,155,852
Lease revenue	2,490,718	2,932,654
Other	84,505	444,382
Total operating revenues	<u>41,359,974</u>	<u>39,532,888</u>
OPERATING EXPENSES		
Personnel services	22,121,871	21,244,270
Contractual services	4,632,941	5,172,564
Utilities	3,256,103	3,277,717
Repairs and maintenance	1,569,034	1,386,246
Other supplies and expenses	9,342,020	8,393,167
Depreciation and amortization	8,885,330	8,033,953
Total operating expenses	<u>49,807,299</u>	<u>47,507,917</u>
OPERATING LOSS	<u>(8,447,325)</u>	<u>(7,975,029)</u>
OTHER NONOPERATING REVENUES (EXPENSES)		
State appropriations (see Note 8):		
Debt service, net (RICC, AMP, and IDG)	24,632,187	25,183,848
RICAP (RICC and AMP)	6,450,106	7,068,279
Renewal and replacement (IDG)	115,276	111,919
Interest and investment revenue	1,476,309	1,921,215
Interest expense and related financing costs	(5,936,104)	(6,926,599)
Net other nonoperating revenues	<u>26,737,774</u>	<u>27,358,662</u>
CHANGE IN NET POSITION	18,290,449	19,383,633
Net position - beginning of year	<u>58,572,301</u>	<u>39,188,668</u>
NET POSITION - END OF YEAR	<u><u>\$ 76,862,750</u></u>	<u><u>\$ 58,572,301</u></u>

See accompanying Notes to Financial Statements.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025**

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 38,713,906	\$ 36,129,134
Payments to suppliers for goods and services	(19,557,670)	(16,314,642)
Payments to employees	(22,062,277)	(21,170,543)
Net cash used in operating activities	<u>(2,906,041)</u>	<u>(1,356,051)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfer from State, net	<u>31,413,374</u>	<u>32,334,563</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from principal and interest payments received under leases	2,882,619	3,469,143
Payments for:		
Capital assets	(12,262,127)	(12,966,592)
Bonds payable, principal	(21,975,000)	(21,225,000)
Principal and interest under leases and SBITAs	(178,259)	(144,165)
Interest paid on bonds payable, net of related financing costs	(5,596,199)	(6,341,628)
Net cash used in capital and related financing activities	<u>(37,128,966)</u>	<u>(37,208,242)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>852,177</u>	<u>1,396,148</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,769,456)	(4,833,582)
Cash and cash equivalents - beginning of year	<u>34,739,378</u>	<u>39,572,960</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 26,969,922</u></u>	<u><u>\$ 34,739,378</u></u>
SUPPLEMENTAL DISCLOSURES OF NONCASH AND FINANCING ACTIVITIES		
Noncash capital and related financing activities:		
Recognition of lease receivable and related deferred lease revenues and interest	<u>\$ 1,013,058</u>	<u>\$ 5,443,658</u>
Recognition of right-to-use lease assets and related lease liabilities	<u>\$ 142,084</u>	<u>\$ -</u>
Recognition of right-to-use subscription assets and related subscription liabilities	<u>\$ 62,539</u>	<u>\$ 575,744</u>
	2026	2025
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (8,447,325)	\$ (7,975,029)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	8,885,330	8,033,953
Lease revenue	(2,490,718)	(2,992,654)
Provision for (recoveries of) losses on accounts receivable	(78,875)	38,427
Decrease (increase) in operating assets:		
Accounts receivable	1,586,661	(1,014,116)
Prepaid expenses and other assets	(78,216)	20,506
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(619,762)	1,968,273
Unearned advances	(1,663,136)	564,589
Net cash used in operating activities	<u><u>\$ (2,906,041)</u></u>	<u><u>\$ (1,356,051)</u></u>

See accompanying Notes to Financial Statements.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 1 DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

The Rhode Island Convention Center Authority (the “Authority” or “RICCA”) (a Component Unit of the State of Rhode Island) is a public corporation and instrumentality created by the General Assembly of the State of Rhode Island (the “State”) in 1987. The Authority was created to facilitate the construction and development of a convention center (“Rhode Island Convention Center” or “RICC”), parking garages, and related facilities in a city or town within the State. It is a component unit of the State for financial reporting purposes and, as such, the financial statements of the Authority will be included in the State’s annual comprehensive financial report.

In 2005, the Rhode Island House and Senate approved the issuance of bonds to finance the acquisition of the arena formerly known as the Dunkin’ Donuts Center - Providence, which was also formerly known as the Providence Civic Center (“Civic Center”). The legislation authorized the Authority to issue \$92,500,000 in revenue bonds to finance the acquisition from the City of Providence (the “City”) of the real property and improvements constituting the Civic Center; the renovation, equipping, improvement, and redevelopment of the facility; and the costs of issuing and insuring the bonds. In September 2022, the Authority entered into a naming rights agreement, under which the Civic Center is named the Amica Mutual Pavilion – Providence (“AMP”) (see Note 5).

In July 2008, the Authority entered into a lease with the State’s Department of Administration (“DOA”) and commenced operations of the Veterans Memorial Auditorium (“The Vets”). Operation of The Vets is shared by the DOA and Professional Facilities Management Inc. of Providence (“PFM”). PFM manages the marketing, bookings, and box office. The DOA is responsible for utilities, snow removal, and other ancillary operational support.

In March 2018, the Authority issued the Garrahy Parking Garage Lease Revenue Bonds, 2018 Series A (federally taxable) (“2018 Series A Bonds”) to finance the acquisition, construction, equipping, and improvement of the parking facility adjacent to the Garrahy Courthouse in Providence, Rhode Island (formerly known as the Clifford Street Garage), the costs of issuing, and the costs of capitalizing the interest on the bonds. In July 2023, the Authority’s Board of Commissioners voted to rebrand the Clifford Street Garage as the Innovation District Garage (“IDG”).

Financial Statement Presentation, Measurement Focus, and Basis of Accounting

The Authority engages only in business-type activities. Business-type activities are activities that are financed in whole or in part by fees charged to external parties.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”), as prescribed by the Governmental Accounting Standards Board (“GASB”).

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

The Authority distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Operating expenses include the cost of services provided, administrative expenses, and depreciation expense. All other revenues and expenses are reported as nonoperating revenues and expenses.

Recently Adopted Accounting Standards

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*, which includes requirements for the presentation of management's discussion and analysis and modifies the presentation of operating and nonoperating revenues and expenses for proprietary funds.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*, which includes requirements to separately disclose certain types of capital assets.

The Authority adopted the requirements of these standards effective July 1, 2024 and has determined that the impact of implementing GASB Statements No. 103 and 104 was not material to the Authority's financial statements.

Revenue Recognition

Revenues are recognized on the accrual basis of accounting. Charges for services consist primarily of the following event-related revenue:

RICC	Event income, concessions and catering income and parking income.
AMP	Event income, ticket sales driven, luxury suite income, and concession income.
The Vets	Event income, ticket sales driven, concession sales, and parking income.
IDG	Parking income.

