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

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
TABLE OF CONTENTS
JUNE 30, 2024 AND 2023

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ADVISORY TAX AUDIT

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 year ended June 30, 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, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Authority as of and for the year ended June 30, 2023 were audited by other auditors whose report dated September 25, 2023 expressed an unmodified opinion on those statements.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the Authority is dependent upon annual appropriations of lease revenue by the General Assembly of the State of Rhode Island to fund debt service on its outstanding bonds. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-10 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 auditing standards generally accepted in the United States of America, 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 audit 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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of travel and entertainment expenses and the statements and schedules in the State of Rhode Island required format including the statement of net position, statement of activities, schedule of debt service to maturity – long-term debt, and a schedule of changes in long-term debt (collectively, the supplementary information) on pages 36-41 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 statement of net position, statement of activities, schedule of debt service to maturity – long-term debt, and a schedule of changes in long-term debt (collectively, the supplementary information) are 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 25, 2024, 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.

Withum Smith+Brown, PC

September 25, 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, 2024 and 2023. 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 ("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.

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 statement of net position; statement of revenues, expenses, and changes in net position; statement of cash flows; and notes to the financial statements. These financial statements are intended to provide the reader with a broad overview of the Authority's financial status, similar to private-sector entities.

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

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

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 statement of revenues, expenses, and changes in net position result in cash flows in future periods.

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:

	2024	2023
Debt service, net	$ 24,932,224	$ 25,452,259
Capital improvements	16,558,659	15,506,273
Total	$ 41,490,883	$ 40,958,532

For the years ended June 30, 2024 and 2023, debt service appropriations from the State are net of $2,600,435 and $2,259,895, respectively, contributed by the Authority from the operations of the IDG.

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.

FY23 Financial Highlights

Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $12,201,749 (net position) at June 30, 2023. Net position totaling $5,112,654 at June 30, 2023 is unrestricted. Net position totaling $4,768,323 at June 30, 2023 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 $2,320,772 at June 30, 2023 is attributable to the Authority's capital assets, related payables and long-term outstanding debt, and associated depreciation.

Operating income for FY23, exclusive of $13,323,619 in depreciation and amortization expense, respectively, totaled $2,176,395, which represents an increase of $2,783,879 when compared to FY22.

Net position increased by $34,724,574 during FY23.

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

	2024	2023
RICC	190	180
AMP	83	114
The Vets	134	109
Total	407	403

The Authority's FY23 net nonoperating revenues include $10,000,000 appropriated from the State Fiscal Recovery Fund ("SFRF") and $2,324,656 in employee retention tax credit recovery income.

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):

				Increase (decrease)	
	2024	2023	2022	2024 v 2023	2023 v 2022
Net Position					
Current assets	$ 44,024	$ 43,228	$ 21,482	$ 796	$ 21,746
Capital assets, net	144,547	141,099	145,776	3,448	(4,677)
Other noncurrent assets	20,285	22,899	23,343	(2,614)	(444)
Total assets	208,856	207,226	190,601	1,630	16,625
Deferred outflows of resources	1,255	2,188	3,290	(933)	(1,102)
Current liabilities	29,538	31,629	29,840	(2,091)	1,789
Noncurrent liabilities	118,984	140,268	160,950	(21,284)	(20,682)
Total liabilities	148,522	171,897	190,790	(23,375)	(18,893)
Deferred inflows of resources	22,400	25,316	25,624	(2,916)	(308)
Net (deficit) position	$ 39,189	$ 12,201	$ (22,523)	$ 26,988	$ 34,724
Changes in Net Position					
Operating revenues	$ 36,360	$ 34,672	$ 23,846	$ 1,688	$ 10,826
Operating expenses	44,900	45,820	38,322	(920)	7,498
Operating loss	(8,540)	(11,148)	(14,476)	2,608	3,328
Nonoperating revenue, net	35,528	45,872	23,336	(10,344)	22,536
Change in net position	$ 26,988	$ 34,724	$ 8,860	$ (7,736)	$ 25,864
Components of Net Position					
Net Investment in capital assets, net of related debt	$ 29,482	$ 2,321	$ (27,805)	$ 27,161	$ 30,126
Restricted	4,959	4,768	2,509	191	2,259
Unrestricted	4,748	5,112	2,773	(364)	2,339
Net (deficit) position	$ 39,189	$ 12,201	$ (22,523)	$ 26,988	$ 34,724

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, net, during FY24 were as follows:

2024			
Beginning Balance	Additions, net of Depreciation and Amortization	Assets Placed In Service net of Disposals	Ending Balance
$ 141,099,491	$ 15,596,407	$ (12,149,034)	$ 144,546,864

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	Amounts Due Within One Year
Revenue bonds	$ 160,725,000	$ -	$ (20,525,000)	$ 140,200,000	$ 21,225,000

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.

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.

