

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2025 AND 2024

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
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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, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2025 and 2024, and the respective changes in financial position and 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 opinions.

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 Audits 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

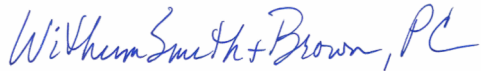
Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 schedule of net position, schedule of activities, schedule of debt service to maturity-long-term debt, and a schedule of changes in long-term debt (collectively, the supplementary information) on pages 37-42 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 auditing standards generally accepted in the United States of America. 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 schedule of net position, schedule of activities, schedule of debt service to maturity – long-term debt, and a 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 date September 30, 2025, 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'. The signature is written in a cursive, flowing style.

September 30, 2025

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

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 of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended June 30, 2025 and 2024. The Authority's financial statements, accompanying notes and supplementary information should be read in conjunction with the following discussion.

Introduction

The Authority was created in 1987 by the Rhode Island General Assembly as a public corporation, instrumentality, and agency of the State, having a distinct legal existence from the State and not constituting a department of State government. The Authority was created for the purpose of constructing, managing, and operating a facility to house conventions, trade shows, exhibitions, displays, meetings, banquets, and other events, as well as facilities related thereto such as parking lots and garages, connection walkways, hotels, and office buildings, including any retail facilities that are incidental to and located within any of the foregoing, and to acquire land. The Authority has managed its facilities through third-party management contracts since inception. The powers of the Authority are vested in a Board of Commissioners ("Board") having eleven members. The Governor of the State has the power to appoint eight members. The Mayor of the City of Providence has the power to appoint two members and the City Council of the City of Providence has the power to appoint one member. The Chairperson, Vice Chairperson, Secretary, and Treasurer are elected by the members of the Board.

On December 2, 1993, the Rhode Island Convention Center (the "Convention Center" or "RICC") and related garage facilities officially opened. The Authority is authorized to lease the Convention Center and the related facilities to the State and to issue its bonds and notes for any of its corporate purposes. The Authority manages the Convention Center and the related facilities pursuant to the terms of a sublease agreement, dated November 1, 1991, as amended, by and between the State, as sublessor, and the Authority, as sublessee (the "Sublease"). The venue attracts a wide range of local, regional, national, and international events and generates significant economic impact for the City of Providence (the "City") and the State.

In 2005, the Authority's enabling legislation was amended to clarify that the Authority could also own, operate, and finance a "civic center." In December 2005, the Authority issued federally taxable 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") from the City. In September 2022, the Authority entered into a naming rights agreement, under which the Civic Center is named the Amica Mutual Pavilion – Providence ("AMP"). The AMP is home to the Providence College men's basketball team (the "Friars") and the American Hockey League Providence Bruins, the Boston Bruins' highest-level minor league team. The AMP is also the venue for touring family shows, concerts, and other special events. Seating at the AMP is 12,500 for basketball, 11,000 for ice hockey, and 14,500 for center stage events. The Authority leases the AMP to the State in an arrangement similar to that for the Convention Center. Payments from the AMP lease are applied to payments of bonds initially issued for the acquisition and renovation of the AMP.

In July 2008, the Authority assumed the management of the Veterans Memorial Auditorium, rebranded as The Vets, from the Veterans Memorial Auditorium Foundation, with the approval of the State's Department of Administration ("DOA"). The Vets is one of the oldest arts venues in Rhode Island and is on the National Register of Historic Places. Operation of The Vets is shared by the DOA and a third-party management company.

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The Providence / Warwick Convention & Visitors Bureau markets Rhode Island to local, regional, national, and international audiences. The Convention Center's marketing partners, including area hotels and restaurants, highlight the AMP and the Vets to attract larger conventions and meetings.

In March 2018, the Authority issued the Garrahy Parking Garage Lease Revenue Bonds, 2018 Series A (federally taxable) ("2018 Series A Bonds") to provide funds (i) to finance the acquisition, construction, equipping, and improvement of the parking facility adjacent to the Garrahy Courthouse in Providence, Rhode Island ("Clifford Street Garage"), (ii) to pay the costs of issuance of the 2018 Series A Bonds, and (iii) to pay capitalized interest on the 2018 Series A Bonds. The parking facility officially opened in March 2020. In July 2023, the Authority's Board of Commissioners voted to rebrand the Clifford Street Garage as the Innovation District Garage ("IDG").

The RICC, AMP, The Vets, and IDG continue to be significant drivers of economic impact in downtown Providence and to the State of Rhode Island.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements.

The Authority engages only in business-related functions, financed in whole or part by assessments 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 statements 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 statements of revenues, expenses and changes in net position presents information regarding how the Authority's net position changed during the year.

All assets, liabilities, and changes in net position are reported as soon as the underlying event affecting the asset or liability, or deferred outflow or inflow, and resulting change in net position occurs, regardless of the timing of when the cash is received or paid (accrual basis of accounting for governmental entities). Consequently, certain revenues and expenses reported in the statements of revenues, expenses, and changes in net position result in cash flows in future periods.

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The Authority is dependent upon annual State appropriations of lease revenue by the General Assembly of the State to fund 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:

	<u>2025</u>	<u>2024</u>
Debt service, net	\$ 25,183,848	\$ 24,932,224
Capital improvements	7,180,198	16,558,659
Total	<u>\$ 32,364,046</u>	<u>\$ 41,490,883</u>

For the years ended June 30, 2025 and 2024, debt service appropriations from the State are net of \$2,346,958 and \$2,600,435, respectively, contributed by the Authority from the operations of the IDG.

FY25 Financial Highlights

Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$58,572,301 (net position) at June 30, 2025. Net position totaling \$6,443,120 at June 30, 2025 is unrestricted. Net position totaling \$1,684,364 at June 30, 2025 is restricted to be utilized principally for renewal and replacement of capital assets and operating expenditures as reflected in the Authority's bond documentation. The Authority's net position invested in capital assets, net of related payables and long-term debt, totaling \$50,444,817 at June 30, 2025 is attributable to the Authority's capital assets, related payables and long-term outstanding debt, and associated depreciation.