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Cash and Cash Equivalents, Restricted

Unexpended proceeds from the sale of revenue bonds, if any, and cash reserves, the use of which is specified or limited by bond resolutions, enabling legislation, laws, third parties, or the provisions of other agreements are reported as restricted cash and cash equivalents in the accompanying statement of net position and are classified as either current or noncurrent based on the maturity date of the underlying securities.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

Accounts Receivable

Accounts receivable are stated at the amount the Authority expects to collect from outstanding balances. The Authority provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Authority has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Investments

Money market investments having a remaining maturity of one year or less at the time of purchase are reported on the statement of net position at their amortized cost. All other investments are reported at fair value.

The Authority's enabling statute authorizes the Authority to invest in obligations of, or guaranteed by, the United States, or in certificates of deposit or time deposits secured by direct obligations of, or guaranteed by, the United States. The statute also authorizes the Authority to invest proceeds from the sale of any bonds in such obligations, securities, and other investments as provided in the resolutions under which such bonds were authorized, principally commercial repurchase agreements.

Capital Assets and Depreciation

Capital assets are stated at cost. Cost includes direct and indirect project costs, through the date of completion of each component of the Authority's property. The Authority defines capital assets as assets with an initial individual cost of more than \$10,000 or repairs that increase the service utility or extend the useful life of the asset and an initial estimated useful life in excess of one year.

Land and easements consist of land and an intangible asset. Land is recorded at cost, and it is not depreciated. The intangible asset consists of a perpetual easement agreement and is recorded at fair value, and it is not amortized. In accordance with GASB Statement No. 51, intangible assets with indefinite useful lives are not subject to amortization. Equipment consists of facility furniture, fixtures, and equipment. Ordinary maintenance, repairs and replacements are charged directly to operations as incurred.

The Authority provides for depreciation using the straight-line method over the following estimated useful lives of the assets with one-half year of depreciation taken in the fiscal year the asset is placed in service and that of disposal.

Land	-
Easements	-
Construction in progress	-
Building and facilities	25 to 30 years
Building improvements	10 to 15 years
Equipment	5 to 15 years

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

The Authority's capital assets include right-to-use lease assets reported in accordance with GASB Statement No. 87, *Leases*, and right-to-use subscription assets reported in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("SBITAs") (see Notes 3 and 4).

The Authority evaluates its capital assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized if the sum of the expected undiscounted future cash flows from the use and disposition of the asset is less than its carrying amount. Generally, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the estimated fair value of the asset. The Authority did not record any impairment losses during the years ended June 30, 2026 and 2025.

Deferred Outflows of Resources

The Authority reports a deferred charge on bond refunding in the statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Inflows of Resources

The Authority reports deferred lease revenues in the statements of net position as a deferred inflow of resources. Deferred lease revenues represent the present value of future receipts under leases in which the Authority acts as lessor. This amount is deferred and recognized as revenue over the lease term.

Unearned Advances

Unearned advances arise when resources are received by the Authority before it has a legal claim to them. In subsequent periods, when the Authority has legal claim to the resources, revenue is recognized.

Bonds Payable

Included in revenue bonds payable are balances for bond discounts and premiums, if applicable. These balances are amortized using the interest method, meaning amortization is based on interest payments over the terms of the series.

Expenses Associated with State Fiscal Recovery Fund ("SFRF") Appropriations

In June 2022, the State of Rhode Island House Finance Committee voted to award the Authority \$9,000,000 in operating support and \$1,000,000 for an event stimulus program. As a result, the State appropriated \$10,000,000 to the Authority for the fiscal year ended June 30, 2023 from the SFRF, which was established by the American Rescue Plan Act ("ARPA"). Expenses associated with these appropriations continued through the fiscal year ended June 30, 2025 and are reported as operating expenses in the accompanying statements of revenues, expenses, and changes in net position.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

Net Position

The Authority's net position has been segregated into the following three components:

Net Investment in Capital Assets

Represents the net book value of all capital assets less the outstanding balances of bonds and other debt, and deferred inflows of resources, if any, used to acquire, construct, or improve these assets, increased by deferred outflows of resources related to those assets, if any.

Restricted Net Position

Those that have been limited to uses specified either externally by creditors, contributors, laws, or regulations of other governments or internally by enabling legislation or law; reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted Net Position

A residual category for the balance of net position. The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified between operating revenues and operating expenses, and among operating expenses to conform to the current year presentation. These reclassifications had no effect on the reported change in net position or cash flows.

Subsequent Events

Subsequent events have been evaluated through September 30, 2026, the date the financial statements were available to be issued.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents, including restricted amounts, consist of the following:

	2026	2025
Deposits	\$ 8,760,238	\$ 12,916,845
Cash equivalents	18,209,684	21,822,533
Total	<u>\$ 26,969,922</u>	<u>\$ 34,739,378</u>

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

Restricted cash and cash equivalents consist of the following:

	<u>2026</u>	<u>2025</u>
Accounts mandated by bond indentures and required uses:		
renewal and replacement account - capital costs and costs of maintaining, repairing, replacing, renovating, and improving each facility:		
RICC	\$ 3,662,241	\$ 11,602,750
AMP	9,957,743	7,713,331
IDG	530,516	410,961
Operating reserve fund (Note 6) - operating and maintenance expenses	26,436	25,506
General revenue fund - general operating expenses	3,691,980	1,451,729
2006 Series A revenue fund - operating expenses of the AMP	41,172	33,447
2017 Series A debt service fund, interest - RICC	65,807	50,219
2017 Series A debt service fund, principal - RICC	1	1
2018 Series A debt service fund, interest - IDG	73,502	9,521
2018 Series A debt service fund, principal - IDG	62,386	-
2018 Series A capitalized interest account - IDG	905	872
2021 Series A redemption fund - RICC	<u>9</u>	<u>9</u>
Total mandated by bond indentures	<u>18,112,698</u>	<u>21,298,346</u>
Accounts mandated by agreements:		
SFRF capital improvements - RICC and AMP	-	410,265
Rhode Island Capital Plan Fund ("RICAP") - Vets	281,968	841
Food and beverage capital improvements - AMP	<u>188,376</u>	<u>135,676</u>
Total mandated by agreements	<u>470,344</u>	<u>546,782</u>
Arts conservation and maintenance fund - conservation and maintenance of public works of art in conjunction with the Rhode Island State Council on the Arts and general rebate account	<u>220,001</u>	<u>113,932</u>
Total restricted cash and cash equivalents	<u>\$ 18,803,043</u>	<u>\$ 21,959,060</u>

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. Carrying amounts of the Authority's cash equivalents, held by the Bank of New York Mellon Trust Company, N.A. (Bank of New York), consist of the following:

	<u>2026</u>	<u>2025</u>
Dreyfus Treasury Securities	\$ 14,301,006	\$ 10,080,345
Fidelity Institutional Money Market Government Portfolio - Class III	<u>3,908,678</u>	<u>11,742,188</u>
Total	<u>\$ 18,209,684</u>	<u>\$ 21,822,533</u>

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

Dreyfus Treasury Securities is designed to seek as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity by investing only in U.S. Treasury securities and cash. Dreyfus Treasury Securities is designed to maintain a stable share price of \$1.00, and maintains a dollar weighted average maturity of 49 days as of June 30, 2026. At June 30, 2026 and 2025, approximately 100% of the securities in which the funds are invested are backed by the full faith and credit of the United States government. As of June 30, 2026 and 2025, the funds were rated AAA-mf by Moody's Investors Services ("Moody's") and AAAm by Standard & Poor's ("S&P").