FY23 Financial Analysis

Total assets of the Authority increased by $16,626,404 as of June 30, 2023 compared to June 30, 2022. Current assets increased in 2023 by $21,746,646 in comparison to FY22, which is principally attributable to unexpended cash from SFRF and RICAP appropriations. Net capital assets, including right-to-use lease assets, decreased by $4,676,738, which is primarily attributable to depreciation, offset by capital improvements pertaining primarily to the RICC, AMP, and IDG. Noncurrent assets, other than capital assets, decreased by $443,504, which is principally due to decreases in long-term lease receivables related to leases that were in place during FY22, offset by increases in long-term lease receivables related to new leases in FY23.

Changes in capital assets, net, during FY23 were as follows:

2023			
Beginning Balance	Additions, net of Depreciation and Amortization	Assets Placed In Service net of Disposals	Ending Balance
$ 145,776,229	$ (1,411,419)	$ (3,265,319)	$ 141,099,491

Deferred outflows of resources decreased by $1,102,584 as of June 30, 2023, which is due to amortization of net deferred charges on bond refunding.

During FY23, the Authority's long-term debt decreased by $20,250,000, which is due to scheduled principal payments on outstanding bonds payable.

Changes in bonds payable during FY23 were as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Revenue bonds	$ 180,975,000	$ -	$ (20,250,000)	$ 160,725,000	$ 20,525,000

Total liabilities of the Authority at June 30, 2023, exclusive of bonds payable, increased by $1,357,695 due to increases in accounts payable and accrued liabilities, offset by decreases in unearned advances and amounts due to the State.

Deferred inflows of resources decreased by $308,459 as of June 30, 2023, which is due to decreases related to leases that were in place during FY22, offset by increases related to new leases in FY23.

FY23 Operating Activity

Operating revenues of the Authority increased by $10,826,278 compared to FY22, which is attributable to increases in food and beverage revenues at the RICC, event revenues at the AMP, event revenues at The Vets, and parking revenues at the IDG.

Total operating expenses, exclusive of $13,323,619 in depreciation and amortization expense, increased by $8,042,399, which is attributable to increases in personnel and contractual services and other expenses to support the growth in operating revenue.

As a result of the above, the operating income of the Authority, exclusive of $13,323,619 in depreciation and amortization expense, was $2,176,395 in FY23 compared to an operating loss of $607,484 in FY22.

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, 2024 AND 2023

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 9,739,178	$ 9,572,071
Cash and cash equivalents, restricted	29,833,782	28,676,004
Accounts receivable, less allowance for doubtful accounts of $69,000 and $60,000 in 2024 and 2023, respectively	1,078,170	1,692,884
Due from State	77,578	-
Prepaid expenses and other assets	638,844	597,804
Lease receivable	2,656,683	2,689,487
Total current assets	44,024,235	43,228,250
Noncurrent assets:		
Capital assets not being depreciated	53,835,458	53,072,039
Capital assets being depreciated, net	89,982,595	87,981,006
Prepaid expenses and other assets	95,171	102,983
Lease receivable	20,189,982	22,796,414
Right-to-use lease assets, net	23,956	46,446
Right-to-use subscription asset in progress	704,855	-
Total noncurrent assets	164,832,017	163,998,888
Total assets	208,856,252	207,227,138
Deferred outflows of resources:		
Deferred charge on refunding	1,254,648	2,187,667
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	3,907,703	7,276,970
Unearned advances	4,285,937	3,582,265
Retainage payable	90,130	148,612
Due to State	-	73,703
Capital advance, State	14,263	-
Current portion of bonds payable	21,225,000	20,525,000
Lease liabilities	15,381	22,414
Total current liabilities	29,538,414	31,628,964
Noncurrent liabilities:		
Unearned advances, less current portion	-	44,475
Bonds payable, less current portion	118,975,000	140,200,000
Lease liabilities	8,662	24,044
Total noncurrent liabilities	118,983,662	140,268,519
Total liabilities	148,522,076	171,897,483
Deferred inflows of resources:		
Deferred lease revenues	22,400,156	25,315,573
NET POSITION		
Net investment in capital assets	29,482,255	2,320,772
Restricted by bond indentures	4,958,982	4,768,323
Unrestricted	4,747,431	5,112,654
Total net position	$ 39,188,668	$ 12,201,749

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, 2024 AND 2023

	2024	2023
OPERATING REVENUES		
Charges for services	$ 32,867,146	$ 31,070,183
Lease revenue	3,008,383	3,008,914
Other	483,923	593,355
Total operating revenues	36,359,452	34,672,452
OPERATING EXPENSES		
Personnel services	18,811,160	17,508,452
Contractual services	4,155,484	4,260,468
Utilities	2,505,645	1,970,484
Repairs and maintenance	922,175	913,205
Other supplies and expenses	8,541,972	7,843,448
Depreciation and amortization	9,964,013	13,323,619
Total operating expenses	44,900,449	45,819,676
OPERATING LOSS	(8,540,997)	(11,147,224)
NONOPERATING REVENUES (EXPENSES)		
State appropriations (inclusive of RICAP appropriations of $16,450,000 and $15,400,779 in 2024 and 2023, respectively)	41,490,883	40,958,532
Interest and investment revenue	2,117,679	1,456,093
Interest expense and related financing costs	(7,889,123)	(8,545,828)
Gain (loss) on disposal of capital assets	(78,540)	9,480
State Fiscal Recovery Fund ("SFRF") appropriations	-	10,000,000
Expenses associated with SFRF appropriations	(112,983)	(134,977)
Employee retention tax credit ("ERTC") recovery income	-	2,324,656
ERTC expenses	-	(241,148)
Testing revenue, State	-	45,000
Net nonoperating revenues	35,527,916	45,871,808
CHANGE IN NET POSITION	26,986,919	34,724,584
Net (deficit) position - beginning of year	12,201,749	(22,522,835)
NET POSITION - END OF YEAR	$ 39,188,668	$ 12,201,749