Operating income for FY25, exclusive of \$8,033,953 in depreciation and amortization expense, totaled \$487,117, which represents a decrease of \$935,899 when compared to FY24.

Net position increased by \$19,383,633 during FY25.

FY24 Financial Highlights

Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39,188,668 (net position) at June 30, 2024. Net position totaling \$4,747,431 at June 30, 2024 is unrestricted. Net position totaling \$4,958,982 at June 30, 2024 is restricted to be utilized principally for renewal and replacement of capital assets and operating expenditures as reflected in the Authority's bond documentation. The Authority's net position invested in capital assets, net of related payables and long-term debt, totaling \$29,482,255 at June 30, 2024 is attributable to the Authority's capital assets, related payables and long-term outstanding debt, and associated depreciation.

Operating income for FY24, exclusive of \$9,964,013 in depreciation and amortization expense, totaled \$1,423,016, which represents a decrease of \$753,379 when compared to FY23.

Net position increased by \$26,986,919 during FY24.

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

	2025	2024
RICC	169	190
AMP	90	83
The Vets	135	134
Total	<u>394</u>	<u>407</u>

Condensed Comparative Information

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):

	2025	2024	2023	Increase (decrease)	
				2025 v 2024	2024 v 2023
Net Position					
Current assets	\$ 39,492	\$ 44,024	\$ 43,228	\$ (4,532)	\$ 796
Capital assets, net	152,483	144,547	141,099	7,936	3,448
Other noncurrent assets	<u>23,691</u>	<u>20,285</u>	<u>22,899</u>	<u>3,406</u>	<u>(2,614)</u>
Total assets	<u>215,666</u>	<u>208,856</u>	<u>207,226</u>	<u>6,810</u>	<u>1,630</u>
Deferred outflows of resources	<u>597</u>	<u>1,255</u>	<u>2,188</u>	<u>(658)</u>	<u>(933)</u>
Current liabilities	35,244	29,538	31,629	5,706	(2,091)
Noncurrent liabilities	<u>97,358</u>	<u>118,984</u>	<u>140,268</u>	<u>(21,626)</u>	<u>(21,284)</u>
Total liabilities	<u>132,602</u>	<u>148,522</u>	<u>171,897</u>	<u>(15,920)</u>	<u>(23,375)</u>
Deferred inflows of resources	<u>25,089</u>	<u>22,400</u>	<u>25,316</u>	<u>2,689</u>	<u>(2,916)</u>
Net position	<u>\$ 58,572</u>	<u>\$ 39,189</u>	<u>\$ 12,201</u>	<u>\$ 19,383</u>	<u>\$ 26,988</u>
Changes in Net Position					
Operating revenues	\$ 39,690	\$ 37,152	\$ 35,465	\$ 2,538	\$ 1,687
Operating expenses	<u>47,237</u>	<u>45,692</u>	<u>46,613</u>	<u>1,545</u>	<u>(921)</u>
Operating loss	(7,547)	(8,540)	(11,148)	993	2,608
Nonoperating revenue, net	<u>26,930</u>	<u>35,528</u>	<u>45,872</u>	<u>(8,598)</u>	<u>(10,344)</u>
Change in net position	<u>\$ 19,383</u>	<u>\$ 26,988</u>	<u>\$ 34,724</u>	<u>\$ (7,605)</u>	<u>\$ (7,736)</u>
Components of Net Position					
Net investment in capital assets, net of related debt	\$ 50,445	\$ 29,482	\$ 2,321	\$ 20,963	\$ 27,161
Restricted	1,684	4,959	4,768	(3,275)	191
Unrestricted	<u>6,443</u>	<u>4,748</u>	<u>5,112</u>	<u>1,695</u>	<u>(364)</u>
Net position	<u>\$ 58,572</u>	<u>\$ 39,189</u>	<u>\$ 12,201</u>	<u>\$ 19,383</u>	<u>\$ 26,988</u>

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FY25 Financial Analysis

Total assets of the Authority increased by \$6,809,841 as of June 30, 2025 compared to June 30, 2024. Current assets decreased in 2025 by \$4,531,969 in comparison to FY24, which is principally attributable to a net decrease in cash and cash equivalents from expended RICAP appropriations. Net capital assets, including right-to-use lease and subscription assets, increased by \$7,935,938, which is principally attributable to capital improvements pertaining primarily to the RICC and AMP, offset by depreciation and amortization. Noncurrent assets, other than capital assets, increased by \$3,405,872, which is principally due to increases in long-term lease receivables related to leases that were in place during FY25.

Changes in capital assets, including right-to-use lease and subscription assets, during FY25 were as follows:

	2025		
	Beginning Balance	Additions, net of Depreciation and Amortization	Assets Placed In Service net of Disposals
			Ending Balance
Total capital assets, net	\$ 144,546,864	\$ 17,853,911	\$ (9,917,973)
			\$ 152,482,802

Deferred outflows of resources decreased by \$657,427 as of June 30, 2025, which is due to amortization of net deferred charges on bond refunding.

During FY25, the Authority's long-term debt decreased by \$21,225,000, which is due to scheduled principal payments on outstanding bonds payable.

Changes in bonds payable during FY25 were as follows:

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

Total liabilities of the Authority at June 30, 2025, exclusive of bonds payable, increased by \$5,305,277 due to increases in accounts payable and accrued liabilities, retainage payable, unearned advances, and subscription liabilities.

Deferred inflows of resources increased by \$2,688,504 as of June 30, 2025, which is due to decreases related to leases that were in place during FY25.

FY25 Operating Activity

Operating revenues of the Authority increased by \$2,538,319 compared to FY24, which is attributable to increases in event revenues at the AMP and The Vets, and parking revenues at the IDG.

Total operating expenses, exclusive of \$8,033,953 in depreciation and amortization expense, increased by \$3,474,218, which is attributable to increases in personnel, contractual services, utilities, and other expenses to support the growth in operating revenue.