Fidelity Institutional Money Market Government Portfolio Class III is designed to maintain a stable share price of \$1.00, and maintains a dollar weighted average maturity of 34 days as of June 30, 2026. At June 30, 2026 and 2025, approximately 99% of the securities in which the funds are invested are backed by the full faith and credit of the United States government; the remainder is neither insured nor guaranteed by the United States government. As of June 30, 2026 and 2025, the funds were rated AAA-mf by Moody's and AAAm by S&P.

These investments are used as temporary cash management investments. The fair value of these treasury and money market funds reflects the net asset value reported by the fund administrator, which is a stable \$1 per unit. The underlying investments, which are short-term cash equivalent type investments, are generally carried at amortized cost which approximates fair value. There are no withdrawal limitations for the treasury and money market mutual funds.

Deposits

Under the "Rhode Island Collateralization of Public Deposits Act," depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall, at a minimum, insure or pledge eligible collateral equal to 100% of time deposits with maturities greater than 60 days. Any of these institutions that do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to 100% of deposits, regardless of maturity. These deposits were not required to be collateralized based on the criteria set forth in the Rhode Island Collateralization of Public Deposits Act.

The Authority's bank balances, excluding treasury and money market accounts, were as follows:

	2026	2025
Bank balance	\$ 8,945,243	\$ 12,886,374
Bank balance insured by federal depository insurance and depositors insurance fund	750,009	1,968,729
Uninsured balance	8,195,234	10,917,645
Collateralized - collateral held by third-party custodian in the Authority's name	8,195,234	10,917,645
Uninsured and uncollateralized	\$ -	\$ -

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market value interest rates.

Although it has no established policy, the Authority manages its exposure to declines in fair values by limiting the term of liquid investments to less than 60 days.

Managed investments are subject to interest rate risk. The risk associated with investments maturing beyond 60 days is mitigated by continuous evaluation of the portfolio's performance. The Authority receives monthly investment performance reports from its investment advisor and reviews the reports to determine if market conditions reflect the investment performance policies of the Authority.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment and is measured by the assignment of a rating by a nationally recognized statistical rating organization to debt securities. Although it has no established policy, the Authority manages its exposure to credit risk by monitoring the ratings assigned to such securities, as applicable.

Concentration of Credit Risk

The Authority has no policy limiting an investment in any one issuer that is in excess of 5% of the Authority's total investments; however, the Authority continually evaluates alternative investment options to diversify its portfolio and maximize interest income.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the Authority's deposits and investments may not be returned. The Authority does not have a deposit or investment policy for custodial credit risk. The Authority manages the custodial credit risk of its cash and cash equivalents through analysis and review of the custodians' or counterparties' credit worthiness.

RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 3 CAPITAL ASSETS

Capital assets consist of the following:

	2026			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated or amortized:				
Land	\$ 45,558,078	\$ -	\$ -	\$ 45,558,078
Easements	1,250,000	-	-	1,250,000
Construction in progress	13,784,152	10,053,586	(22,617,009)	1,220,729
Total capital assets not being depreciated or amortized	60,592,230	10,053,586	(22,617,009)	48,028,807
Capital assets being depreciated and amortized:				
Buildings, building improvements, and facilities	286,729,740	20,597,124	-	307,326,864
Equipment	63,189,141	2,019,885	(1,476,151)	63,732,875
Right-to-use lease equipment	53,234	142,538	(24,612)	171,160
Right-to-use subscription equipment	1,329,573	82,215	-	1,411,788
Total capital assets being depreciated and amortized	351,301,688	22,841,762	(1,500,763)	372,642,687
Less: accumulated depreciation and amortization for:				
Buildings, building improvements, and facilities	(212,311,917)	(5,912,616)	-	(218,224,533)
Equipment	(46,842,621)	(2,680,502)	1,476,151	(48,046,972)
Right-to-use lease equipment	(44,865)	(32,897)	24,612	(53,150)
Right-to-use subscription equipment	(211,713)	(259,315)	-	(471,028)
Total accumulated depreciation and amortization	(259,411,116)	(8,885,330)	1,500,763	(266,795,683)
Total capital assets being depreciated and amortized, net	91,890,572	13,956,432	-	105,847,004
Total capital assets, net	\$ 152,482,802	\$ 24,010,018	\$ (22,617,009)	\$ 153,875,811

RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

	2025			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated or amortized:				
Land	\$ 45,558,078	\$ -	\$ -	\$ 45,558,078
Easements	1,250,000	-	-	1,250,000
Construction in progress	7,027,380	15,345,172	(8,588,400)	13,784,152
Right-to-use subscription equipment in progress	704,855	624,718	(1,329,573)	-
Total capital assets not being depreciated or amortized	54,540,313	15,969,890	(9,917,973)	60,592,230
Capital assets being depreciated and amortized:				
Buildings, building improvements, and facilities	284,849,753	1,879,987	-	286,729,740
Equipment	56,591,053	6,708,414	(110,326)	63,189,141
Right-to-use lease equipment	68,331	-	(15,097)	53,234
Right-to-use subscription equipment	-	1,329,573	-	1,329,573
Total capital assets being depreciated and amortized	341,509,137	9,917,974	(125,423)	351,301,688
Less: accumulated depreciation and amortization for:				
Buildings, building improvements, and facilities	(207,015,732)	(5,296,185)	-	(212,311,917)
Equipment	(44,442,479)	(2,510,468)	110,326	(46,842,621)
Right-to-use lease equipment	(44,375)	(15,587)	15,097	(44,865)
Right-to-use subscription equipment	-	(211,713)	-	(211,713)
Total accumulated depreciation and amortization	(251,502,586)	(8,033,953)	125,423	(259,411,116)
Total capital assets being depreciated and amortized, net	90,006,551	1,884,021	-	91,890,572
Total capital assets, net	\$ 144,546,864	\$ 17,853,911	\$ (9,917,973)	\$ 152,482,802

Substantially all capital assets at June 30, 2026 and June 30, 2025 are pledged as collateral for the revenue bonds (see Note 6).

At June 30, 2026 and June 30, 2025, accounts payable and accrued liabilities include \$1,030,860 and \$2,974,719, respectively, pertaining to capital assets.

NOTE 4 LEASES AND SBITAS

Leases

The Authority, acting as lessor, leases its arena, suites, and parking facilities under long-term, non-cancelable lease agreements. The leases expire at various dates through mid-September 2047 and provide for renewal options ranging from one to twenty years. During the years ended June 30, 2026 and June 30, 2025, the Authority recognized \$2,490,718 and \$2,932,654, respectively, in lease revenue pursuant to these contracts. During the years ended June 30, 2026 and 2025, the Authority recognized \$624,333 and \$525,066, respectively, in interest revenue pursuant to these contracts.

RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received. During the years ended June 30, 2026 and 2025, the Authority received variable payments as required by lease agreements totaling approximately \$1,085,000 and \$1,358,000, respectively.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Lease Receivable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027	\$ 2,463,583	\$ 572,461	\$ 3,036,044
2028	2,280,973	507,043	2,788,016
2029	2,073,616	448,472	2,522,088
2030	1,286,558	401,854	1,688,412
2031	1,327,918	361,118	1,689,036
2032 - 2036	6,484,418	1,167,529	7,651,947
2037 - 2041	4,307,385	552,615	4,860,000
2042 - 2046	3,891,616	201,134	4,092,750
2047 - 2048	152,101	5,399	157,500
Total	<u>\$ 24,268,168</u>	<u>\$ 4,217,625</u>	<u>\$ 28,485,793</u>

At June 30, 2026 and June 30, 2025, the current portion of lease receivable includes \$57,650 and \$110,337, respectively, of accrued interest.