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, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	$ 34,313,837	$ 30,898,983
Payments to suppliers for goods and services	(16,332,235)	(15,063,891)
Payments to employees	(18,593,518)	(17,618,959)
SFRF appropriation receipts	-	10,000,000
SFRF appropriation payments	(85,112)	(134,977)
ERTC recovery receipts	-	1,491,646
ERTC payments	-	(8,682)
Testing receipts, State	-	74,982
Net cash provided by (used in) operating activities	(697,028)	9,639,102
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfer from State, net	41,353,865	40,609,727
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from principal and interest payments received under leases	3,108,912	3,340,852
Payment for:		
Capital assets	(16,585,963)	(5,254,473)
Bonds payable, principal	(20,525,000)	(20,250,000)
Principal and interest under leases	(22,771)	(48,051)
Interest paid on bonds payable, net of related financing costs	(7,043,480)	(7,499,493)
Net cash used in capital and related financing activities	(41,068,302)	(29,711,165)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	1,736,350	1,077,461
Cash provided by investing activities	1,736,350	1,077,461
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,324,885	21,615,125
Cash and cash equivalents - beginning of year	38,248,075	16,632,950
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 39,572,960	$ 38,248,075
SUPPLEMENTAL DISCLOSURES OF NONCASH AND FINANCING ACTIVITIES		
Recognition of lease receivable and related deferred lease revenues and interest	$ 92,966	$ 2,654,936
Settlement of offsetting obligations and receivables under management agreement	$ -	$ 25,679
Disposal of capital assets	$ 78,540	$ (9,480)

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, 2024 AND 2023

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating loss	$ (8,540,997)	$ (11,147,224)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	9,964,013	13,323,619
Lease revenue	(3,008,383)	(3,008,914)
Provision for losses on accounts receivable	9,475	37,191
Settlement of obligations under management agreement	(279,903)	(520,497)
Decrease (increase) in operating assets:		
Accounts receivable	573,999	(45,127)
Prepaid expenses and other assets	(33,228)	52,571
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	43,911	(239,364)
Unearned advances	659,197	(236,122)
SFRF appropriation receipts	-	10,000,000
SFRF appropriation payments	(85,112)	(134,977)
ERTC recovery receipts	-	1,491,646
ERTC payments	-	(8,682)
Testing revenue, State	-	74,982
Net cash provided by (used in) operating activities	$ (697,028)	$ 9,639,102

See accompanying Notes to Financial Statements.

NOTE 1 DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

The Rhode Island Convention Center Authority (the "Authority" or "RICCA") 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 ("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").

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

Recently Adopted Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("SBITAs"). This standard requires the recognition of certain intangible right-to-use subscription assets and a corresponding subscription liability for SBITAs, which are defined as contracts that convey the right to use a SBITA vendor's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The Authority adopted the requirements of the guidance effective July 1, 2022, has applied the provisions of this standard to the beginning of the period of adoption, and has determined that the impact of implementing GASB Statement No. 96 is not material to the Authority's financial statements.

Revenue Recognition

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

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

Cash and Cash Equivalents

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

Cash and Cash Equivalents, Restricted

Unexpended proceeds from the sale of revenue bonds, if any, and cash reserves, the use of which is specified or limited by bond resolutions, enabling legislation, laws, third parties, or the provisions of other agreements are reported as restricted cash and cash equivalents in the accompanying 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.

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 $5,000 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
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* (see Note 3).

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, 2024 and 2023.

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.

State Fiscal Recovery Fund (“SFRF”) Appropriation Revenue and Expense

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”). The SFRF appropriations and related expenses are reported as nonoperating revenues and expenses in the accompanying statements of revenues, expenses, and changes in net position.

Employee Retention Tax Credit (“ERTC”) Recovery Income and Expense

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 SMG 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. ERTC recovery income and related expenses are reported as nonoperating revenues and expenses in the accompanying statements of revenues, expenses, and changes in net position.

Testing Revenue

Income associated with the State's use of the RICC and the AMP for COVID-19 testing are reported as nonoperating revenues and expenses in the accompanying statements of revenues, expenses, and changes in net position.

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.