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As a result of the above, the operating income of the Authority, exclusive of \$8,033,953 in depreciation and amortization expense, was \$487,117 in FY25 compared to operating income of \$1,423,016 in FY24.

FY24 Financial Analysis

Total assets of the Authority increased by \$1,629,114 as of June 30, 2024 compared to June 30, 2023. Current assets increased in 2024 by \$795,985 in comparison to FY23, which is principally attributable to a net increase in cash and cash equivalents from unexpended RICAP appropriations offset by a decrease in receivables. Net capital assets, including right-to-use lease and subscription assets, increased by \$3,447,373, which is primarily attributable to capital improvements pertaining primarily to the RICC, AMP, and IDG, offset by depreciation and amortization. Noncurrent assets, other than capital assets, decreased by \$2,614,244, which is principally due to decreases in long-term lease receivables related to leases that were in place during FY24.

Changes in capital assets, including right-to-use lease and subscription assets, during FY24 were as follows:

	2024		
	Beginning Balance	Additions, net of Depreciation and Amortization	Assets Placed In Service net of Disposals
			Ending Balance
Total capital assets, net	<u>\$ 141,099,491</u>	<u>\$ 15,596,407</u>	<u>\$ (12,149,034)</u>
			<u>\$ 144,546,864</u>

Deferred outflows of resources decreased by \$933,019 as of June 30, 2024, which is due to amortization of net deferred charges on bond refunding.

During FY24, the Authority's long-term debt decreased by \$20,525,000, which is due to scheduled principal payments on outstanding bonds payable.

Changes in bonds payable during FY24 were as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Revenue bonds	<u>\$ 160,725,000</u>	<u>\$ -</u>	<u>\$ (20,525,000)</u>	<u>\$ 140,200,000</u>	<u>\$ 21,225,000</u>

Total liabilities of the Authority at June 30, 2024, exclusive of bonds payable, decreased by \$2,850,407 due to decreases in accounts payable and accrued liabilities, offset by increases in unearned advances.

Deferred inflows of resources decreased by \$2,915,417 as of June 30, 2024, which is due to decreases related to leases that were in place during FY24.

FY24 Operating Activity

Operating revenues of the Authority increased by \$1,687,000 compared to FY23, which is attributable to increases in event revenues at the RICC, event revenues at The Vets, and parking revenues at the IDG, offset by decreases in event revenues at the AMP.

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Total operating expenses, exclusive of \$9,964,013 in depreciation and amortization expense, increased by \$2,440,379, which is attributable to increases in personnel, utilities, and other expenses to support the growth in operating revenue.

As a result of the above, the operating income of the Authority, exclusive of \$9,964,013 in depreciation and amortization expense, was \$1,423,016 in FY24 compared to operating income of \$2,176,395 in FY23.

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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,780,318	\$ 9,739,178
Cash and cash equivalents, restricted	21,959,060	29,833,782
Accounts receivable, less allowance for doubtful accounts of \$89,000 and \$69,000 in 2025 and 2024, respectively	2,063,234	1,078,170
Due from State	92,798	77,578
Prepaid expenses and other assets	660,587	638,844
Lease receivable, less allowance for doubtful accounts of \$9,375 and \$0 in 2025 and 2024, respectively	1,936,269	2,656,683
Total current assets	<u>39,492,266</u>	<u>44,024,235</u>
Noncurrent assets:		
Capital assets not being depreciated	60,592,230	53,835,458
Capital assets being depreciated, net	90,764,343	89,982,595
Prepaid expenses and other assets	52,922	95,171
Lease receivable	23,638,103	20,189,982
Right-to-use lease assets, net	8,369	23,956
Right-to-use subscription asset in progress	-	704,855
Right-to-use subscription assets, net	1,117,860	-
Total noncurrent assets	<u>176,173,827</u>	<u>164,832,017</u>
Total assets	<u>215,666,093</u>	<u>208,856,252</u>
Deferred outflows of resources:		
Deferred charge on refunding	<u>597,221</u>	<u>1,254,648</u>

See accompanying Notes to Financial Statements.