The Authority leases equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through July 2030 and provide for renewal options ranging from one to two years.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the years ended June 30, 2026 and 2025, the Authority made variable payments as required by lease agreements totaling approximately \$242,000 and \$254,000, respectively.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Lease Liabilities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027	\$ 29,136	\$ 4,332	\$ 33,468
2028	28,268	3,169	31,437
2029	29,476	1,961	31,437
2030	30,735	702	31,437
2031	2,620	-	2,620
Total	<u>\$ 120,235</u>	<u>\$ 10,164</u>	<u>\$ 130,399</u>

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

As of June 30, 2026, the Authority acquired through outstanding leases \$171,160 and \$53,150 in right-to-use equipment assets and related accumulated amortization, respectively. As of June 30, 2025, the Authority acquired through outstanding leases \$53,234 and \$44,865 in right-to-use equipment assets and related accumulated amortization, respectively.

Changes in lease liabilities during the years ended June 30, 2026 and 2025 were as follows:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Amounts Due Within One Year
Lease liabilities	<u>\$ 8,661</u>	<u>\$ 142,558</u>	<u>\$ (30,984)</u>	<u>\$ 120,235</u>	<u>\$ 29,136</u>
	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Lease liabilities	<u>\$ 24,043</u>	<u>\$ -</u>	<u>\$ (15,382)</u>	<u>\$ 8,661</u>	<u>\$ 7,059</u>

SBITAs

The Authority has SBITAs with certain vendors for various terms under long-term, non-cancelable subscription agreements. The SBITAs expire at various dates through April 2032 and provide for renewal options ranging from one to five years.

Total future minimum subscriber payments under SBITAs are as follows:

Year Ending June 30,	Subscription Liabilities		
	Principal	Interest	Total
2027	\$ 126,946	\$ 17,944	\$ 144,890
2028	120,199	12,317	132,516
2029	83,344	6,395	89,739
2030	67,961	2,515	70,476
2031	3,767	218	3,985
2032	3,259	62	3,321
Total	<u>\$ 405,476</u>	<u>\$ 39,451</u>	<u>\$ 444,927</u>

At June 30, 2026 and June 30, 2025, the current portion of subscription liabilities includes \$3,881 and \$4,287, respectively, of accrued interest.

As of June 30, 2026, the Authority acquired through outstanding SBITAs \$1,411,788 and \$471,028 in right-to-use subscription assets and related accumulated amortization, respectively. As of June 30, 2025, the Authority acquired through outstanding SBITAs \$1,329,573 and \$211,713 in right-to-use subscription assets and related accumulated amortization, respectively.

RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

Changes in subscription liabilities during the years ended June 30, 2026 and 2025 were as follows:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Amounts Due Within One Year
Subscription liabilities	<u>\$ 467,684</u>	<u>\$ 83,953</u>	<u>\$ (142,280)</u>	<u>\$ 409,357</u>	<u>\$ 130,827</u>

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Subscription liabilities	<u>\$ -</u>	<u>\$ 576,746</u>	<u>\$ (109,062)</u>	<u>\$ 467,684</u>	<u>\$ 110,803</u>

NOTE 5 UNEARNED ADVANCES

Unearned advances consisted of the following as of June 30, 2026 and 2025:

	2026	2025
Unearned advances:		
Advanced ticket sales	\$ 1,193,398	\$ 2,629,605
Deposits	1,425,843	1,605,986
Other unearned fees	568,149	614,935
Total	<u>\$ 3,187,390</u>	<u>\$ 4,850,526</u>

Advanced ticket sales consist of amounts collected prior to an event, including amounts collected by the venues and through other outlets. Deposits include other fees collected by the venues for event and other facility fees. Other unearned fees include unearned revenue based on provisions of the naming rights, sponsorship, and advertising agreement with Amica Mutual Insurance Company ("Amica Agreement").

Effective September 1, 2022, the Authority entered into the Amica Agreement, which expires August 31, 2032 and includes an option for Amica to renew the agreement for ten years at mutually agreeable terms. Under the terms of the agreement, Amica will pay the Authority an annual fee of \$650,000 in advance, which is adjusted annually by the "Consumer Price Index for all Urban Consumers, U.S. City Average All Items" ("CPI Adjustment") and cannot result in a decrease or exceed a 3.0% increase. Annually, Amica will also promote events at the AMP and RICC via a minimum sponsorship of \$200,000. The Authority can earn up to \$50,000 in an annual bonus based on attendance growth and customer satisfaction, as described in the agreement. Total income recognized under this agreement was approximately \$934,000 and \$957,000 during the years ended June 30, 2026 and 2025, respectively.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 6 BONDS PAYABLE

The Authority's bond indebtedness at June 30, 2026 and 2025 is as follows:

	Date of Issue	Date of Maturity	Interest Rate (%)	Original Issue	Balance June 30, 2026	Balance June 30, 2025
Bonds Payable:						
Revenue Bonds:						
2006 Series A	06/08/06	05/15/35	5.38% - 6.06%	\$ 92,500,000	\$ 46,855,000	\$ 50,695,000
2018 Series A	03/06/18	05/15/42	2.24% - 4.12%	45,000,000	34,710,000	36,245,000
Refunding Revenue Bonds:						
2017 Series A	11/21/17	05/15/27	2.28% - 3.26%	68,720,000	15,435,000	30,405,000
2021 Series A	04/01/21	05/15/26	1.11%	32,170,000	-	1,630,000
Total Bonds Payable					<u>\$ 97,000,000</u>	<u>\$ 118,975,000</u>

The Authority is limited to the issuance of bonds or notes in an aggregate principal amount of \$305,000,000. At June 30, 2026 and 2025, outstanding bond and note indebtedness totaled \$97,000,000 and \$118,975,000, respectively.

During June 2006, the Authority issued Civic Center Revenue Bonds, 2006 Series A (federally taxable) ("2006 Series A Bonds"), in an aggregate principal amount of \$92,500,000 for the purpose of (i) financing or refinancing the acquisition, renovation, equipping, improvement, and redevelopment of the AMP, (ii) redeeming the \$33,000,000 Civic Center Revenue Bonds, 2005 Series A, previously issued by the Authority, (iii) paying the costs of issuance, and (iv) paying capitalized interest on the 2006 Series A Bonds. The bonds mature between 2008 and 2035 and bear interest at rates ranging from 5.38% to 6.06%.

In November 2017, the 2009 Series A Bonds outstanding in the amount of \$64,800,000 were advance refunded via the Authority's issuance of Revenue Refunding Bonds, 2017 Series A (federally taxable) ("2017 Series A Bonds").

Concurrent with the issuance of the 2009 Series A Bonds, a financial guaranty insurance policy was issued by Assured Guaranty Corp. (AGC). The policy provided maximum coverage for principal and interest payments on the 2009 Series A Bonds of \$127,472,366. Coverage under the policy terminated with the advance refunding of the 2009 Series A Bonds.