Subsequent Events

Subsequent events have been evaluated through September 25, 2024, 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:

	2024	2023
Deposits	$ 9,862,418	$ 9,849,160
Cash equivalents	29,710,542	28,398,915
Total	$ 39,572,960	$ 38,248,075

Restricted cash and cash equivalents consist of the following:

	2024	2023
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	$ 18,026,205	$ 7,945,528
AMP	5,901,745	6,853,731
IDG	270,043	391,663
Operating reserve fund (Note 6) - operating and maintenance expenses	24,414	23,239
General revenue fund - general operating expenses	4,763,304	3,547,989
2006 Series A revenue fund - operating expenses of the AMP	25,037	11,261
2006 Series A debt service fund, principal - AMP	-	8
2017 Series A debt service fund, interest - RICC	31,189	6,460
2017 Series A debt service fund, principal - RICC	1	145
2018 Series A debt service fund, interest - IDG	5,980	44,266
2018 Series A debt service fund, principal - IDG	-	33,909
2018 Series A capitalized interest account - IDG	833	793
2021 Series A construction fund - RICC	2,358	2,259
Total mandated by bond indentures	29,051,109	18,861,251
Accounts mandated by agreements:		
SFRF capital improvements - RICC & AMP	550,376	8,507,580
SFRF operating - RICC, AMP, & Vets	-	994,700
Rhode Island Capital Plan Fund ("RICAP") - Vets	88,210	142,093
Food and beverage capital improvements - AMP	35,030	64,034
Total mandated by agreements	673,616	9,708,407
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	109,057	106,346
Total restricted cash and cash equivalents	$ 29,833,782	$ 28,676,004

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., consist of the following:

	2024	2023
BlackRock Federal Fund Institutional Shares	$ -	$ 403,533
Dreyfus Treasury Securities	11,550,866	-
Fidelity Institutional Money Market Government Portfolio - Class III	18,159,676	27,995,382
Total	$ 29,710,542	$ 28,398,915

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 40 days as of June 30, 2024. At June 30, 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, 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 is designed to maintain a stable share price of $1.00, and maintains a dollar weighted average maturity of 25 days as of June 30, 2024. At June 30, 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, 2024, the funds were rated AAA-mf by Moody's and AAAm by S&P.

BlackRock Federal Fund Institutional Shares is designed to maintain a stable share price of $1.00, and maintains a dollar weighted average maturity of 23 days as of June 30, 2023. At June 30, 2023, 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, 2023, 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:

	2024	2023
Bank balance	$ 10,565,130	$ 10,289,965
Bank balance insured by federal depository insurance and depositors insurance fund	1,406,235	1,906,180
Uninsured balance	9,158,895	8,383,785
Collateralized - collateral held by third-party custodian in the Authority's name	9,158,895	8,383,785
Uninsured and uncollateralized	$ -	$ -

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' creditworthiness.

NOTE 3 CAPITAL ASSETS

	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	53,072,039	13,514,347	(12,046,073)	54,540,313
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	132,457	-	(64,126)	68,331
Total capital assets being depreciated and amortized	330,693,630	12,046,073	(1,230,566)	341,509,137
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	(86,011)	(22,490)	64,126	(44,375)
Total accumulated depreciation and amortization	(242,666,178)	(9,964,013)	1,127,605	(251,502,586)
Total capital assets being depreciated and amortized, net	88,027,452	2,082,060	(102,961)	90,006,551
Total capital assets, net	$ 141,099,491	$ 15,596,407	$ (12,149,034)	$ 144,546,864

	2023			
	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	839,929	8,668,116	(3,244,084)	6,263,961
Total capital assets not being depreciated or amortized	47,648,007	8,668,116	(3,244,084)	53,072,039
Capital assets being depreciated and amortized:				
Buildings and facilities	278,373,111	-	-	278,373,111
Equipment	50,133,782	3,244,086	(1,189,806)	52,188,062
Right-to-use lease equipment	132,457	-	-	132,457
Total capital assets being depreciated and amortized	328,639,350	3,244,086	(1,189,806)	330,693,630
Less: accumulated depreciation and amortization for:				
Buildings and facilities	(190,881,767)	(9,364,263)	-	(200,246,030)
Equipment	(39,590,504)	(3,912,204)	1,168,571	(42,334,137)
Right-to-use lease equipment	(38,857)	(47,154)	-	(86,011)
Total accumulated depreciation and amortization	(230,511,128)	(13,323,621)	1,168,571	(242,666,178)
Total capital assets being depreciated and amortized, net	98,128,222	(10,079,535)	(21,235)	88,027,452
Total capital assets, net	$ 145,776,229	$ (1,411,419)	$ (3,265,319)	$ 141,099,491

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.

Substantially all capital assets at June 30, 2024 and 2023 are pledged as collateral for the revenue bonds (see Note 6).

At June 30, 2024 and 2023, accounts payable and accrued liabilities include $938,676 and $3,883,361, respectively, pertaining to capital assets.

NOTE 4 LEASES

The Authority, acting as lessor, leases its arena, suites, and parking facilities under long-term, noncancelable 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, 2024 and 2023, the Authority recognized $3,008,383 and $3,008,914, respectively, in lease revenue pursuant to these contracts. During the years ended June 30, 2024 and 2023, the Authority recognized $376,710 and $373,052, respectively, in interest revenue pursuant to these contracts.