RHODE ISLAND CONVENTION CENTER AUTHORITY
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STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	7,816,644	3,907,703
Unearned advances	4,850,526	4,285,937
Retainage payable	483,838	90,130
Capital advance, State	-	14,263
Current portion of bonds payable	21,975,000	21,225,000
Lease liabilities	7,059	15,381
Subscription liabilities	110,803	-
Total current liabilities	<u>35,243,870</u>	<u>29,538,414</u>
Noncurrent liabilities:		
Bonds payable, less current portion	97,000,000	118,975,000
Lease liabilities	1,602	8,662
Subscription liabilities	356,881	-
Total noncurrent liabilities	<u>97,358,483</u>	<u>118,983,662</u>
Total liabilities	<u>132,602,353</u>	<u>148,522,076</u>
Deferred inflows of resources:		
Deferred lease revenues	<u>25,088,660</u>	<u>22,400,156</u>
NET POSITION		
Net investment in capital assets	50,444,817	29,482,255
Restricted by bond indentures	1,684,364	4,958,982
Unrestricted	<u>6,443,120</u>	<u>4,747,431</u>
Total net position	<u><u>\$ 58,572,301</u></u>	<u><u>\$ 39,188,668</u></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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Charges for services	\$ 36,312,593	\$ 33,659,004
Lease revenue	2,932,654	3,008,383
Other	444,382	483,923
Total operating revenues	<u>39,689,629</u>	<u>37,151,310</u>
OPERATING EXPENSES		
Personnel services	21,205,927	19,654,579
Contractual services	4,888,641	4,132,661
Utilities	3,277,717	2,587,940
Repairs and maintenance	1,376,011	1,268,944
Other supplies and expenses	8,454,216	8,084,170
Depreciation and amortization	8,033,953	9,964,013
Total operating expenses	<u>47,236,465</u>	<u>45,692,307</u>
OPERATING LOSS	<u>(7,546,836)</u>	<u>(8,540,997)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations (inclusive of RICAP appropriations of \$7,068,279 and \$16,450,000 in 2025 and 2024, respectively)	32,364,046	41,490,883
Interest and investment revenue	1,921,215	2,117,679
Interest expense and related financing costs	(6,926,599)	(7,889,123)
Loss on disposal of capital assets	-	(78,540)
Expenses associated with SFRF appropriations (see Note 1)	(428,193)	(112,983)
Net nonoperating revenues	<u>26,930,469</u>	<u>35,527,916</u>
CHANGE IN NET POSITION	19,383,633	26,986,919
Net position - beginning of year	<u>39,188,668</u>	<u>12,201,749</u>
NET POSITION - END OF YEAR	<u><u>\$ 58,572,301</u></u>	<u><u>\$ 39,188,668</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, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 36,285,874	\$ 35,105,695
Payments to suppliers for goods and services	(16,143,853)	(16,280,674)
Payments to employees	(21,132,200)	(19,436,937)
SFRF appropriation payments	(365,873)	(85,112)
Net cash used in operating activities	<u>(1,356,052)</u>	<u>(697,028)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfer from State, net	<u>32,334,563</u>	<u>41,353,865</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from principal and interest payments received under leases	3,469,143	3,108,912
Payment for:		
Capital assets	(12,966,592)	(16,585,963)
Bonds payable, principal	(21,225,000)	(20,525,000)
Principal and interest under leases and SBITAs	(144,165)	(22,771)
Interest paid on bonds payable, net of related financing costs	(6,341,628)	(7,043,480)
Net cash used in capital and related financing activities	<u>(37,208,242)</u>	<u>(41,068,302)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>1,396,149</u>	<u>1,736,350</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,833,582)	1,324,885
Cash and cash equivalents - beginning of year	<u>39,572,960</u>	<u>38,248,075</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 34,739,378</u></u>	<u><u>\$ 39,572,960</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>\$ 5,443,659</u>	<u>\$ 92,966</u>
Recognition of right-to-use subscription assets and related subscription liabilities	<u>\$ 575,744</u>	<u>\$ -</u>
Disposal of capital assets	<u>\$ -</u>	<u>\$ 78,540</u>
	2025	2024
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (7,546,836)	\$ (8,540,997)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	8,033,953	9,964,013
Lease revenue	(2,992,655)	(3,008,383)
Provision for losses on accounts receivable	38,427	9,475
Settlement of obligations under management agreement	-	(279,903)
Decrease (increase) in operating assets:		
Accounts receivable	(1,014,116)	573,999
Prepaid expenses and other assets	20,506	(33,228)
Increase in operating liabilities:		
Accounts payable and accrued liabilities	1,905,953	43,911
Unearned advances	564,589	659,197
SFRF appropriation payments	(365,873)	(85,112)
Net cash used in operating activities	<u>\$ (1,356,052)</u>	<u>\$ (697,028)</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, 2025 AND 2024**

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
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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.

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 statements of net position and are classified as either current or noncurrent based on the maturity date of the underlying securities.

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 statements of net position at their amortized cost. All other investments are reported at fair value.

RHODE ISLAND CONVENTION CENTER AUTHORITY
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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

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, 2025 and 2024.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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 nonoperating expenses in the accompanying statements of revenues, expenses, and changes in net position.

Employee Retention Tax Credit (“ERTC”) Program

In November 2022, ASM Global (ASM) determined it was probable that credits would be received, that ASM was eligible for and met all the conditions to qualify for the ERTC program, which was established as part of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), in reference to its employees who rendered services at the RICC and the AMP during 2020 and 2021, and that refunds of payroll taxes paid during those years were realizable. ASM Global was the Authority’s management company with respect to the operations of the RICC, AMP, and IDG through June 30, 2024 (see Note 7).

In November 2022, ASM submitted amended quarterly payroll tax returns claiming to recover \$2,324,656 in ERTCs for amounts paid through the third quarter of calendar 2021. In June 2023, ASM received \$2,274,578 of the ERTCs and remitted an amount to the Authority equal to the ERTCs that ASM had collected, plus interest, and less amounts owed by the Authority to ASM under the management agreement (see Note 7). In June 2024, the remaining ERTCs were realized by the Authority via settlement of other amounts owed between the parties.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Net Position

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

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, 2025, 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:

	2025	2024
Deposits	\$ 12,916,845	\$ 9,862,418
Cash equivalents	21,822,533	29,710,542
Total	<u>\$ 34,739,378</u>	<u>\$ 39,572,960</u>

RHODE ISLAND CONVENTION CENTER AUTHORITY
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Restricted cash and cash equivalents consist of the following:

	<u>2025</u>	<u>2024</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	\$ 11,602,750	\$ 18,026,205
AMP	7,713,331	5,901,745
IDG	410,961	270,043
Operating reserve fund (Note 6) - operating and maintenance expenses	25,506	24,414
General revenue fund - general operating expenses	1,451,729	4,763,304
2006 Series A revenue fund - operating expenses of the AMP	33,447	25,037
2017 Series A debt service fund, interest - RICC	50,219	31,189
2017 Series A debt service fund, principal - RICC	1	1
2018 Series A debt service fund, interest - IDG	9,521	5,980
2018 Series A capitalized interest account - IDG	872	833
2021 Series A redemption fund - RICC	9	-
2021 Series A construction fund - RICC	-	2,358
	<u>21,298,346</u>	<u>29,051,109</u>
Total mandated by bond indentures		
Accounts mandated by agreements:		
SFRF capital improvements - RICC & AMP	410,265	550,376
Rhode Island Capital Plan Fund ("RICAP") - Vets	841	88,210
Food and beverage capital improvements - AMP	135,676	35,030
	<u>546,782</u>	<u>673,616</u>
Total mandated by agreements		
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	113,932	109,057
	<u>113,932</u>	<u>109,057</u>
Total restricted cash and cash equivalents	<u>\$ 21,959,060</u>	<u>\$ 29,833,782</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>2025</u>	<u>2024</u>
Dreyfus Treasury Securities	\$ 10,080,345	\$ 11,550,866
Fidelity Institutional Money Market Government Portfolio - Class III	11,742,188	18,159,676
Total	<u>\$ 21,822,533</u>	<u>\$ 29,710,542</u>