Simultaneous with the issuance of the 2009 Series A and Series B Bonds (2009 Series Bonds), a Debt Service Reserve Fund Facility (the "Facility") was issued by Assured Guaranty Municipal Corp. ("AGM") to meet the Debt Service Reserve Fund requirement. The Facility provides maximum coverage of \$16,230,945. Coverage under the Facility expires at the earlier of May 15, 2027 or the date upon which the bonds issued under 1991 General Revenue Bond Resolution (i.e., 2017 Series A and 2021 Series A) are no longer outstanding. Effective August 1, 2024, AGM completed its merger with and into Assured Guaranty Inc. ("AG") with AG as the surviving company. At the time of merger, AG and AGM had identical financial strength ratings of AA by S&P and A1 by Moody's. As of the date the Authority's financial statements were available to be issued, AG was rated AA by S&P and A1 by Moody's.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

In March 2018, the Authority issued the Garrahy Parking Garage Lease Revenue Bonds, 2018 Series A (federally taxable) ("2018 Series A Bonds"), in an aggregate amount of \$45,000,000 for the purpose of (i) financing the acquisition, construction, equipping and improvement of the IDG, (ii) paying the costs of issuance, and (iii) paying capitalized interest on the 2018 Series A Bonds. The bonds mature between 2019 and 2042.

In April 2021, the 2015 Series A Bonds outstanding in the amount of \$30,080,000 were advance refunded via the Authority's issuance of Revenue Refunding Bonds, 2021 Series A (federally taxable) ("2021 Series A Bonds").

During April 2021, the Authority issued its 2021 Series A Bonds in an aggregate amount of \$32,170,000 for the purpose of refunding the Authority's outstanding 2015 Series A Bonds and to pay the costs of issuance. The 2021 Series A Bonds matured between 2021 and 2026. The net proceeds of \$32,013,491 (after payment of \$156,509 in issuance costs) were deposited in an irrevocable trust fund under an escrow agreement between the escrow agent and the Authority. The proceeds were used to acquire United States Treasury Securities – State and Local Government Series ("SLGS"). All investment income on and the maturing principal of the SLGS held in the escrow deposit fund will be irrevocably deposited by the Authority for payment on the refunded bonds, which are considered defeased. In May 2021, May 2022, and May 2023, \$10,250,000, \$10,765,000, and \$9,065,000, respectively, of the defeased debt was redeemed. The Authority refunded the 2015 Series A Bonds to reduce debt service payments in 2021 and 2022 and to provide the opportunity for future economic benefits associated with the elimination of the private use restrictions of tax-exempt bonds.

All outstanding indebtedness is subject to optional and mandatory redemption provisions. Mandatory redemption is required for certain bonds over various years through 2027 at the principal amount of the bonds. Certain bonds may be redeemed early, at the option of the Authority, at amounts ranging from 100% to 102% of the principal balance.

Outstanding indebtedness is collateralized by all rents receivable (if any) under a lease and agreement between the Authority and the State covering all property purchased by the Authority for the site (see Note 8), all other revenues and receipts from the project, a mortgage on constructed facilities, land financed by proceeds of the bonds, and amounts held in various accounts into which bond proceeds were deposited. In addition, outstanding indebtedness is insured under certain financial guaranty insurance policies.

At June 30, 2026, aggregate scheduled principal and interest payments due on the Authority's bonds through maturity are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2027	\$ 21,095,000	\$ 4,777,568
2028	5,960,000	3,969,762
2029	6,285,000	3,647,467
2030	6,625,000	3,303,961
2031	6,990,000	2,939,495
2032-2036	34,330,000	8,426,802
2037-2041	12,815,000	2,313,918
2042	2,900,000	124,381
Total	<u>\$ 97,000,000</u>	<u>\$ 29,503,354</u>

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

Changes in bonds payable during the years ended June 30, 2026 and 2025 were as follows:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Amounts Due Within One Year
Revenue bonds	<u>\$ 118,975,000</u>	<u>\$ -</u>	<u>\$ (21,975,000)</u>	<u>\$ 97,000,000</u>	<u>\$ 21,095,000</u>

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Revenue bonds	<u>\$ 140,200,000</u>	<u>\$ -</u>	<u>\$ (21,225,000)</u>	<u>\$ 118,975,000</u>	<u>\$ 21,975,000</u>

Rhode Island Capital Plan Fund (RICAP)

The Authority and the DOA have entered into an agreement, which was most recently amended with an effective date of July 15, 2026 ("RICAP Agreement"), that provides for total appropriations from RICAP of \$11,825,000 for capital projects at the RICC, \$6,800,000 to fund the Renewal and Replacement Fund established in the 2006 Series A Bonds for capital projects at the AMP, and \$925,000 for capital projects at The Vets for fiscal years ending 2027 through 2031. The amounts provided under the RICAP Agreement include enacted FY27 appropriations and proposed appropriations for FY28 through FY31, which remain subject to annual appropriation by the Rhode Island General Assembly. RICAP funding for The Vets pertains to assets owned by the State.

The enacted FY27 RICAP appropriation for capital projects at the RICC is \$2,825,000, with proposed appropriations of \$2,500,000, \$2,000,000, \$2,000,000, and \$2,500,000 for FY28, FY29, FY30, and FY31, respectively.

The enacted FY27 RICAP appropriation for capital projects at the AMP is \$1,250,000, with proposed appropriations of \$1,075,000, \$1,500,000, \$1,475,000, and \$1,500,000 for FY28, FY29, FY30, and FY31, respectively.

The enacted FY27 RICAP appropriation for capital projects at The Vets is \$275,000, with proposed appropriations of \$150,000, \$150,000, \$150,000, and \$200,000 for FY28, FY29, FY30, and FY31, respectively.

Under the RICAP Agreement, future proposed amounts are subject to annual appropriation by the Rhode Island General Assembly and any unexpended funds from one fiscal year will be carried over to the subsequent fiscal year.

For the fiscal year ended June 30, 2026, the Authority was appropriated RICAP funds totaling \$2,800,000 and \$3,800,000 for the RICC and AMP, respectively. As further described below, during the year ended June 30, 2026, amounts incurred for projects at The Vets pertaining to State assets exceeded amounts advanced by the State to the Authority for The Vets by \$149,894, which reduced the FY26 RICAP appropriation for the RICC, as provided for in the RICAP Agreement. These net funding allocations are included in nonoperating revenues in the accompanying statement of revenues, expenses, and changes in net position.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

For the fiscal year ended June 30, 2025, the Authority was appropriated RICAP funds totaling \$3,590,000 and \$3,550,000 for the RICC and AMP, respectively. As further described below, during the year ended June 30, 2025, amounts incurred for projects at The Vets pertaining to State assets exceeded amounts advanced by the State to the Authority for The Vets by \$71,721, which reduced the FY25 RICAP appropriation for the RICC, as provided for in the RICAP Agreement. These net funding allocations are included in nonoperating revenues in the accompanying statement of revenues, expenses, and changes in net position.

Debt Compliance

The Authority is required by the Internal Revenue Service, as well as its various bond resolutions, to comply with certain tax code provisions and bond covenants. The most significant of these include the following: all debt payments must be current, annual reports and budgets must be filed with the trustee, and the Authority must comply with various restrictions on investment earnings from bond proceeds. The Authority is in compliance with all tax code provisions and bond covenants with the exception of a certain maintenance of funds requirement as explained below.

