GREENVILLE ARENA DISTRICT
GREENVILLE, SOUTH CAROLINA

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2026 AND 2025

GREENVILLE ARENA DISTRICT
GREENVILLE, SOUTH CAROLINA

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GREENVILLE ARENA DISTRICT

Greenville, South Carolina

Established

1940

Board of Trustees

Neetu Patel, Chairperson

Dante Russo, Vice Chairperson

Barry Formanack, Treasurer

Amber Drummond, Secretary

Kerry Lightner

Brittany Moore

Buddy Dyer

Neil Smith

Curtis Rose

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Greenville Arena District
Greenville, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Greenville Arena District, South Carolina (the "District"), as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the District'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 financial position of the District as of June 30, 2026 and 2025, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("*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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note I.B in the notes to the financial statements, for the year ended June 30, 2026 the District adopted the provisions of Governmental Accounting Standards Board Statement No. 103 "*Financial Reporting Model Improvements"* ("GASB #103"). GASB #103 establishes new accounting and financial reporting requirements for financial statements. 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 District'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 District'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 the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 District's basic financial statements. The accompanying schedules of general and administrative expenses – Proprietary Fund 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 the 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 schedules of general and administrative expenses – Proprietary Fund 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 dated September 9, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 District'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 District's internal control over financial reporting and compliance.



Greene Finney Cauley, LLP
Mauldin, South Carolina
September 9, 2026

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This management's discussion and analysis ("MD&A") of the Greenville Arena District's ("District") financial performance provides an overview of the District's financial activities for the year ended June 30, 2026 ("FY 2026" or "2026"). Our analysis includes comparisons of 2026 information with the years ended June 30, 2025 ("FY 2025" or "2025") and 2024 ("FY 2024" or "2024") information.

The intent of this MD&A is to look at the District's financial performance as a whole; readers should also review the financial statements, notes to the financial statements, and the supplementary information to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities (net position) at June 30, 2026, 2025, and 2024 by approximately $48,720,000, $41,440,000, and $34,243,000, respectively. The District's unrestricted net position at June 30, 2026 was approximately $3,253,000, compared to approximately $11,115,000 at June 30, 2025, and approximately $14,243,000 at June 30, 2024. Net position increased in 2026 by approximately $7,281,000, compared to an increase of approximately $7,197,000 in 2025, and an increase of approximately $4,596,000 in 2024.
- The District's operating revenues increased approximately $2,369,000, or 19%, in 2026 primarily due to increases in net event income of approximately $1,986,000, other income of approximately $241,000, and club seats, suites and sponsor fees of approximately $142,000. For more details on the changes in operating revenues see "2026 Results Compared to 2025 and 2024 Results" section later in this MD&A.
- The District's 2026 operating expenses increased approximately $1,159,000, or 10% primarily due to increases in general and administrative expenses of approximately $791,000 and depreciation expense of approximately $368,000. For more details on the changes in operating expenses see "2026 Results Compared to 2025 and 2024 Results" section later in this MD&A.
- Net capital assets increased approximately $11,258,000 in 2026, compared to an increase of approximately $8,855,000 in 2025. The primary reason for the increase in 2026 was due to net capital additions of approximately $14,968,000, partially offset by depreciation expense of approximately $3,710,000. The primary reason for the increase in 2025 was due to capital additions of approximately $12,196,000, partially offset by depreciation expense of approximately $3,341,000. For more details on the changes in capital assets see "Capital Asset and Debt Administration – Capital Assets" section later in this MD&A.
- The District's debt decreased in 2026 by approximately $4,090,000 due to principal payments. The District's debt decreased in 2025 by approximately $1,525,000 due to scheduled principal payments of approximately $2,770,000, partially offset by the District entering into a financed purchase obligation of approximately $1,245,000.
- The District adopted Governmental Accounting Standards Board Statement No. 103 "*Financial Reporting Model Improvements*" ("GASB #103") for the year ended June 30, 2026. The objective of GASB #103 is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through pre-agenda research conducted by the Governmental Accounting Standards Board. The adoption of GASB #103 had no impact on the beginning net position of the District's financial statements. See Note I.B in the notes to the financial statements for more information regarding the District's adoption of GASB #103.

This annual report consists of two parts – the *financial section* and the *compliance section*.

The financial statements provide short-term and long-term information about the District's overall financial status. The financial statements also show the entire function of the District is intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The business-type activities of the District include operating and managing the Bon Secours Wellness Arena (sports and entertainment arena).

The District follows governmental accounting principles generally accepted in the United States of America. We present our financial statements on an accrual basis of accounting that is similar to the accounting basis used by most private-sector companies. Under the accrual basis, the current year's revenues earned and expenses incurred are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position regardless of when cash is received or paid.

FINANCIAL HIGHLIGHTS (CONTINUED)

All of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the Statements of Net Position. Net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one measure of the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether our financial health is improving or deteriorating. However, other factors such as changes in operating revenues (i.e. net event income, ancillary income, etc.) should also be considered in order to assess the District's overall health.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The possible funds that the District can use are divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Of these categories, the District utilizes only proprietary funds.

The District maintains one type of proprietary fund – an Enterprise Fund. The District uses the Greenville Arena District enterprise fund to account for all of the operations of the District.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found as listed in the table of contents of this report.

The schedules of general and administrative expenses provided as supplementary information are included to reflect the financial activity of the District's enterprise activities. The schedules can be found as listed in the table of contents of this report.