Certain leases provide for increases in future minimum annual 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, 2024 and 2023, the Authority received variable payments as required by lease agreements totaling approximately $1,633,000 and $1,306,000, respectively.

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

	Lease Receivable		
Year Ending June 30,	Principal	Interest	Total
2025	$ 2,656,683	$ 335,799	$ 2,992,482
2026	1,527,981	304,339	1,832,320
2027	1,557,239	282,303	1,839,542
2028	1,543,502	260,513	1,804,015
2029	1,560,340	240,248	1,800,588
2030 - 2034	4,005,267	988,126	4,993,393
2035 - 2039	4,180,892	679,108	4,860,000
2040 - 2044	4,517,045	342,955	4,860,000
2045 - 2048	1,297,716	42,160	1,339,876
Total	$ 22,846,665	$ 3,475,551	$ 26,322,216

The Authority leases equipment for various terms under long-term, noncancelable 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, 2024 and 2023, the Authority made variable payments as required by lease agreements totaling approximately $299,000 and $188,000, respectively.

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

	Lease Payable		
Year Ending June 30,	Principal	Interest	Total
2025	$ 15,381	$ 169	$ 15,550
2026	7,060	48	7,108
2027	1,602	4	1,606
Total	$ 24,043	$ 221	$ 24,264

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. As of June 30, 2023, the Authority acquired through outstanding leases $132,457 and $86,011 in right-to-use equipment assets and related accumulated amortization, respectively.

Changes in lease liabilities during the years ended June 30, 2024 and 2023 were as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Lease liabilities	$ 46,458	$ -	$ (22,415)	$ 24,043	$ 15,381

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Lease liabilities	$ 93,755	$ -	$ (47,297)	$ 46,458	$ 22,414

NOTE 5 UNEARNED ADVANCES

Unearned advances consisted of the following as of June 30, 2024 and 2023:

	2024	2023
Current unearned advances:		
Advanced ticket sales	$ 2,191,751	$ 1,578,370
Deposits	1,863,127	1,819,837
Other unearned fees	231,059	184,058
Total current portion	4,285,937	3,582,265
Long-term unearned advances:		
Other unearned fees	-	44,475
Total	$ 4,285,937	$ 3,626,740

Changes in unearned advances during the years ended June 30, 2024 and 2023 were as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Unearned advances	$ 3,626,740	$ 659,197	$ -	$ 4,285,937	$ 4,285,937

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Unearned advances	$ 3,935,442	$ -	$ (308,702)	$ 3,626,740	$ 3,582,265

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 $766,000 and $660,000 during the years ended June 30, 2024 and 2023, respectively.

NOTE 6 BONDS PAYABLE

The Authority’s bond indebtedness at June 30, 2024 and 2023 is as follows:

	Date of Issue	Date of Maturity	Interest Rate (%)	Original Issue	Balance June 30, 2024	Balance June 30, 2023
Bonds Payable:						
Revenue Bonds:						
2006 Series A	06/08/06	05/15/35	5.38% - 6.06%	$ 92,500,000	$ 54,315,000	$ 57,730,000
2018 Series A	03/06/18	05/15/42	2.24% - 4.12%	45,000,000	37,725,000	39,160,000
Refunding Revenue Bonds:						
2017 Series A	11/21/17	05/15/27	2.28% - 3.26%	68,720,000	44,930,000	59,030,000
2021 Series A	04/01/21	05/15/26	1.11%	32,170,000	3,230,000	4,805,000
Total Bonds Payable					$ 140,200,000	$ 160,725,000

The Authority is limited to the issuance of bonds or notes in an aggregate principal amount of $305,000,000. At June 30, 2024 and 2023, outstanding bond and note indebtedness totaled $140,200,000 and $160,725,000, 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. 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. These are the most recent ratings available as of the date the Authority's financial statements were available to be issued.

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

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

During April 2021, the Authority issued its 2021 Series A Bonds in an aggregate amount of $32,170,000 for the purpose of refunding the Authority's outstanding 2015 Series A Bonds and to pay the costs of issuance. The 2021 Series A Bonds 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 were 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, 2024, aggregate scheduled principal and interest payments due on the Authority's bonds through maturity are as follows:

Year Ending June 30	Principal	Interest
2025	$ 21,225,000	$ 6,305,807
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
2030-2034	37,005,000	12,652,185
2035-2039	18,310,000	3,730,459
2040-2042	8,345,000	725,913
Total	$ 140,200,000	$ 41,369,541

Changes in bonds payable during the years ended June 30, 2024 and 2023 were as follows:

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

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Revenue bonds	$ 180,975,000	$ -	$ (20,250,000)	$ 160,725,000	$ 20,525,000

Rhode Island Capital Plan Fund ("RICAP")

The Authority and the DOA have entered into an agreement, as amended most recently in July 2024 ("RICAP Agreement"), that provides for total proposed appropriations from RICAP of $13,715,000 for capital projects at the RICC, $11,175,000 to fund the Renewal and Replacement Fund established in the 2006 Series A Bonds for capital projects at the AMP, and $1,080,000 for capital projects at The Vets for fiscal years ending 2025 through 2029. RICAP funding for The Vets pertains to assets owed by the State.