Maintenance of Funds

During each of the years ended June 30, 2026 and 2025, the Authority was unable to fund the Operating Reserve requirement of the restrictive covenants for the RICC and the AMP pursuant to the indentures.

During each of the years ended June 30, 2026 and 2025, the Authority satisfied the Debt Service Reserve requirement of the restrictive covenants for the RICC pursuant to the indenture due to the surety bond the Authority has with AG (formerly AGM).

At June 30, 2026 and 2025, the balance in the Authority's Renewal and Replacement Fund for the AMP was greater than the minimum balance required by the 2006 Series A bonds.

During each of the years ended June 30, 2026 and 2025, the Authority funded the Renewal and Replacement requirement included in the 2018 Series A Bonds. State appropriations include \$115,276 and \$111,919 for the years ended June 30, 2026 and 2025, respectively, pertaining to this requirement.

NOTE 7 OTHER COMMITMENTS AND RELATED PARTY TRANSACTIONS

Collective Bargaining Agreements

At June 30, 2026, Global Spectrum, L.P. d/b/a Oak View Group ("OVG") and PFM were parties to several collective bargaining agreements ("CBAs") covering approximately 79% of their combined labor force supporting the Authority's operations. These CBAs expire at various dates through August 2028. As of June 30, 2026, certain OVG CBAs covering approximately 2% of the combined labor force had expired. Additional OVG and PFM CBAs covering approximately 47% of the combined labor force are scheduled to expire prior to June 30, 2027.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

OVG and PFM contribute to several union-sponsored multiemployer defined benefit pension plans under the terms of CBAs that cover their union-represented employees. The risks of participating in these multiemployer plans differ from those of single-employer plans. The potential risks include, but are not limited to, the use of OVG's and PFM's contributions to provide benefits to employees of other participating employers, OVG or PFM becoming obligated for other participating employers' unfunded obligations, and, upon OVG's or PFM's withdrawal from a plan, OVG or PFM being required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. OVG and PFM have no intention of withdrawing from the plans.

Contributions are payable monthly and are determined on the basis of the number of hours worked by the respective employees. The union pension plans do not account for plan assets and liabilities separately for participating employers. Accordingly, information regarding the plans' assets, liabilities, and pension benefit obligations applicable to OVG or PFM is not available.

The Authority's legal counsel has determined that it is remote that the Authority could be responsible for funding the unfunded pension obligations attributable to OVG's and PFM's labor force, past and present, who are beneficiaries of the union-sponsored multiemployer defined benefit plans to which OVG and PFM contribute, although the weight of the case law on this question would favor the Authority's position that it is not responsible for these obligations if it were to seek to avoid paying any actual withdrawal liability claim.

RICC, AMP, and IDG Management Agreement

Effective July 1, 2024, the Authority entered into a management agreement with OVG under which OVG provides services related to the operations of the RICC, including its parking facilities, the AMP, and the IDG. The agreement expires on June 30, 2029 and the Authority has the option to extend the agreement for up to two additional five-year terms. Under the terms of the agreement, OVG is a signatory to the union agreements covering its labor force with respect to the Authority's operations, and the Authority funds payroll and related costs for OVG's labor force, which have been included in personnel services on the statements of revenues, expenses, and changes in net position. For the years ended June 30, 2026 and 2025, OVG personnel services totaled \$18,367,627 and \$17,607,470, respectively.

During the years ended June 30, 2026 and 2025, the Authority incurred fixed management fees of \$205,400 and \$200,000, respectively. The fixed management fee is adjusted annually by the CPI Adjustment, as defined in the agreement.

In addition to the fixed management fee, the Authority incurs incentive compensation based on quantitative benchmarks pertaining to bookings, food and beverage, and parking activities at the RICC, AMP, and IDG, as defined in the agreement. During the years ended June 30, 2026 and 2025, the Authority incurred approximately \$346,000 and \$254,000, respectively, in incentive management fees.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

The Vets Management Agreement

Effective July 1, 2022, the Authority and PFM entered into a new management agreement, which expires on June 30, 2027 and is automatically renewed through June 30, 2032, subject to provisions defined in the agreement. The new agreement provides for annual payments of \$150,000 for management services and \$300,000 for centralized operating services, which are adjusted annually by the CPI Adjustment, not to exceed 3.5%. The agreement also provides for an annual quantitative incentive fee equal to the first \$125,000 of net income, as defined in the new agreement, 50% of net income in excess of \$125,000, and 25% of net income from self-presented shows and certain rental shows, as defined in the agreement. Total expense recognized under this agreement was approximately \$606,000 and \$691,000 during the years ended June 30, 2026 and 2025, respectively.

Providence / Warwick Convention & Visitors Bureau (“CVB”)

Effective July 1, 2025, the Authority and the CVB entered into a new agreement, which expires on June 30, 2028. Under the terms of the agreement, the CVB receives \$630,000 annually for general marketing services, along with an additional amount agreed upon annually for targeted marketing services to promote the shared goal of maximizing hotel room nights in Providence, Rhode Island and generating significant direct spend in the Providence market associated with activity at the RICC. The amount agreed upon for targeted marketing services during each of the fiscal years ended June 30, 2026 and 2025 was \$120,000.

Net Metering Credit Sales Agreement

The Authority has entered into a net metering credit sales agreement with a renewable energy solutions provider under which the Authority has agreed to purchase 100% of the net metering credits generated by a wind energy facility up to a maximum of 8,300,000 kilowatt hours (kWh) per year (the “NMC Target”). The renewable energy solutions provider shall request that the Authority’s electric distribution company allocate the monthly net metering credits purchased by the Authority to the Authority’s account with the electric distribution company. Each month, the Authority shall pay the renewable energy solutions provider an amount equal to 69% of the net metering credits purchased.

The obligations of the renewable energy solutions provider and the Authority are contingent upon i) sufficient energy generation by the wind energy facility, which is leased to the renewable energy solutions provider and subleased to the Authority, and ii) the electric distribution company’s acceptance and allocation of the net metering credits to the Authority’s account with the electric distribution company. The net metering credit sales agreement expires in FY44 and provides conditions and options for both parties under which the NMC Target may be reduced.

NOTE 8 LEASE REVENUE FROM STATE

The Authority maintains a Lease and Agreement, dated November 1, 1991 and amended July 1, 1993 (the “Agreement”), with the State. The Agreement establishes provisions for the Authority, as lessor, to lease the RICC and related facilities (including the land on which the sites are located) to the State. The State has the option to purchase the leased property at any time during the lease term for the sum of all obligations of the Authority then outstanding plus one dollar (\$1). The lease term extends until such time as all outstanding indebtedness (see Note 6) is paid in full.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

Minimum annual lease payments from the State are equal to the debt service costs of the Authority. In the event of an operating deficit (excluding depreciation and amortization), annual lease payments may be increased by the amount of the deficit. The obligation of the State to pay such rentals is subject to and dependent upon annual appropriations of such payments being made by the Rhode Island General Assembly for such purpose. Those appropriations are made in connection with the State's annual budgetary process and are therefore dependent upon the State's general financial resources and factors affecting such resources. The Authority was appropriated \$24,632,187 and \$25,183,848 for the years ended June 30, 2026 and 2025, respectively, from the State, which represents the annual net debt service for the RICC, AMP, and IDG. For the years ended June 30, 2026 and 2025, debt service appropriations from the State are net of \$2,903,193 and \$2,346,958, respectively, contributed by the Authority from the operations of the IDG.