Proprietary Fund

The primary business activity of the Greenville Arena District Fund is operating/managing the Bon Secours Wellness Arena (the "Arena"), a 15,000 seat capacity sports and entertainment venue located in Greenville, South Carolina. The primary purpose of the Arena is to provide quality entertainment to the residents of the Upstate of South Carolina. The District generates revenues primarily through:

- Building rental/event promotion, food, beverage, merchandise sales, parking fees, taxes, ticketing surcharges, and event sponsorships (event income, net).
- Premium seating and sponsorship sales.
- Property tax and accommodation fee revenue.
- Intergovernmental revenues.
- Other income (i.e. naming right revenues, management fees, capital etc.)

A portion of the Arena's revenues consists of net event income. The Arena generates net event income by renting the building to acts and/or promoters for events and through its own event promotion. Under the rental scenario, the Arena will lease the building to an act/promoter for an event for a set rental fee plus show expenses, and the Arena is not financially at risk. At times, the Arena will promote or co-promote events. This means that the Arena is responsible for all aspects of the show and that the Arena is at risk financially. The management of the Arena evaluates each event and pursues the financial model that is believed to enhance revenue for the building.

The Arena also engages in the selling of premium seating at the venue by means of club seats and suites. The Arena enters into sales agreements with patrons and businesses for these club seats and suites and the terms of these agreements are anywhere from one (1) to five (5) years. Also, the Arena generates revenue through the selling of sponsorships to local, regional, and national businesses. Sponsorship sales can range from the right to advertise via signage in the building to being an exclusive provider of food and beverage products for the building during events.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Proprietary Fund (Continued)

The operating expenses of the Arena consist primarily of payroll and benefits, utilities and communications, repairs and maintenance, and insurance. Many of the expenses of the building are non-discretionary and are subject to an annual budget process that is performed each fiscal year and is subject to approval by the District's Board of Trustees.

FINANCIAL ANALYSIS OF THE DISTRICT

As of June 30, 2026, 2025, and 2024, the District's net position was approximately $48,720,000, $41,440,000, and $34,243,000, respectively. See Table 1 below for more details.

Table 1 - Statements of Net Position

	Business-Type Activities		
	2026	2025	2024
Assets			
Current and other assets	$ 21,729,957	30,948,103	$ 29,267,326
Capital assets, net	50,998,823	39,740,835	30,885,835
Total Assets	72,728,780	70,688,938	60,153,161
Deferred Outflows of Resources	767,130	867,191	967,251
Liabilities			
Long-term liabilities	6,405,000	10,590,357	12,190,000
Other liabilities	18,370,471	19,526,158	14,687,298
Total Liabilities	24,775,471	30,116,515	26,877,298
Net Position			
Net investment in capital assets	44,265,503	29,106,443	18,916,938
Restricted	1,202,114	1,218,390	1,082,974
Unrestricted	3,252,822	11,114,781	14,243,202
Total Net Position	$ 48,720,439	41,439,614	$ 34,243,114

The increase in total assets and deferred outflows of resources of approximately $1,940,000 in 2026 was primarily due to increases in capital assets of approximately $11,258,000 as additions for 2026 exceeded depreciation expense and an increase in receivables of approximately $948,000, partially offset by a decrease in cash and investments of approximately $10,113,000. The increase in total assets and deferred outflows of resources of approximately $10,436,000 in 2025 was primarily due to increases in cash and investments of approximately $1,174,000 (due to the current year increase in net position) and capital assets of approximately $8,855,000 as additions for 2025 exceeded depreciation expense, partially offset by a decrease in receivables of approximately $470,000.

Total liabilities decreased by approximately $5,341,000 in 2026 primarily due to decreases in long-term liabilities of approximately $4,185,000 and decreases in other liabilities of approximately $1,156,000. These decreases were due to the District making principal payments of approximately $4,090,000, recognizing previously unearned state grant revenue of approximately $2,051,000, partially offset by an increase in accounts payable of approximately $1,222,000. Total liabilities increased by approximately $3,239,000 in 2025 primarily due to increases in other liabilities of approximately $4,839,000, partially offset by decreases in long-term liabilities of approximately $1,600,000. The overall increase was primarily due to increases in unearned state grant revenue of approximately $2,051,000, advance show and sales deposits of approximately $1,943,000, accrued expenses of approximately $1,466,000, partially offset by a decrease in long term obligations of approximately $1,600,000, as the District made regularly scheduled principal payments, partially offset by the District entering into a financed purchase obligation.

FINANCIAL ANALYSIS OF THE DISTRICT (CONTINUED)

Governmental accounting principles require the District to classify its net position in three categories as follows:

- Net Investment in Capital Assets – This represents amounts invested in capital assets, less accumulated depreciation and amortization on those assets, and less any liabilities that are attributable to the construction, acquisition, and/or improvement of those assets. At June 30, 2026, 2025, and 2024, the amount of net investment in capital assets was approximately $44,266,000, $29,106,000, and $18,917,000, respectively. The increase in the current year and prior year was primarily due to capital asset additions and principal payments exceeding depreciation expense.
- Restricted – This represents the portion of net position with attached constraints on the use of assets. The constraints are externally imposed by such means or parties, such as debt covenants, laws, agreements, and the District's Board of Trustees. The District's restricted net position as of June 30, 2026, 2025, and 2024 was approximately $1,202,000, $1,218,000, and $1,083,000, respectively. This restricted net position for all years was for debt service.
- Unrestricted – This represents the portion of net position that can be used to finance daily operations of the District and on which no restrictions are imposed. Unrestricted net position as of June 30, 2026, 2025, and 2024, was approximately $3,253,000, $11,115,000, and $14,243,000, respectively. See "2026 Results Compared to 2025 and 2024 Results" section below in this MD&A for details on the District's change in net position for 2026, 2025, and 2024.