The proposed RICAP appropriations for capital projects at the RICC are $3,590,000, $2,800,000, $2,825,000, $2,500,000, and $2,000,000 for FY25, FY26, FY27, FY28, and FY29, respectively.

The proposed RICAP appropriations for capital projects at the AMP are $3,550,000, $3,800,000, $1,250,000, $1,075,000, and $1,500,000 for FY25, FY26, FY27, FY28, and FY29, respectively.

The proposed RICAP appropriations for capital projects at The Vets are $400,000, $380,000, $100,000, $100,000, and $100,000 for FY25, FY26, FY27, FY28, and FY29, 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, 2024, the Authority was appropriated RICAP funds totaling $10,237,500 and $6,212,000 for the RICC and AMP, respectively.

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.

For the fiscal year ended June 30, 2023, the Authority was appropriated RICAP funds totaling $7,350,000 and $8,150,000 for the RICC and AMP, respectively. As further described below, through June 30, 2023, amounts incurred for projects at The Vets pertaining to State assets exceeded amounts advanced by the State to the Authority for The Vets by $99,221, which reduced the FY23 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.

As of June 30, 2022, the State had advanced $164,768 in RICAP funding to the Authority for capital projects at The Vets in excess of amounts incurred by the State through June 30, 2022. For the fiscal year ended June 30, 2023, the State advanced $765,000 in RICAP funding to the Authority for capital projects at The Vets pertaining to State assets. During the fiscal year ended June 30, 2023, $1,028,989 was incurred for projects at The Vets pertaining to State assets. As a result, $99,221 was incurred in excess of amounts advanced by the State.

Surety Bonds

The Authority maintains an agreement with AMBAC Indemnity Corporation (“AMBAC”) under which AMBAC provides the Authority with surety bond coverage to meet Debt Service Reserve Fund requirements for the RICC. The surety bond provides a maximum coverage of $15,200,000. Coverage under the surety bond expired on May 15, 2023.

The Authority maintains additional agreements with AMBAC for the RICC under which AMBAC provides the Authority with separate surety bond coverages to meet Debt Service Reserve Fund and Operating Reserve Fund requirements, respectively. The surety bond relating to the Debt Service Reserve Fund requirements replaced mandated investments and provides a maximum coverage of approximately $8,755,000. The surety bond relating to the Operating Reserve Fund requirements also replaced mandated investments and provides a maximum coverage of approximately $3,895,000. Coverage under both surety bonds expires on May 15, 2027.

The Debt Service and Operating Reserve Fund Facilities are required to have a credit rating in one of the three highest categories by Moody’s and S&P. As of June 30, 2024, AMBAC’s credit rating did not meet the aforementioned requirement.

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, the Authority funded the Renewal and Replacement requirement included in the 2018 Series A Bonds.

NOTE 7 OTHER COMMITMENTS AND RELATED PARTY TRANSACTIONS

Collective Bargaining Agreements

At June 30, 2024, ASM and PFM have several collective bargaining agreements, which expire at various dates through September 2026, covering approximately 71% of ASM’s and PFM’s labor force with respect to the Authority’s operations. Collective bargaining agreements that have expired as of June 30, 2024 and those that expire prior to June 30, 2025, all of which pertain to ASM’s labor force, cover approximately 33% and 26%, respectively, of ASM’s and PFM’s labor force.

SMG contributes 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 ASM’s and PFM’s contributions to provide benefits to employees of other participating employers, ASM or PFM becoming obligated for other participating employers’ unfunded obligations, and, upon SMG’s or PFM’s withdrawal from a plan, ASM or PFM being required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. ASM 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 ASM or PFM is not available.

The Authority's legal counsel has determined that it is possible that the Authority could be responsible for funding the unfunded pension obligations attributable to ASM's and PFM's labor force, past and present, who are beneficiaries of the union-sponsored multiemployer defined benefit plans to which ASM 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 funds 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 years ended June 30, 2024 and 2023, ASM personnel services totaled $16,491,378 and $15,532,173, respectively.

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 each of the years ended June 30, 2024 and 2023. The Authority advanced funds to ASM to pay operating expenses of the RICC, AMP, and IDG.

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, 2025, the Authority entered into a management agreement with Global Spectrum, L.P. d/b/a Oak View Group ("OVG") under which OVG provides services relating to the operations of RICC, including its parking facilities, the AMP, and the IDG. The management agreement with OVG expires on June 30, 2029, and the Authority has the option to extend the agreement for up to two additional five-year terms. Based on the terms of the management agreement with OVG, the Authority funds payroll and related costs of OVG's labor force. Concurrent with the commencement of the management agreement, OVG became signatory to the existing union agreements with regard to ASM's former labor force with respect to the Authority's operations.

Under the management agreement with OVG, the Authority will incur a fixed management fee of $200,000 during the year ending June 30, 2025. In each successive year, the fixed management fee shall be adjusted by the CPI Adjustment, as defined in the agreement.