The Authority's ability to continue operations is dependent upon receipt of the annual State appropriation of lease revenue.

The Authority has entered into a sublease agreement with the State, for a term equal to the term of the above Lease and Agreement, whereby the Authority subleases the RICC and related facilities from the State for one dollar (\$1) per year.

For the years ended June 30, 2026 and 2025, the Authority evaluated its State appropriations under the provisions of GASB Statement No. 103, including the \$24,632,187 and \$25,183,848, respectively, of net debt service appropriations described above, which are provided in connection with capital-related debt, the \$6,450,106 and \$7,068,279, respectively, of RICAP appropriations described in Note 6, and the \$115,276 and \$111,919, respectively, of renewal and replacement appropriations also described in Note 6. The Authority determined that these appropriations represent capital subsidies and, accordingly, are reported as nonoperating revenues on the accompanying statements of revenues, expenses, and changes in net position.

The State's enacted FY27 budget includes \$22,845,851 of appropriations for the Authority's RICC and AMP capital-related debt service.

The enacted FY27 State budget does not include the \$374,507 and \$118,734 of State appropriations proposed in the Authority's FY27 budget for IDG capital-related debt service and renewal and replacement requirements, respectively, after the Authority's budgeted contribution of \$2,652,210 from IDG operations. Under the applicable 2018 Series A bond documents, if the Authority's contribution from IDG operations is insufficient to meet the debt service and renewal and replacement requirements, the resulting deficiency is submitted through the State budget process for consideration as a supplemental appropriation.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Through June 30, 2026, the Authority's remaining commitment under contracts entered into with vendors associated with capital projects totaled approximately \$2,839,000. Through the date the Authority's financial statements were available to be issued, the Authority entered into additional contracts with vendors associated with capital projects totaling approximately \$61,000.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

The Authority is involved in various claims and legal actions arising in the ordinary course of business and construction projects. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Authority's financial position or results of operations.

NOTE 10 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, errors and omissions, property casualty and liability, and workers' compensation claims for which the Authority carries commercial insurance. Management believes the Authority has access to sufficient funds for potential claims, if any, that are subject to deductibles or are in excess of stated coverage maximums. The Authority is not aware of any potential claims. During the past five years, claims settled have not exceeded the Authority's coverage, and there have been no significant reductions in insurance coverage. Accordingly, the Authority has not recorded a reserve for potential claims.

NOTE 11 RETIREMENT PLANS

The Authority sponsors two retirement plans: the Rhode Island Convention Center Authority Retirement Plan, a defined contribution 401(a) plan and the RI Convention Center Authority 457 Plan, a deferred compensation 457(b) plan. The retirement plans allow for employee and discretionary employer contributions and cover substantially all full-time employees who meet the eligibility requirements. The Authority is the administrator of the plans, under which benefits are 100% vested, cannot be forfeited, and the Authority can establish and amend benefit terms. For the years ended June 30, 2026 and 2025, the Authority contributed \$87,684 and \$98,069, respectively, to the 457(b) and 401(a) plans.

SUPPLEMENTARY INFORMATION

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
ACCOMPANYING INFORMATION TO FINANCIAL STATEMENTS
SCHEDULE OF TRAVEL AND ENTERTAINMENT EXPENSES
YEAR ENDED JUNE 30, 2026**

Payee	Purpose	Amount
<u>RICC</u>		
OVG	President visits - hotel, transportation, and meals	\$ 4,519
General Manager	International Entertainment Buyers Association (IEBA) Conference - Nashville, TN - flight, transportation, and meals	3,708
OVG Food & Beverage Division	General Manager Food Service & Hospitality visit - hotel and transportation	3,487
OVG Food & Beverage Division	Divisional Executive Chef visits - hotel, flight, and transportation	3,468
OVG Food & Beverage Division	Executive Chef visit - flight and hotel	2,630
Sales Manager	Illuminate Conference - Boise, ID - flight, hotel, and transportation	2,478
Director of Sales & Event Services	American Society of Association Executives (ASAE) Conference - Los Angeles, CA - flight, hotel, transportation, and meals	2,214
OVG Food & Beverage Division	Regional Vice President of Operations visits - flight, hotel, and transportation	2,109
Sales Manager	Travel, Events and Management in Sports (TEAMS) Conference - Columbus, OH - flight, hotel and meals	1,557
Sales Manager	Connect Trade Show - Milwaukee, WI - hotel, flight, and meals	1,532
Sales Manager	Worldwide Exhibition for Incentive Travel, Meetings, and Events (IMEX) Conference - Las Vegas, NV - flight	636
K-9 Handler	K-9 Recertification - hotel, transportation	479
General Manager	Complex security meeting - meals	366
Director of Sales & Event Services	Sales team meeting - meals	304
Various	Miscellaneous amounts under \$200	2,684
	Total RICC	32,171
<u>AMP</u>		
Executive Assistant / Booking	Pollstar Conference - Los Angeles, CA - hotel and transportation	1,353
Executive Assistant / Booking	International Entertainment Buyers Association (IEBA) Conference - Nashville, TN - hotel and transportation	1,286
Senior Director of Sales, Booking, & Marketing	IEBA Conference - Nashville, TN - hotel and transportation	1,279
Senior Director of Sales, Booking, & Marketing	Pollstar Conference - Los Angeles, CA - hotel and transportation	1,152
Executive Assistant / Booking	Pollstar Conference - Los Angeles, CA - flight	999
Senior Director of Sales, Booking, & Marketing	IEBA Conference - Nashville, TN - meals	967
Senior Director of Sales, Booking, & Marketing	OVG Corporate Marketing Conference - Scottsdale, AZ - hotel and transportation	961
Senior Director of Sales, Booking, & Marketing	Pollstar Conference - Los Angeles, CA - flight	889
Senior Director of Sales, Booking, & Marketing	OVG Corporate Marketing Conference - Scottsdale, AZ - flight	758
Mcintyre Limousine	Pollstar Conference - Los Angeles, CA - airport transportation	523
Senior Director of Sales, Booking, & Marketing	Pollstar Conference - Los Angeles, CA - meals	508
Senior Director of Sales, Booking, & Marketing	IEBA Conference - Nashville, TN - flight	393
Executive Assistant / Booking	IEBA Conference - Nashville, TN - flight	393
Executive Assistant / Booking	Pollstar Conference - Los Angeles, CA - meals	224
Various	Miscellaneous amounts under \$200	165
	Total AMP	11,850
<u>The Vets</u>		
General Manager	International Association of Venue Managers (IAVM) conference - hotels	2,055
General Manager	NYC conference - hotel	1,430
General Manager	IAVM conference - registrations	1,099
General Manager	NYC conference - transportation	466
General Manager	IAVM conference - flight	407
General Manager	Hotel for contractor	703
Various	Miscellaneous amounts under \$200	640
	Total The Vets	6,800
	Grand total	\$ 50,821

See independent auditor's report on supplementary information

STATE OF RHODE ISLAND REQUIRED FORMAT

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE OF RHODE ISLAND REQUIRED FORMAT
ATTACHMENT B STATEMENT OF NET POSITION
JUNE 30, 2026**