The District's change in net position for the years ended June 30, 2026, 2025, and 2024, was approximately $7,281,000, $7,197,000, and $4,596,000, respectively. See Table 2 below for more details.

Table 2 - Statements of Revenues, Expenses, and Changes in Net Position

	Business-Type Activities		
	2026	**2025 ***	**2024 ***
Total Operating Revenues	$ 14,648,057	12,279,275	$ 13,422,306
Total Operating Expenses	12,840,025	11,680,652	11,789,180
Operating Income (Loss)	1,808,032	598,623	1,633,126
Noncapital Subsidy			
Intergovernmental revenue	164,063	156,250	150,000
Total Noncapital Subsidy	164,063	156,250	150,000
Other Nonoperating Revenues (Expenses)			
Property tax revenues	1,104,399	1,240,703	917,393
Accommodation fees revenue, net	2,043,096	2,062,101	2,022,172
State capital grants	2,051,291	2,948,709	-
Interest income	546,923	707,238	468,604
Interest expense	(336,918)	(417,064)	(495,158)
Amortization expense	(100,061)	(100,060)	(100,060)
Total Other Nonoperating Revenues (Expenses)	5,308,730	6,441,627	2,812,951
Changes in Net Position	7,280,825	7,196,500	4,596,077
Total Net Position, Beginning of Year	41,439,614	34,243,114	29,647,037
Total Net Position, End of Year	$ 48,720,439	41,439,614	$ 34,243,114

* Certain amounts have been reclassified to agree with the new presentation format of GASB #103. See Financial Highlights section for more details on the adoption of GASB #103.

2026 RESULTS COMPARED TO 2025 AND 2024 RESULTS

The Arena hosted 125 events for 2026, compared to 125 events for 2025, and 139 events for 2024. Net event income for 2026, 2025, and 2024 was approximately $9,830,000, $7,845,000, and $9,320,000, respectively. Net event income increased approximately $1,986,000, or 25%, in 2026 primarily due to the increased attendance compared to 2025. During 2025, Hurricane Helene cancelled, or postponed into 2026, four events. Net event income decreased approximately $1,476,000, or 16%, in 2025 primarily due to the decreased number of events compared to 2024.

Club seats, suites, and sponsor fees for the Arena were approximately $3,025,000, $2,883,000, and $3,078,000, for 2026, 2025, and 2024, respectively. The increase in 2026 is primarily due to the increased number of single event suites sold in 2026 (due to availability based on show schedule and an increase in sale values) compared to 2025. The decrease in 2025 is primarily due to the decreased number of single event suites sold in 2025 (due to availability based on show schedule) compared to 2024.

Other income was approximately $1,793,000, $1,552,000, and $1,024,000 for 2026, 2025, and 2024, respectively. Other income increased in 2026 primarily due to a full year of the naming rights agreement. Other income increased in 2025 primarily due to the new naming rights agreement which became effective October 1, 2024. For more details on the naming rights agreement, see Note IX in the Notes to the Financial Statements.

The District's operating expenses were approximately $12,840,000, $11,681,000, and $11,789,000 in 2026, 2025, and 2024, respectively. General and administrative expenses increased 9%, or approximately $791,000, in 2026 primarily due to increases in food and beverage management expense of approximately $326,000, salaries of approximately $193,000, repairs and maintenance of approximately $96,000, utilities of approximately $70,000, employee benefits of approximately $42,000, and dues and subscriptions of approximately $38,000. Depreciation expense increased 11%, or $369,000, in 2026. General and administrative expenses decreased less than 1%, or approximately $32,000, in 2025 primarily due to decreases in repairs and maintenance of approximately $274,000 and advertising expenses of approximately $180,000, partially offset by increases in insurance of approximately $157,000, food and beverage management expense of approximately $112,000, dues and subscriptions of approximately $103,000, and employee benefits of approximately $43,000. Depreciation expense decreased 2%, or $77,000, in 2025.

Noncapital subsidies were fairly consistent over the past three years and were approximately $164,000, $156,000, and $150,000 for 2026, 2025, and 2024, respectively. These noncapital subsidies are provided by the City of Greenville.

Total other nonoperating revenues (expenses) were approximately $5,309,000, $6,442,000, and $2,813,000 for 2026, 2025, and 2024, respectively. Total other nonoperating revenues (expenses) decreased approximately $1,133,000 in 2026 compared to an increase of approximately $3,629,000 in 2025. The decrease in 2026 was primarily due to decreases in state capital grants of approximately $897,000, interest income of approximately $160,000, property tax revenues of approximately $136,000, and a decrease in interest expense of approximately $80,000. The increase in 2025 was primarily due to increases in state capital grants of approximately $2,949,000 (as the District was awarded a $5,000,000 state grant for improvements and renovations to the Arena bowl and backstage areas), property tax revenues of approximately $323,000, interest income of approximately $239,000, and a decrease in interest expense of approximately $78,000.

Key details on other nonoperating revenues were as follows:

Property, merchandise inventory, and other tax revenues for the years ended June 30, 2026, 2025, and 2024, were approximately $1,104,000, $1,241,000, and $917,000, respectively. Property tax revenues decreased slightly in 2026 due to a decrease in millage. Property tax revenues increased in 2025 due to an increase in millage and assessed values. The millage rate is adjusted periodically by the County to provide funds sufficient to meet the debt service requirements on the Arena's general obligation debt.