**RHODE ISLAND CONVENTION CENTER AUTHORITY
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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 55 days as of June 30, 2025. At June 30, 2025 and 2024, 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, 2025 and 2024, 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 are designed to maintain a stable share price of \$1.00, and maintains a dollar weighted average maturity of 35 days as of June 30, 2025. At June 30, 2025 and 2024, 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, 2025 and 2024, 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:

	2025	2024
Bank balance	\$ 12,886,374	\$ 10,565,130
Bank balance insured by federal depository insurance and depositors insurance fund	1,968,729	1,406,235
Uninsured balance	10,917,645	9,158,895
Collateralized - collateral held by third-party custodian in the Authority's name	10,917,645	9,158,895
Uninsured and uncollateralized	\$ -	\$ -

**RHODE ISLAND CONVENTION CENTER AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
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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
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JUNE 30, 2025 AND 2024

NOTE 3 CAPITAL ASSETS

	2025		
	Beginning Balance	Increases	Decreases
Ending Balance			
Capital assets not being depreciated or amortized:			
Land and easements	\$ 46,808,078	\$ -	\$ -
Construction in progress	7,027,380	15,345,172	(8,588,400)
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)
Capital assets being depreciated and amortized:			
Buildings, building improvements, and facilities	284,849,753	1,879,987	-
Equipment	56,591,053	6,708,414	(110,326)
Right-to-use lease equipment	68,331	-	(15,097)
Right-to-use subscription equipment	-	1,329,573	-
Total capital assets being depreciated and amortized	341,509,137	9,917,974	(125,423)
Less: accumulated depreciation and amortization for:			
Buildings, building improvements, and facilities	(207,015,732)	(5,296,185)	-
Equipment	(44,442,479)	(2,510,468)	110,326
Right-to-use lease equipment	(44,375)	(15,587)	15,097
Right-to-use subscription equipment	-	(211,713)	-
Total accumulated depreciation and amortization	(251,502,586)	(8,033,953)	125,423
Total capital assets being depreciated and amortized, net	90,006,551	1,884,021	-
Total capital assets, net	\$ 144,546,864	\$ 17,853,911	\$ (9,917,973)

RHODE ISLAND CONVENTION CENTER AUTHORITY
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	2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated or amortized:				
Land and easements	\$ 46,808,078	\$ -	\$ -	\$ 46,808,078
Construction in progress	6,263,961	12,809,492	(12,046,073)	7,027,380
Right-to-use subscription equipment in progress	-	704,855	-	704,855
Total capital assets not being depreciated or amortized	<u>53,072,039</u>	<u>13,514,347</u>	<u>(12,046,073)</u>	<u>54,540,313</u>
Capital assets being depreciated and amortized:				
Buildings and facilities	278,373,111	6,672,992	(196,350)	284,849,753
Equipment	52,188,062	5,373,081	(970,090)	56,591,053
Right-to-use lease equipment	<u>132,457</u>	<u>-</u>	<u>(64,126)</u>	<u>68,331</u>
Total capital assets being depreciated and amortized	<u>330,693,630</u>	<u>12,046,073</u>	<u>(1,230,566)</u>	<u>341,509,137</u>
Less: accumulated depreciation and amortization for:				
Buildings and facilities	(200,246,030)	(6,887,512)	117,810	(207,015,732)
Equipment	(42,334,137)	(3,054,011)	945,669	(44,442,479)
Right-to-use lease equipment	<u>(86,011)</u>	<u>(22,490)</u>	<u>64,126</u>	<u>(44,375)</u>
Total accumulated depreciation and amortization	<u>(242,666,178)</u>	<u>(9,964,013)</u>	<u>1,127,605</u>	<u>(251,502,586)</u>
Total capital assets being depreciated and amortized, net	<u>88,027,452</u>	<u>2,082,060</u>	<u>(102,961)</u>	<u>90,006,551</u>
Total capital assets, net	<u>\$ 141,099,491</u>	<u>\$ 15,596,407</u>	<u>\$ (12,149,034)</u>	<u>\$ 144,546,864</u>

Substantially all capital assets at June 30, 2025 and June 30, 2024 are pledged as collateral for the revenue bonds (see Note 6).

At June 30, 2025 and 2024, accounts payable and accrued liabilities includes \$2,974,719 and \$938,676, respectively, pertaining to capital assets.

At June 30, 2024, the Authority's right-to-use subscription equipment in progress represents payments made before the commencement of the subscription term associated with the Authority's enterprise resource planning system.

**RHODE ISLAND CONVENTION CENTER AUTHORITY
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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, 2025 and June 30, 2024, the Authority recognized \$2,932,654 and \$3,008,383, respectively, in lease revenue pursuant to these contracts. During the years ended June 30, 2025 and 2024, the Authority recognized \$525,066 and \$376,710, respectively, in interest revenue pursuant to these contracts.

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, 2025 and 2024, the Authority received variable payments as required by lease agreements totaling approximately \$1,595,000 and \$1,633,000, 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>
2026	\$ 1,945,644	\$ 587,797	\$ 2,533,441
2027	2,032,893	540,649	2,573,542
2028	2,045,477	492,538	2,538,015
2029	2,077,510	444,578	2,522,088
2030	1,289,214	399,198	1,688,412
2031 - 2035	6,726,621	1,354,361	8,080,982
2036 - 2040	4,526,694	621,306	5,148,000
2041 - 2045	4,589,947	270,053	4,860,000
2046 - 2048	349,747	18,128	367,875
Total	<u>\$ 25,583,747</u>	<u>\$ 4,728,608</u>	<u>\$ 30,312,355</u>

The Authority leases equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through June 2027 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, 2025 and 2024, the Authority made variable payments as required by lease agreements totaling approximately \$254,000 and \$299,000, respectively.