Assets

Current assets

Cash and cash equivalents	\$ 8,166,879
Investments	-
Receivables, net	3,079,806
Restricted assets:	
Cash and cash equivalents	18,803,043
Investments	-
Receivables, net	-
Other assets	-
Due from primary government	-
Due from other component units	-
Due from other governments	-
Inventories	-
Other assets	726,755
Total current assets	<u>30,776,483</u>

Noncurrent assets

Investments	-
Receivables, net	21,804,585
Due from other governments and agencies	-
Restricted assets:	
Cash and cash equivalents	-
Investments	-
Receivables, net	-
Other assets	-
Due from other component units	-
Net pension asset	-
Net OPEB asset	-
Capital assets - nondepreciable	48,028,807
Capital assets - depreciable and amortizable (net)	104,788,234
Right to use lease assets (net)	118,010
Subscription-based IT assets (net)	940,760
Other assets, net of amortization	64,970
Total noncurrent assets	<u>175,745,366</u>
Total assets	<u>206,521,849</u>

Deferred outflows of resources

Deferred loss on advance debt refunding	186,348
Deferred pension amounts	-
Deferred OPEB amounts	-
Other deferred outflows of resources	-
Total deferred outflows of resources	<u>186,348</u>

See independent auditor's report on supplementary information

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE OF RHODE ISLAND REQUIRED FORMAT
ATTACHMENT B STATEMENT OF NET POSITION
JUNE 30, 2026**

Liabilities

Current liabilities

Cash overdraft	\$ -
Accounts payable	5,155,172
Due to primary government	123,007
Due to other component units	-
Due to other governments	-
Accrued expenses	-
Current portion of long-term lease liability	29,136
Subscription-based IT liability	130,827
Compensated absences	-
Unearned revenue	3,187,390
Capital advance, primary government	-
Other current liabilities	239,286
Current portion of long-term debt	21,095,000
Total current liabilities	<u>29,959,818</u>

Noncurrent liabilities

Due to primary government	-
Due to other component units	-
Due to other governments	-
Net pension liability	-
Net OPEB obligation	-
Unearned revenue	-
Notes payable	-
Loans payable	-
Lease liability	91,099
Subscription-based IT liability	278,530
Obligations under capital leases	-
Compensated absences	-
Bonds payable	75,905,000
Other liabilities	-
Total noncurrent liabilities	<u>76,274,629</u>

Total liabilities	<u>106,234,447</u>
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Deferred inflows of resources

Deferred gains on refunding	-
Deferred pension amounts	-
Deferred OPEB amounts	-
Other deferred inflows of resources	23,611,000
Total deferred inflows of resources	<u>23,611,000</u>

Net position

Net investment in capital assets	69,884,170
Restricted:	
Debt	-
Other	4,181,294
Nonexpendable	-
Capital projects	-
Unrestricted	<u>2,797,286</u>
Total net position	<u>\$ 76,862,750</u>

See independent auditor's report on supplementary information

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE OF RHODE ISLAND REQUIRED FORMAT
ATTACHMENT C STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026**

Expenses	\$ 55,743,403
Program revenues	
Charges for services	38,784,751
Operating grants and contributions	-
Capital grants and contributions	-
Total program revenues	<u>38,784,751</u>
Net expense	(16,958,652)
General revenues	
Interest and investment earnings	1,476,309
Miscellaneous revenue	<u>2,575,223</u>
Total general revenues	<u>4,051,532</u>
Transfers from primary government	31,197,569
Extraordinary items	<u>-</u>
Change in net position	18,290,449
Total net position - beginning of year	<u>58,572,301</u>
Total net position - end of year	<u><u>\$ 76,862,750</u></u>

See independent auditor's report on supplementary information

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE OF RHODE ISLAND REQUIRED FORMAT
ATTACHMENT D SCHEDULE OF DEBT SERVICE TO MATURITY – LONG-TERM DEBT
YEAR ENDED JUNE 30, 2026**

Bonds Payable

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2027	\$ 21,095,000	\$ 4,777,568
2028	5,960,000	3,969,762
2029	6,285,000	3,647,467
2030	6,625,000	3,303,961
2031	6,990,000	2,939,495
2032-2036	34,330,000	8,426,802
2037-2041	12,815,000	2,313,918
2042	2,900,000	124,381
Total	<u>\$ 97,000,000</u>	<u>\$ 29,503,354</u>

See independent auditor's report on supplementary information

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE OF RHODE ISLAND REQUIRED FORMAT
ATTACHMENT E SCHEDULE OF CHANGES IN LONG-TERM DEBT
YEAR ENDED JUNE 30, 2026**

	Schedule of Changes in Long-Term Debt					
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Thereafter
Bonds payable	\$ 118,975,000	\$ -	\$ (21,975,000)	\$ 97,000,000	\$ 21,095,000	\$ 75,905,000
Notes payable	-	-	-	-	-	-
Notes payable - direct borrowings	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Lease liabilities	8,661	142,558	(30,984)	120,235	29,136	91,099
Subscription liabilities	467,684	83,953	(142,280)	409,357	130,827	278,530
Net pension liability	-	-	-	-	-	-
Net OPEB obligation	-	-	-	-	-	-
Due to primary government	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-
Due to other governments and agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
Arbitrage rebate	-	-	-	-	-	-
Pollution remediation	-	-	-	-	-	-
Funds held for others	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-
Total	<u>\$ 119,451,345</u>	<u>\$ 226,511</u>	<u>\$ (22,148,264)</u>	<u>\$ 97,529,592</u>	<u>\$ 21,254,963</u>	<u>\$ 76,274,629</u>

See independent auditor's report on supplementary information

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
Rhode Island Convention Center Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rhode Island Convention Center Authority (the "Authority") (a Component Unit of the State of Rhode Island), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of finding and response as item 2026-001.

Rhode Island Convention Center Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of finding and response. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'.

September 30, 2026

**Rhode Island Convention Center Authority
Schedule of Finding and Response
June 30, 2026**

Finding Number: 2026-001

Noncompliance finding: Restrictive Covenants

Criteria

Bond indentures require that the Authority fund the Operating Reserve requirement of the restrictive covenants for the Rhode Island Convention Center ("RICC") and the Amica Mutual Pavilion ("AMP").

Condition

During the year ended June 30, 2026, the Authority was unable to fund the Operating Reserve requirement of the restrictive covenants for the RICC and the AMP pursuant to the indentures. The Authority is currently in violation of certain debt indentures with respect to the Operating Reserve requirement.

Cause

The Authority does not have sufficient cash flow to fund the Operating Reserve.

Effect

As a result of this fund not being funded, the Authority is in noncompliance with certain bond indentures.

Identification as a Repeat Finding, if Applicable

2025-001

Recommendation

We recommend that the Authority fund the Operating Reserve.

Management's Response

The Authority will fund the Operating Reserve provided there is sufficient cash flow or if an alternative means of security, such as a letter of credit, is available.

Given that the Authority continues to make timely and complete debt service payments, it would make little sense for the trustee to declare a default for reserve fund noncompliance. In fact, this has been the practical practice over several years as the Authority has failed to maintain adequate reserves due to insufficient State appropriations. If a default were declared, the Authority would have 90 days to cure and would seek a legislative appropriation to remedy the default. Of course, annual appropriations in excess of debt service requirements would assist in building reserves and reaching the requirements. The Authority and its advisors are actively in search of a viable resolution to this matter.