Greenville County ("County") collects the District's property tax revenues, and the County and the City of Greenville ("City") collect the District's accommodation fees. Net accommodation fees for the years ended June 30, 2026, 2025, and 2024, were approximately $2,043,000, $2,062,000, and $2,022,000, respectively. Net accommodations fees decreased in 2026 by approximately $19,000 and increased in 2025 by approximately $40,000, respectively, as the amount retained by the District is only those amounts that are sufficient to cover the debt service required for the Series 2012 B and 2013 A debt (with all remaining amounts being annually refunded back to the County and City). As of June 30, 2026, 2025 and 2024, the District had excess accommodations fees owed to the City and County (in excess of debt service requirements) of approximately $3,221,000, $3,598,000, and $2,359,000, respectively.

2026 RESULTS COMPARED TO 2025 AND 2024 RESULTS (CONTINUED)

Each year in March, the District remits the excess accommodations fees back to the City and County. The following table represents the amounts remitted back to the City and County in 2026, 2025, and 2024:

	Excess Accommodations Fees Paid Back by the District		
	2026	2025	2024
City	$ 4,886,513	4,349,207	$ 3,809,798
County	965,472	762,640	587,531
Total	$ 5,851,985	5,111,847	$ 4,397,329

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets consist of land, construction in progress, buildings and improvements, and vehicles and equipment. The District had approximately $50,999,000 in capital assets as of June 30, 2026, compared to approximately $39,741,000 and $30,886,000 as of June 30, 2025 and 2024, respectively. See Table 3 below for details of the District's capital assets as of June 30, 2026, 2025, and 2024:

Table 3 - Capital Assets at June 30,

	Business-Type Activities		
	2026	2025	2024
Land	$ 7,130,650	7,180,125	$ 2,420,017
Construction in progress	11,738,952	5,557,663	1,124,764
Buildings and improvements	77,865,697	71,417,516	69,563,442
Vehicles and equipment	12,485,289	10,363,545	9,304,578
	109,220,588	94,518,849	82,412,801
Less: accumulated depreciation	(58,221,765)	(54,778,014)	(51,526,966)
Capital assets, net	$ 50,998,823	39,740,835	$ 30,885,835

Net capital assets for the District changed as follows:

- Capital assets increased by approximately $11,258,000 during 2026. The primary reason for the increase in 2026 was due to net capital asset additions (i.e. master plan and schematic design, scoreboards and ribbons, and arena seating) related to the Capital Improvement Plan of approximately $14,968,000, partially offset by depreciation expense of approximately $3,710,000.
- Capital assets increased by approximately $8,855,000 during 2025. The primary reason for the increase in 2025 was due to capital asset additions (i.e. land, completion of a new roof, HVAC chillers, and arena seating) related to the Capital Improvement Plan of approximately $12,196,000, partially offset by depreciation expense of approximately $3,341,000.

More detailed information about the District's capital assets is presented in the notes to the financial statements.

Debt Administration

The District has issued various debt to provide funds for the acquisition and construction of the Arena facilities. The District's long-term debt consists of General Obligation Refunding Bonds ("GORB"), Accommodations Fee Revenue Refunding and Improvement Bond ("AFRRIB"), Accommodations Fee Revenue Bond ("AFRB"), and Financed Purchase Obligation ("FP"). As of June 30, 2026, 2025, and 2024, the District's outstanding balance on its long-term debt (including current portion) was approximately $9,345,000, $13,435,000, and $14,960,000, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

Table 4 shows the components of the District's debt as of June 30, 2026, 2025, and 2024:

Table 4 - Outstanding Debt, at June 30,

	Business-Type Activities		
	2026	2025	2024
Series 2012 B - AFRRIB	$ 1,720,000	3,390,000	$ 5,015,000
Series 2013 - AFRB	285,000	555,000	825,000
Series 2016 C - GORB	7,340,000	8,245,000	9,120,000
2024 - FP	-	1,245,357	-
Total Debt	$ 9,345,000	13,435,357	$ 14,960,000

The outstanding balance on the District's debt changed as follows:

- The outstanding balance on the District's debt decreased by approximately $4,090,000 in 2026, which was due to principal payments.
- The outstanding balance on the District's debt decreased by approximately $1,525,000 in 2025, which was due to scheduled principal payments of approximately $2,770,000, partially offset by the District entering into a financed purchase obligation for property of approximately $1,245,000.

More detailed information about the District's long-term obligations is presented in the notes to the financial statements.

OPERATING OUTLOOK FOR 2027 AND CURRENT EVENTS

The District anticipates profitable financial results for the year ending June 30, 2027 ("FY 2027" or "2027"). The District has continued to see unprecedented demand from artists and shows going back out on the road post-pandemic, as well as demand from patrons both from ticket buying and ancillary spending. The same strong demand continued through FY 2026 through all genres of music, family shows, sporting events, and hockey. The District will continue to have a diverse lineup of events in FY 2027 and consumer confidence continues to be strong. Given the current economic conditions with high inflation, the District is continuing to monitor all revenue streams and continues to be mindful from an expenditure standpoint. The District is in an advantageous financial position as they enter FY 2027 with a healthy cash balance and a solid schedule of confirmed events that will continue to increase as the year progresses.