In addition to the fixed management fees, the Authority will incur incentive compensation due to OVG consisting of quantitative components for the RICC based upon certain financial benchmarks pertaining to bookings, food and beverage, and parking activities, as defined in the agreement, and for the AMP based upon a certain financial benchmark pertaining to bookings, as defined in the agreement.

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 new 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 $710,000 and $649,000 during the years ended June 30, 2024 and 2023, respectively.

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

Effective July 1, 2022, the Authority and the CVB entered into a new marketing agreement, which expires on June 30, 2025. Under the terms of the new agreement, the CVB will receive $630,000 annually for general marketing services and an amount to be agreed upon annually for targeted marketing services to promote the shared goal of maximizing hotel room nights in Providence, Rhode Island and generating significant direct spend in the Providence market associated with activity at the RICC. The amount agreed upon for targeted marketing services during each of the fiscal years ended June 30, 2024 and 2023 was $120,000.

Net Metering Credit Sales Agreement

The Authority has entered into a net metering credit sales agreement with a renewable energy solutions provider under which the Authority has agreed to purchase 100% of the net metering credits generated by a wind energy facility up to a maximum of 8,300,000 kilowatt hours 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.

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), annual lease payments may be increased by the amount of the deficit. The obligation of the State to pay such rentals is subject to and dependent upon annual appropriations of such payments being made by the Rhode Island General Assembly for such purpose. Those appropriations are made in connection with the State's annual budgetary process and are therefore dependent upon the State's general financial resources and factors affecting such resources. The Authority was appropriated $24,932,224 and $25,452,259 for the years ended June 30, 2024 and 2023, respectively, from the State, which represents the annual net debt service for the RICC, AMP, and IDG. For the years ended June 30, 2024 and 2023, debt service appropriations from the State are net of $2,600,435 and $2,259,895, 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, 2024, the Authority's remaining commitment under contracts entered into with vendors associated with capital projects totaled approximately $2,626,000. Through the date the Authority's financial statements were available to be issued, the Authority's entered into additional contracts with vendors associated with capital projects totaling approximately $1,389,000.

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.

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, 2024 and 2023, the Authority contributed $74,363 and $64,906, 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, 2024

Payee	Purpose	Amount	
Authority			
Various	Miscellaneous amounts under $200	$ 108	
			$ 108
RICC			
General Manager	RICC Board Room - Comic Con staff food	7,683	
OVG	Residence Inn - Visiting Chef	6,086	
General Manager	Economic impact study meeting	1,908	
Sales Manager	Sports ETA - Portland, OR - hotel, airfare, transportation	1,882	
Director of Sales and Event Services	IMEX Conference - Las Vegas, NV - hotel, airfare, transportation	1,754	
Sales Manager	Teams Sports Conference - Palm Beach, FL - hotel, airfare, transportation	1,596	
Sales Manager	Connect Marketplace - Minneapolis, MN - hotel, airfare, transportation, parking	1,348	
Director of Sales and Event Services	ASAE - Atlanta, GA - hotel, airfare, transportation	1,263	
Director of Sales and Event Services	IAEE Expo - Dallas, TX - hotel, airfare, transportation	797	
Director of Sales and Event Services	Destination Conference - hotel, airfare, transportation	679	
Event Manager	Omni Hotel - snow storm lodging for event	320	
Various	Miscellaneous amounts under $200	1,041	
	Total RICC		26,357
AMP			
General Manager	Pollstar - Los Angeles, CA - hotel, airfare, transportation	2,991	
Executive Assistant / Booking	Pollstar - Los Angeles, CA - hotel, airfare, transportation	2,524	
Senior Director of Sales, Booking, & Marketing	Pollstar - Los Angeles, CA - hotel, airfare	2,237	
Senior Director of Sales, Booking, & Marketing	IEBA Conference - Nashville, TN - hotel, airfare, transportation	1,929	
Executive Assistant / Booking	IEBA Conference - Nashville, TN - hotel, airfare, transportation	1,875	
Senior Director of Sales, Booking, & Marketing	Pollstar - Los Angeles, CA - Bill B Presents	968	
Senior Director of Sales, Booking, & Marketing	IEBA Mixer - New York, NY - hotel, train, mileage, and parking	748	
McIntyre Limousine	Pollstar Expo	597	
Senior Director of Sales, Booking, & Marketing	IEBA Mixer - New York, NY - AGI	552	
RI Hospitality	RI Hospitality - Dale Venturini retirement dinner	500	
Executive Assistant / Booking	IEBA Mixer - New York, NY - hotel, mileage, and parking	420	
General Manager	Pollstar - Los Angeles, CA - meals	327	
Senior Director of Sales, Booking, & Marketing	IEBA Conference - Nashville, TN - Rosendale Grp, AEG, Feld, AGI	323	
Executive Assistant / Booking	Pollstar - Los Angeles, CA - meals	280	
Senior Director of Sales, Booking, & Marketing	Pollstar - Los Angeles, CA - meals	229	
Director of Box Office	Ticketmaster	228	
Various	Miscellaneous amounts under $200	750	
	Total AMP		17,478
The Vets			
Director of Theatrical Programming	Broadway League - Spring Road Conference registrations	725	
General Manager	110 Grill - staff holiday lunch	409	
Office Manager	The Nordic - operations staff end of year lunch	270	
Operations Director	Gregg's Restaurant - volunteer lunch	241	
Marketing Director	PF Changs - lunch	216	
Various	Miscellaneous amounts under $200	493	
	Total The Vets		2,354
	Grand total		**$ 46,297**