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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>
2026	\$ 7,059	\$ 48	\$ 7,107
2027	1,602	4	1,606
Total	<u>\$ 8,661</u>	<u>\$ 52</u>	<u>\$ 8,713</u>

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. As of June 30, 2024, the Authority acquired through outstanding leases \$68,331 and \$44,375 in right-to-use equipment assets and related accumulated amortization, respectively.

Changes in lease liabilities during the years ended June 30, 2025 and 2024 were as follows:

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

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
Lease liabilities	<u>\$ 46,458</u>	<u>\$ -</u>	<u>\$ (22,415)</u>	<u>\$ 24,043</u>	<u>\$ 15,381</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 2030 and provide for renewal options ranging from one to five years.

Total future minimum subscriber payments under SBITAs are as follows:

<u>Year Ending June 30,</u>	<u>Subscription Liabilities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 110,803	\$ 20,421	\$ 131,224
2027	117,300	15,005	132,305
2028	110,325	9,503	119,828
2029	72,440	4,614	77,054
2030	56,816	975	57,791
Total	<u>\$ 467,684</u>	<u>\$ 50,518</u>	<u>\$ 518,202</u>

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.

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Changes in subscription liabilities during the year ended June 30, 2025 was as follows:

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

NOTE 5 UNEARNED ADVANCES

Unearned advances consisted of the following as of June 30, 2025 and 2024:

	2025	2024
Unearned advances:		
Advanced ticket sales	\$ 2,629,605	\$ 2,191,751
Deposits	1,605,986	1,863,127
Other unearned fees	614,935	231,059
Total	<u>\$ 4,850,526</u>	<u>\$ 4,285,937</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 \$957,000 and \$766,000 during the years ended June 30, 2025 and 2024, respectively.

NOTE 6 BONDS PAYABLE

The Authority's bond indebtedness at June 30, 2025 and 2024 is as follows:

	Date of Issue	Date of Maturity	Interest Rate (%)	Original Issue	Balance June 30, 2025	Balance June 30, 2024
Bonds Payable:						
Revenue Bonds:						
2006 Series A	06/08/06	05/15/35	5.38% - 6.06%	\$ 92,500,000	\$ 50,695,000	\$ 54,315,000
2018 Series A	03/06/18	05/15/42	2.24% - 4.12%	45,000,000	36,245,000	37,725,000
Refunding Revenue Bonds:						
2017 Series A	11/21/17	05/15/27	2.28% - 3.26%	68,720,000	30,405,000	44,930,000
2021 Series A	04/01/21	05/15/26	1.11%	32,170,000	1,630,000	3,230,000
Total Bonds Payable					<u>\$ 118,975,000</u>	<u>\$ 140,200,000</u>

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The Authority is limited to the issuance of bonds or notes in an aggregate principal amount of \$305,000,000. At June 30, 2025 and 2024, outstanding bond and note indebtedness totaled \$118,975,000 and \$140,200,000, 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.

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").

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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 mature 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, 2025, 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>
2026	\$ 21,975,000	\$ 5,560,380
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
2031-2035	39,060,000	10,599,964
2036-2040	12,295,000	2,836,636
2041-2042	5,680,000	367,996
Total	<u>\$ 118,975,000</u>	<u>\$ 35,063,734</u>

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Changes in bonds payable during the years ended June 30, 2025 and 2024 were as follows:

	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>

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Revenue bonds	<u>\$ 160,725,000</u>	<u>\$ -</u>	<u>\$ (20,525,000)</u>	<u>\$ 140,200,000</u>	<u>\$ 21,225,000</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 June 30, 2025 ("RICAP Agreement"), that provides for total proposed appropriations from RICAP of \$12,125,000 for capital projects at the RICC, \$9,100,000 to fund the Renewal and Replacement Fund established in the 2006 Series A Bonds for capital projects at the AMP, and \$1,005,000 for capital projects at The Vets for fiscal years ending 2026 through 2030. RICAP funding for The Vets pertains to assets owned by the State.

The proposed RICAP appropriations for capital projects at the RICC are \$2,800,000, \$2,825,000, \$2,500,000, \$2,000,000, and \$2,000,000 for FY26, FY27, FY28, FY29, and FY30, respectively.

The proposed RICAP appropriations for capital projects at the AMP are \$3,800,000, \$1,250,000, \$1,075,000, \$1,500,000, and \$1,475,000 for FY26, FY27, FY28, FY29, and FY30, respectively.

The proposed RICAP appropriations for capital projects at The Vets are \$380,000, \$275,000, \$150,000, \$100,000, and \$100,000 for FY26, FY27, FY28, FY29, and FY30, respectively.

Under the RICAP Agreement, amounts are subject to annual appropriations 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, 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, through 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 statements of revenues, expenses, and changes in net position.

For the fiscal year ended June 30, 2024, the Authority was appropriated RICAP funds totaling \$10,237,500 and \$6,212,500 for the RICC and AMP, respectively.

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For the fiscal year ended June 30, 2024, the State advanced \$100,000 in RICAP funding to the Authority for capital projects pertaining to State assets at The Vets. During the fiscal year ended June 30, 2024, \$85,737 was incurred by the State for projects at The Vets pertaining to State assets. As a result, \$14,263 was advanced in excess of amounts incurred by the State.

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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024, the Authority funded the Renewal and Replacement requirement included in the 2018 Series A Bonds. State appropriations include \$111,919 and \$108,659 for the years ended June 30, 2025 and 2024, respectively, pertaining to this requirement.

NOTE 7 OTHER COMMITMENTS AND RELATED PARTY TRANSACTIONS

Collective Bargaining Agreements

At June 30, 2025, Global Spectrum, L.P. d/b/a Oak View Group ("OVG") (see below in Note 7) and PFM have several collective bargaining agreements ("CBAs") that cover approximately 77% of their combined labor force with respect to the Authority's operations. These CBAs expire at various dates through April 2028. CBAs that have expired as of June 30, 2025, which pertain to OVG's labor force, cover approximately 3% of OVG and PFM's labor force. No other CBAs are scheduled to expire prior to June 30, 2026.