The District approved a FY 2027 operating budget for the Arena consisting of 113 events. The Arena's operating revenues are projected to decrease 9%, or $1,445,000, to $13,827,000 compared to FY 2026 actual results, excluding accommodations fees, property and merchandise inventory tax, primarily due to hosting the NCAA Men's Basketball Tournament in FY 2026. Expenditures are projected to increase 7%, or $654,000 to $9,707,000, excluding depreciation, amortization, and interest expense. Operating income is projected to be $4,120,000. Series 2016C debt service requirement in FY 2027 is $1,159,000, with tax revenue projections indicating there will be sufficient funds to cover debt obligations.

Total event income (direct, plus ancillary) is projected to decrease from prior year actuals approximately 13%, or $1,330,000, primarily due to the mix and number of events in FY 2027 compared to FY 2026. Sponsor, suite and club seat income is projected to increase approximately 6%, or $209,000. Renewals and retention will be a focus supported by an aggressive strategy to retain our partners as well as an evaluation of new sellable inventory.

Cash flow management will continue to be a focus in 2027 after great years in 2026, 2025, 2024, 2023, 2022, 2021, and 2019 which has improved cash available to the District for operations and capital reinvestment back into the Arena. Arena management will continue to focus on capital investment to further the Arena's relevancy within the industry, timely replacement of the Arena's mechanical systems, as well as focusing on preparation for renovation and expansion phases through the Master Plan, Design Development, and construction phases of the renovation and expansion project.

OPERATING OUTLOOK FOR 2027 AND CURRENT EVENTS (CONTINUED)

In FY 2025, the District completed a master plan for renovation and expansion of the Arena and the campus footprint with an arena expert design group. The Arena is in decent condition mechanically for its age but has not had a major renovation since opening in 1998. The master plan provides avenues for advancement and expansion throughout all levels of the building as well as technological and premium advances along with revenue generation avenues.

In 2026, the District secured funding with a local government partner and will seek to secure additional funding with an additional local government partner in 2027, as well as contributing available Arena revenues into the projects likely in a phased approach. In 2026, the District selected a General Contractor and the District is planning to begin renovations and expansion in late spring of 2027.

In FY 2026, the District spent the remaining State Funded grant that was received in 2025. Those projects included seating bowl seat replacement, acoustical panels in the ceiling, and painting renovations inside the arena bowl. Those projects have provided enhancements to the customer as well as touring acts with enhanced seating options and comfortability combined with a dramatic improvement to the acoustics in the arena for fans and artists. These enhancements and investment into the Arena have been well received and were a necessary component of the retention strategy to continue to host high major acts of all types.

The approved 2027 operating budget only includes revenues and expenses generated from the Arena Operations and does not include revenues from accommodations fees or property taxes (since these revenues are restricted for debt service for the District’s general obligation and accommodation revenue bonds).

The District’s Board of Trustees (“Board”) approved the 2027 operating budget at the July 2026 Board meeting which includes $4,245,000 in Capital Projects. These projects will be completed with a combination of funds generated from operating profit earned in previous years, profits earned in the current fiscal year, as well as possible short or long-term financing, and State funding.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the District’s Finance Office at (864) 250-4918.

BASIC FINANCIAL STATEMENTS

GREENVILLE ARENA DISTRICT
GREENVILLE, SOUTH CAROLINA

STATEMENTS OF NET POSITION - PROPRIETARY FUND

JUNE 30, 2026 AND 2025

	Business-Type Activities - Enterprise Fund	
ASSETS	**2026**	**2025**
Current assets:		
Cash and cash equivalents	$ 9,403,550	$ 15,437,366
Restricted cash and cash equivalents	4,639,277	7,057,848
Investments	4,474,969	6,102,335
Restricted cash and investments held by county treasurer	377,525	411,003
Taxes receivable, net	25,310	25,310
Accounts receivable - other	1,936,061	770,714
Accounts receivable - concessions agreement	3,399	201,472
Accommodations fees receivable	690,915	710,528
Prepaid expenses	130,435	128,625
Other assets	48,516	102,902
Total current assets	21,729,957	30,948,103
Noncurrent assets:		
Capital assets, net		
Non-depreciable	18,869,602	12,737,788
Depreciable	32,129,221	27,003,047
Total noncurrent assets	50,998,823	39,740,835
TOTAL ASSETS	72,728,780	70,688,938
DEFERRED OUTFLOWS OF RESOURCES		
Deferred losses on refunding debt	767,130	867,191
LIABILITIES		
Current liabilities:		
Accounts payable	1,435,912	213,749
Current portion of long-term debt	2,940,000	2,845,000
Accrued expenses	4,153,898	4,285,382
Unearned premium seat income and deposits	1,140,543	1,217,638
Unearned sponsor income	494,326	371,069
Unearned naming rights	418,750	493,750
Unearned concessions agreement	307,690	384,614
Unearned state grant revenue	-	2,051,291
Advance show and sales deposits	7,479,352	7,663,665
Total current liabilities	18,370,471	19,526,158
Long-term liabilities:		
Long-term debt, less current portion	6,405,000	10,590,357
Total long-term liabilities	6,405,000	10,590,357
TOTAL LIABILITIES	24,775,471	30,116,515
NET POSITION		
Net investment in capital assets	44,265,503	29,106,443
Restricted for debt service	1,202,114	3,272,600
Unrestricted	3,252,822	9,060,571
TOTAL NET POSITION	$ 48,720,439	$ 41,439,614

The notes to the financial statements are an integral part of these statements.
See accompanying independent auditor's report.