STATE OF RHODE ISLAND REQUIRED FORMAT

RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
ATTACHMENT B STATEMENT OF NET POSITION
STATE OF RHODE ISLAND REQUIRED FORMAT
JUNE 30, 2024

Assets	
Current assets	
Cash and cash equivalents	$ 9,739,178
Investments	-
Receivables, net	3,734,853
Restricted assets:	
Cash and cash equivalents	29,833,782
Investments	-
Receivables, net	-
Other assets	-
Due from primary government	77,578
Due from other component units	-
Due from other governments	-
Inventories	-
Other assets	638,844
Total current assets	44,024,235
Noncurrent assets	
Investments	-
Receivables, net	20,189,982
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	54,540,313
Capital assets - depreciable, net	90,006,551
Other assets, net of amortization	95,171
Total noncurrent assets	164,832,017
Total assets	208,856,252
Deferred outflows of resources	
Deferred loss on advance debt refunding	1,254,648
Deferred pension amounts	-
Deferred OPEB amounts	-
Other deferred outflows of resources	-
Total deferred outflows of resources	1,254,648

RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE OF RHODE ISLAND REQUIRED FORMAT
ATTACHMENT B STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024

Liabilities	
Current liabilities	
Cash overdraft	$ -
Accounts payable	3,907,703
Due to primary government	-
Due to other component units	-
Due to other governments	-
Accrued expenses	-
Compensated absences	-
Unearned revenue	4,285,937
Capital advance, primary government	14,263
Other current liabilities	105,511
Current portion of long-term debt	21,225,000
Total current liabilities	29,538,414
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	118,975,000
Other liabilities	8,662
Total noncurrent liabilities	118,983,662
Total liabilities	148,522,076
Deferred inflows of resources	
Deferred gains on refunding	-
Deferred pension amounts	-
Deferred OPEB amounts	-
Other deferred inflows of resources	22,400,156
Total deferred inflows of resources	22,400,156
Net position	
Net investment in capital assets	29,482,255
Restricted:	
Debt	-
Other	4,958,982
Nonexpendable	-
Capital projects	-
Unrestricted	4,747,431
Total net position	$ 39,188,668

RHODE ISLAND CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE OF RHODE ISLAND REQUIRED FORMAT
ATTACHMENT C STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Expenses	$ 52,981,095
Program revenues	
Charges for services	32,867,146
Operating grants and contributions	-
Capital grants and contributions	-
Total program revenues	32,867,146
Net expense	(20,113,949)
General revenues	
Interest and investment earnings	2,117,679
Miscellaneous revenue	3,492,306
Total general revenues	5,609,985
Transfers from primary government	41,490,883
Extraordinary items	-
Change in net position	26,986,919
Total net position - beginning of year	12,201,749
Total net position - end of year	$ 39,188,668

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, 2024

Bonds Payable

Fiscal Year Ending June 30	Principal	Interest
2025	$ 21,225,000	$ 6,305,807
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
2030-2034	37,005,000	12,652,185
2035-2039	18,310,000	3,730,459
2040-2042	8,345,000	725,913
Total	$ 140,200,000	$ 41,369,541

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, 2024

	Schedule of Changes in Long-Term Debt					
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Thereafter
Bonds payable	$ 160,725,000	$ -	$ (20,525,000)	$ 140,200,000	$ 21,225,000	$ 118,975,000
Notes payable	-	-	-	-	-	-
Notes payable - direct borrowings	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Lease liabilities	46,458	-	(22,415)	24,043	15,381	8,662
Net pension liability	-	-	-	-	-	-
Net OPEB obligation	-	-	-	-	-	-
Due to primary government	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-
Due to other governments and agencies	-	-	-	-	-	-
Unearned revenue	3,626,740	659,197	-	4,285,937	4,285,937	-
Accrued liabilities	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
Arbitrage rebate	-	-	-	-	-	-
Pollution remediation	-	-	-	-	-	-
Funds held for others	-	-	-	-	-	-
Retainage payable	148,612	-	(58,482)	90,130	90,130	-
Total	$ 164,546,810	$ 659,197	$ (20,605,897)	$ 144,600,110	$ 25,616,448	$ 118,983,662

INDEPENDENT AUDITOR'S 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 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*

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, 2024, and the related notes to the financial statements, which collectively compromise the Authority's basic financial statements, and have issued our report thereon dated September 25, 2024.

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 2024-001.

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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.

WithumSmith+Brown, PC

September 25, 2024

Finding Number: 2024-001

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, 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. 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
2023-001

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.