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OVG and PFM contribute to several union-sponsored multiemployer defined benefit pension plans under the terms of collective bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans differ from 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 Agreements

Through June 30, 2024, the Authority had a management agreement with ASM under which ASM provided various services relating to the operations of the RICC, including its parking facilities, the AMP, and the IDG. Based on the terms of the management agreement with ASM, the Authority funded payroll and related costs of ASM's labor force, which have been included in personnel services on the statements of revenues, expenses, and changes in net position. For the year ended June 30, 2024, ASM personnel services totaled \$16,634,588.

The Authority incurred annual base management fees of \$100,000 for the RICC, including its parking garages, and \$100,000 for the AMP. Management fees are embedded in the budgets of both operations and are requested in a monthly funding format.

In addition to the base management fees, the Authority incurred incentive compensation consisting of quantitative components for the RICC based upon certain food and beverage and parking revenue benchmarks and for the AMP that is conditional upon the AMP achieving an annual deficit reduction or break-even results.

The base management fees were \$200,000 for the year ended June 30, 2024. The Authority advanced funds to ASM to pay operating expenses of the RICC, AMP, and IDG.

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Under the terms of the ASM management agreement, ASM had committed to advance \$750,000 in two equal installments to the Authority for operation and maintenance of the RICC, including its parking garages, and the AMP; the Authority's repayment of ASM's advances was to be forgiven ratably during the term of the agreement. The first \$375,000 installment was advanced in October 2011. Concurrent with the amendment in December 2022, the second \$375,000 installment, along with other financial obligations owed between the parties at the time of the amendment, was settled. Upon expiration of the management agreement with ASM on June 30, 2024, all financial obligations owed between the parties were also settled.

Effective July 1, 2024, the Authority entered into a management agreement with OVG under which OVG provides services related to the operations of 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. Concurrent with the commencement of the agreement, OVG became signatory to the existing union agreements covering ASM's former labor force with respect to the Authority's operations. Under the terms of the agreement, 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 year ended June 30, 2025, OVG personnel services totaled \$17,607,470.

During the year ended June 30, 2025, the Authority incurred a fixed management fee of \$200,000. In each successive year, the fixed fee shall be adjusted by the CPI Adjustment, as defined in the agreement.

In addition to the fixed fee, the Authority incurs incentive compensation to OVG that is 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 year ended June 30, 2025, the Authority incurred approximately \$254,000 in incentive management fees to OVG.

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 \$691,000 and \$710,000 during the years ended June 30, 2025 and 2024, respectively.

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

Effective July 1, 2022, the Authority and the CVB entered into a marketing agreement, which expired on June 30, 2025. Under the terms of the agreement, the CVB received \$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 ending June 30, 2025 and 2024 was \$120,000.

Effective July 1, 2025, the Authority and the CVB entered into a new agreement expiring June 30, 2028. Under the terms of the new agreement, the CVB will continue to receive \$630,000 annually for general marketing services, along with an additional amount agreed upon annually for targeted marketing services, which is \$120,000 for the fiscal year ending June 30, 2026.

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.

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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 \$25,183,848 and \$24,932,224 for the years ended June 30, 2025 and 2024, respectively, from the State, which represents the annual net debt service for the RICC, AMP, and IDG. For the years ended June 30, 2025 and 2024, debt service appropriations from the State are net of \$2,346,958 and \$2,600,435, 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.

NOTE 9 COMMITMENT AND CONTINGENCIES

Through June 30, 2025, the Authority's remaining commitment under contracts entered into with vendors associated with capital projects totaled approximately \$8,952,000. 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 \$96,000.

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.

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JUNE 30, 2025 AND 2024**

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, 2025 and 2024, the Authority contributed \$98,069 and \$74,363, 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, 2025**

Payee	Purpose	Amount
<u>RICC</u>		
OVG Food & Beverage Division	Eastern Divisional Chef - transition visits - hotel, airfare, transportation, meals	\$ 6,284
OVG Food & Beverage Division	Catering Manager - transition visit - hotel, airfare, meals	5,375
OVG Food & Beverage Division	Regional General Manager of Food & Beverage - transition visits - hotel, airfare, transportation, meals	4,984
OVG Food & Beverage Division	Executive Sous Chef - transition visit - hotel, airfare, transportation, meals	4,335
OVG Food & Beverage Division	Operations & Bar Manager - transition visit - hotel, airfare, transportation, meals	4,238
Sales Manager	Worldwide Exhibition for Incentive Travel, Meetings, and Events (IMEX) Conference - Las Vegas, NV - hotel, airfare, transportation	3,356
OVG Food & Beverage Division	Catering for employee welcome event	3,269
OVG Food & Beverage Division	Regional Vice President of Operations - transition visit - hotel, airfare, transportation, meals	3,327
OVG Food & Beverage Division	Regional Office Manager - training visit - hotel	2,499
Sales Manager	TEAMS Sports Conference & Expo - Los Angeles, CA - hotel, airfare, transportation, parking	2,005
Visiting Chef	Residence Inn - lodging	1,956
OVG Food & Beverage Division	Director of Concessions - transition visit - hotel, airfare, transportation, meals	1,691
OVG Food & Beverage Division	Office Manager - transition visit - hotel, airfare, transportation, meals	1,570
Senior Event Manager	OVG Event Manager Support Conference - Tulsa, OK - hotel, airfare, transportation	1,566
Sales Manager	Connect Marketplace Conference - Milwaukee, WI - hotel, airfare, transportation	1,539
OVG Food & Beverage Division	Travelling Chefs - transition visits - airfare, transportation	1,513
Sales Manager	American Society of Association Executives (ASAE) Conference - Cleveland, OH - hotel, airfare, transportation, parking	1,452
OVG Food & Beverage Division	General Manager of Food & Beverage - OVG Hospitality Event - airfare	1,293
Sales Manager	IMEX Conference - Las Vegas, NV - meals	452
OVG	Regional Vice President - board meeting attendance	450
K-9 Handler	K9 Recertification - Penn Yan, NY - hotel, transportation	436
Sales Manager	TEAMS Sports Conference & Expo - Los Angeles, CA - meals	396
Various	Miscellaneous amounts under \$200	1,441
	Total RICC	55,427
<u>AMP</u>		
Executive Assistant / Booking	International Entertainment Buyers Association (IEBA) Conference - Nashville, TN - travel	2,247
Senior Director of Sales, Booking, & Marketing	IEBA Conference - Nashville, TN - travel	2,070
Senior Director of Sales, Booking, & Marketing	IEBA Meeting - New York City, NY - hotel, mileage, parking	840
Senior Director of Sales, Booking, & Marketing	IEBA Conference - Nashville, TN - meals	832
Executive Assistant / Booking	IEBA Meeting - New York City, NY - hotel	485
OVG	Regional Vice President - board meeting attendance	450
Senior Director of Sales, Booking, & Marketing	Meal with promoter	342
Various	Miscellaneous amounts under \$200	310
	Total AMP	7,576
<u>The Vets</u>		
General Manager	Crowne Plaza - hotel for contractor during installation of theatre audio system	2,024
General Manager	International Association of Venue Managers (IAVM) - registrations	1,504
General Manager	Hyatt Regency - IAVM hotel	1,225
General Manager	Delta - IAVM airfare	728
General Manager	M Social Hotel - Broadway League Conference	622
General Manager	Residence Inn - IAVM hotel	510
Operations Manager	Jersey Mike's - meals	395
General Manager	Breeze - IAVM airfare	318
Technical Director	Hyatt Regency - IAVM hotel	295
Marketing Director	Cheesecake Factory - meals	290
Operations Manager	Cheesecake Factory - meals	209
Various	Miscellaneous amounts under \$200	92
	Total Vets	8,212
	Grand total	\$ 71,215