GREENVILLE ARENA DISTRICT
GREENVILLE, SOUTH CAROLINA

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND

YEARS ENDED JUNE 30, 2026 AND 2025

	Business-Type Activities - Enterprise Fund	
OPERATING REVENUES	**2026**	**2025**
Event income, net	$ 9,830,431	$ 7,844,576
Club seats, suites and sponsor fees, net	3,024,924	2,882,517
Other income	1,792,702	1,552,182
TOTAL OPERATING REVENUES	14,648,057	12,279,275
OPERATING EXPENSES		
General and administrative	9,130,471	8,339,711
Depreciation	3,709,554	3,340,941
TOTAL OPERATING EXPENSES	12,840,025	11,680,652
Operating income	1,808,032	598,623
NONCAPITAL SUBSIDIES		
Intergovernmental revenue	164,063	156,250
TOTAL NONCAPITAL SUBSIDIES	164,063	156,250
Operating income and noncapital subsidies	1,972,095	754,873
OTHER NONOPERATING REVENUES (EXPENSES)		
Property tax revenues	1,104,399	1,240,703
Accommodation fees revenue, net	2,043,096	2,062,101
State capital grants	2,051,291	2,948,709
Interest income	546,923	707,238
Interest expense	(336,918)	(417,064)
Amortization expense	(100,061)	(100,060)
TOTAL OTHER NONOPERATING REVENUES (EXPENSES)	5,308,730	6,441,627
Change in net position	7,280,825	7,196,500
Net position, beginning of year	41,439,614	34,243,114
Net position, end of year	$ 48,720,439	$ 41,439,614

The notes to the financial statements are an integral part of these statements.
See accompanying independent auditor's report.

GREENVILLE ARENA DISTRICT
GREENVILLE, SOUTH CAROLINA

STATEMENTS OF CASH FLOWS - PROPRIETARY FUND

YEARS ENDED JUNE 30, 2026 AND 2025

	Business-Type Activities - Enterprise Fund	
	2026	**2025**
Cash flows from operating activities		
Cash received from customers	$ 13,445,094	$ 13,951,615
Cash payments to suppliers for goods and services	(5,101,059)	(4,837,161)
Cash payments to employees	(2,915,584)	(2,722,698)
Net cash provided by operating activities	5,428,451	6,391,756
Cash flows from non-capital financing activities		
Cash received from intergovernmental agreement	164,063	156,250
Net cash provided by non-capital financing activities	164,063	156,250
Cash flows from capital and related financing activities		
Cash received from accommodations tax authority	2,062,709	1,840,148
Cash received from property tax authority	1,104,399	1,240,703
Acquisition and/or construction of capital assets	(14,967,542)	(10,950,584)
Principal paid on bonds, notes, and financed purchase obligations	(4,090,357)	(2,770,000)
Interest paid on bonds, notes, and financed purchase obligations	(361,877)	(441,376)
Proceeds from state grant	-	5,000,000
Net cash used in capital and related financing activities	(16,252,668)	(6,081,109)
Cash flows from investing activities		
Investment income	546,923	707,238
Net sales (purchases) of investments	1,660,844	116,520
Net cash provided by investing activities	2,207,767	823,758
Net increase (decrease) in restricted and unrestricted cash and cash equivalents	(8,452,387)	1,290,655
Restricted and unrestricted cash and cash equivalents, beginning of year	22,495,214	21,204,559
Restricted and unrestricted cash and cash equivalents, end of year	$ 14,042,827	$ 22,495,214
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 1,808,032	$ 598,623
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	3,709,554	3,340,941
Changes in assets and liabilities:		
Accounts receivable - other	(1,165,347)	(257,408)
Accounts receivable - concessions agreement	198,073	9,560
Prepaid expenses	(1,810)	(38,871)
Other assets	54,386	2,030
Accounts payable	1,222,163	(671,818)
Accrued expenses	(106,525)	1,490,541
Unearned premium seat income and deposits	(77,095)	(47,487)
Unearned sponsor income	123,257	(18,985)
Advance show and sales deposits	(184,313)	1,942,804
Unearned naming rights	(75,000)	118,750
Unearned concessions agreement	(76,924)	(76,924)
Net cash provided by operating activities	$ 5,428,451	$ 6,391,756
Supplemental disclosures of cash flow information		
Investing, capital, and financing noncash items:		
Acquisition of capital assets not yet paid for	$ -	$ 1,245,357

The notes to the financial statements are an integral part of these statements.
See accompanying independent auditor's report.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The Greenville Arena District ("District") is a special purpose district created by the General Assembly of the State of South Carolina in 1940. The District is governed by a Board of Trustees ("Board") consisting of nine members who are appointed by the Governor upon recommendation by Greenville County Council. The District's primary function is to oversee the management of its facilities in providing an educational, cultural, athletic, and convention center (the "Bon Secours Wellness Arena" or "BSWA") to serve the citizens of the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

As required by GAAP, the District's financial statements must present its financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the District both appoints a voting majority of the entity's governing body, and either 1) the District is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the District. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the District and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the District.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the District having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the District; and (c) issue bonded debt without approval by the District. An entity has a financial benefit or burden relationship with the District if, for example, any one of the following conditions exists: (a) the District is legally entitled to or can otherwise access the entity's resources, (b) the District is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the District is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the fiscally independent conditions described above if excluding it would cause the District's financial statements to be misleading.