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 SCHEDULE OF NET POSITION
JUNE 30, 2025**

Assets

Current assets

Cash and cash equivalents	\$ 12,780,318
Investments	-
Receivables, net	3,999,503
Restricted assets:	
Cash and cash equivalents	21,959,060
Investments	-
Receivables, net	-
Other assets	-
Due from primary government	92,798
Due from other component units	-
Due from other governments	-
Inventories	-
Other assets	660,587
Total current assets	<u>39,492,266</u>

Noncurrent assets

Investments	-
Receivables, net	23,638,103
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	60,592,230
Capital assets - depreciable and amortizable, net	91,890,572
Other assets, net of amortization	52,922
Total noncurrent assets	<u>176,173,827</u>
Total assets	<u>215,666,093</u>

Deferred outflows of resources

Deferred loss on advance debt refunding	597,221
Deferred pension amounts	-
Deferred OPEB amounts	-
Other deferred outflows of resources	-
Total deferred outflows of resources	<u>\$ 597,221</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 SCHEDULE OF NET POSITION - CONTINUED
JUNE 30, 2025**

Liabilities

Current liabilities

Cash overdraft	\$ -
Accounts payable	7,816,644
Due to primary government	-
Due to other component units	-
Due to other governments	-
Accrued expenses	-
Compensated absences	-
Unearned revenue	4,850,526
Capital advance, primary government	-
Other current liabilities	601,700
Current portion of long-term debt	21,975,000
Total current liabilities	<u>35,243,870</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	-
Obligations under capital leases	-
Compensated absences	-
Bonds payable	97,000,000
Other liabilities	358,483
Total noncurrent liabilities	<u>97,358,483</u>

Total liabilities	<u>132,602,353</u>
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Deferred inflows of resources

Deferred gains on refunding	-
Deferred pension amounts	-
Deferred OPEB amounts	-
Other deferred inflows of resources	25,088,660
Total deferred inflows of resources	<u>25,088,660</u>

Net position

Net investment in capital assets	50,444,817
Restricted:	
Debt	-
Other	1,684,364
Nonexpendable	-
Capital projects	-
Unrestricted	<u>6,443,120</u>
Total net position	<u>\$ 58,572,301</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 SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Expenses	\$ 54,591,257
Program revenues	
Charges for services	36,312,593
Operating grants and contributions	-
Capital grants and contributions	-
Total program revenues	<u>36,312,593</u>
Net expense	(18,278,664)
General revenues	
Interest and investment earnings	1,921,215
Miscellaneous revenue	<u>3,377,036</u>
Total general revenues	<u>5,298,251</u>
Transfers from primary government	32,364,046
Extraordinary items	<u>-</u>
Change in net position	19,383,633
Total net position - beginning of year	<u>39,188,668</u>
Total net position - end of year	<u><u>\$ 58,572,301</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, 2025**

Bonds Payable

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 21,975,000	5,560,380
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
2031-2035	39,060,000	10,599,964
2036-2040	12,295,000	2,836,636
2041-2042	5,680,000	367,996
Total	<u>\$ 118,975,000</u>	<u>\$ 35,063,734</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, 2025**

	Schedule of Changes in Long-Term Debt					
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Thereafter
Bonds payable	\$ 140,200,000	\$ -	\$ (21,225,000)	\$ 118,975,000	\$ 21,975,000	\$ 97,000,000
Notes payable	-	-	-	-	-	-
Notes payable - direct borrowings	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Lease liabilities	24,043	-	(15,382)	8,661	7,059	1,602
Subscription liabilities	-	576,746	(109,062)	467,684	110,803	356,881
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	\$ 140,224,043	\$ 576,746	\$ (21,349,444)	\$ 119,451,345	\$ 22,092,862	\$ 97,358,483

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, 2025, 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, 2025.

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 2025-001.

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, 2025

**RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF FINDING AND RESPONSE
JUNE 30, 2025**

Finding Number: 2025-001

Program: 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, 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. 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

2024-001

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 was 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.