Blended component units, although legally separate entities, are combined with data of the primary government in the financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the District. Based on the criteria above, the District did not have any component units for the years ended June 30, 2026 and 2025.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity/activity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained to keep the accounts consistent with legal and managerial requirements. The District uses only the following fund type:

Proprietary fund types are accounted for based on the flow of economic resources measurement focus and use of the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds are made up of two classes: enterprise funds and internal service funds. The District does not have any internal service funds and has one enterprise fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District has one major Enterprise Fund:

> The **Greenville Arena District Fund** is used to account for all of the operations of the District. All activities to provide such services are accounted for in this fund.

Proprietary funds distinguish operating revenues and expenses from noncapital subsidies and other nonoperating revenues and expenses. Nonoperating revenues and expenses are any (a) contributions to permanent and term endowments; (b) finance related revenues and expenses; (c) gain and losses from disposals of capital assets and inventory; (d) investment income and expenses; and (e) subsidies received and provided. A subsidy represents amounts received from or provided to another party or fund. Amounts received from another party or fund are considered a subsidy if it is unrelated to the services provided by the proprietary fund and keeps the fees charged at the same amount or lower if the subsidy was not received. Amounts provided to the other party or fund are considered a subsidy if it is unrelated to the goods or services provided by those parties and will generally result in the proprietary fund charging higher fees in the future. All revenues and expenses not meeting the definitions of nonoperating revenues and expenses are reported as operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Change in Accounting Principle

The District adopted GASB Statement No. 103 "*Financial Reporting Model Improvements*" ("GASB #103") for the year ended June 30, 2026. The objective of GASB #103 is to enhance the effectiveness and clarity of state and local government financial reporting by updating key elements of the existing reporting model. It focuses on improving how information is presented in management's discussion and analysis, refining unusual or infrequent items recognition, clarifying presentation of proprietary fund statements in the financial statements and statistical section, describing how information on major component units are reported in the basic financial statements, and strengthening budgetary comparison reporting. The adoption of GASB #103 had no impact on the beginning net position of the District's financial statements.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Revenues, Expenses and Equity

Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

The District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) are reported as investments.

Investments

The District's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the District to invest in the following:

(a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Revenues, Expenses, and Equity (Continued)

Cash, Cash Equivalents, and Investments (Continued)

Investments (Continued)

(b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

(e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

(f) Repurchase agreements when collateralized by securities as set forth in this section.

(g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The District's cash investment objectives are preservation of capital, liquidity and yield. The District reports its cash and investments at fair value which is normally determined by quoted market prices. The District currently or in the past two years has used the following investments:

- Cash and Investments held by the County Treasurer are either property taxes collected to service the District's bonded debt or proceeds received from bond issuances that are restricted for specified purposes (in accordance with the bond documents). The County Treasurer serves as the District's fiscal agent in these matters. The County Treasurer invests these funds in investments authorized by state statute as outlined above and are carried at either amortized cost or fair value (as applicable). This is a pooled account and all interest and other earnings gained are added back to the District's account based on its outstanding balance (as a percentage of all balances).

- Open ended treasury money market funds which are primarily invested in short term obligations of the United States and related agencies.

- U.S. treasury notes are debt obligations of the U.S. government (lending money to the federal government for a specified period of time). These debt obligations are backed by the "full faith and credit" of the government, and thus by its ability to raise tax revenues and print currency, U.S. treasury securities are considered the safest of all investments.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Revenues, Expenses, and Equity (Continued)

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and are updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains an individual capitalization threshold of $5,000 for land, buildings and improvements, vehicles and equipment, and intangible assets. The District maintains a group capital asset threshold for individual assets under $5,000 that are included in one project that exceeds $75,000 in aggregate (which will be capitalized if the useful life of the completed project exceeds one year). The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Construction projects are depreciated once they are complete and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives as follows:

Description	Estimated Lives
Buildings and improvements	10-40 years
Vehicles and equipment	3-15 years

Deferred Losses on Refunding Debt

The District's reacquisition price on refunded debt exceeded its net carrying value which resulted in deferred losses on refunding debt. Deferred losses are being amortized on the straight-line method over the shorter of the term of the refunded debt or the new debt.

Unearned Income/Revenue

Unearned premium seat income and unearned sponsor income represent advance payments or billings from the respective parties. Income from these arrangements is recognized over the life of the respective agreement. Advance show sales and deposits are recognized as income upon the completion of the respective event. Unearned state grant revenue is recognized as income as eligible expenditures are incurred (as this is an expenditure-driven grant).

Unearned Naming Rights

The District recognizes total naming right income over the life of the agreement on a straight-line basis (see Note IX for more details).

Unearned Concessions Agreement

The District recognizes initial payments received from the vendor for its concession agreement as income on a straight-line basis over the life of the agreement (See Note VIII for more details).

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The District has only one type of deferred outflows of resources that qualifies for reporting in this category. Accordingly, the item, *deferred losses on refunding debt*, is deferred and recognized/amortized as an outflow of resources (expense) over the life of the debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District does not currently have any deferred inflows of resources.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Revenues, Expenses, and Equity (Continued)

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources (if any). Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Revenues

The District's net event income is comprised of (a) direct ticket sales and event rental revenue less direct event expenses and (b) ancillary income which is comprised primarily of food, beverage and merchandise sales, parking fees, ticketing surcharges, taxes, and event sponsorships. The District's other income is comprised primarily of naming right revenues, signing bonuses, and management fees.

Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The District believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of these balances at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Revenues, Expenses, and Equity (Continued)

Reclassifications

Certain items in the prior year have been reclassified to conform with the current year presentation.

II. DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2026, none of the District's bank balances of approximately $979,000 (with a carrying value of approximately $951,000) were exposed to custodial credit risk. As of June 30, 2025, none of the District's bank balances of approximately $4,638,000 (with a carrying value of approximately $4,691,000) were exposed to custodial credit risk.

Investments

As of June 30, 2026, the District had the following investments as defined by GASB:

Investment Type	Credit Rating ^	Fair Value Level (1)	Fair Value	Percentage of Total Investments	Weighted Average Maturity < 1 Year	Weighted Average Maturity 1 - 3 Years
Cash and investments held by county treasurer	NR	N/A	$ 377,525	2.1%	$ -	$ 377,525
Open ended treasury money market funds	AAAm, Aaa-mf, NR	Level 1	13,092,207	73.0%	13,092,207	-
U.S. treasury notes	AA+, Aaa, AA+	Level 1	4,474,969	24.9%	2,263,963	2,211,006
Total			$ 17,944,701		$ 15,356,170	$ 2,588,531

^ If available, credit ratings are for Standard & Poor's, Moody's Investors Service, and Fitch Ratings.
(1) See Note I.C for details of the District's fair value hierarchy.
NR – Not rated.
N/A – Not applicable.

As of June 30, 2025, the District had the following investments as defined by GASB:

Investment Type	Credit Rating ^	Fair Value Level (1)	Fair Value	Percentage of Total Investments	Weighted Average Maturity < 1 Year	Weighted Average Maturity 1 - 3 Years
Cash and investments held by county treasurer	NR	N/A	$ 411,003	1.7%	$ -	$ 411,003
Open ended treasury money market funds	AAAm, Aaa-mf, NR	Level 1	17,804,144	73.2%	17,804,144	-
U.S. treasury notes	AA+, Aaa, AA+	Level 1	6,102,335	25.1%	2,326,024	3,776,311
Total			$ 24,317,482		$ 20,130,168	$ 4,187,314

^ If available, credit ratings are for Standard & Poor's, Moody's Investors Service, and Fitch Ratings.
(1) See Note I.C for details of the District's fair value hierarchy.
NR – Not rated.
N/A – Not applicable.

Interest Rate Risk: The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

II. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2026 and 2025, none of the District's investments were exposed to custodial credit risk.

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a policy for investment credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk for Investments: The District places no limit on the amount the District may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from concentration of credit risk disclosures.

Reconciliation to the Financial Statements

A reconciliation of cash, cash equivalents, and investments as of June 30, 2026 and 2025 as shown in the Statement of Net Position is as follows:

Description	2026	2025
Carrying amount of deposits	$ 950,620	$ 4,691,070
Fair value of investments	17,944,701	24,317,482
Total deposits and investments	$ 18,895,321	$ 29,008,552
Statement of net position:		
Cash and cash equivalents	$ 9,403,550	$ 15,437,366
Restricted cash and cash equivalents	4,639,277	7,057,848
Investments	4,474,969	6,102,335
Restricted cash and investments held by county treasurer	377,525	411,003
Total cash, cash equivalents, and investments	$ 18,895,321	$ 29,008,552

Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30, 2026 and 2025:

	2026	2025
Unrestricted:		
Operating and petty cash accounts	$ 9,399,831	$ 15,434,447
Reserve account	3,719	2,919
Total unrestricted cash and cash equivalents	9,403,550	15,437,366
Restricted:		
Excess accommodation fees and debt sinking funds	4,639,277	5,006,557
Unspent state grant proceeds	-	2,051,291
Total restricted cash and cash equivalents	4,639,277	7,057,848
Total unrestricted and restricted cash and cash equivalents	$ 14,042,827	$ 22,495,214

II. DEPOSITS AND INVESTMENTS (CONTINUED)

The County Treasurer serves as the District's fiscal agent related to its general obligation bonds ("GOB"). The cash and investments held by the County Treasurer are restricted for debt service on the District's GOB. Cash and investments held by the County Treasurer were approximately $378,000 and $411,000 at June 30, 2026 and 2025, respectively.

III. PROPERTY TAXES AND OTHER RECEIVABLES

Greenville County, South Carolina (the "County") is responsible for levying and collecting sufficient property taxes to meet funding obligations for the District's general obligation refunding bonds. This obligation is established each year by the District Council and does not necessarily represent actual taxes levied or collected. Property taxes are levied and billed by the County on real and personal properties on October 1 based on a millage rate of 0.3 mills for 2026 and 0.4 mills for 2025. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

January 16 through February 1	-	3% of tax
February 2 through March 15	-	10% of tax
After March 15	-	15% of tax plus collection cost

Current year real and personal property taxes become delinquent on March 16. Unpaid property taxes become a lien against the property as of June 1 of the calendar year following the levy date. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

The District had outstanding property taxes receivable of approximately $25,000 as of June 30, 2026 and 2025. Other receivables as of June 30, 2026 and 2025 primarily consist of amounts due from events of approximately $1,542,000 and $357,000, premium seating of approximately $394,000 and $414,000, concessions agreement of approximately $3,000 and $201,000, and accommodation fees of approximately $691,000 and $711,000, respectively.

Property taxes receivable includes an allowance for uncollectibles of approximately $22,000 as of June 30, 2026 and 2025. Allowance for uncollectibles was not necessary for the other receivable accounts.

IV. CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2026, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, non-depreciable:					
Land	$ 7,180,125	-	49,475	-	$ 7,130,650
Construction in progress	5,557,663	12,283,811	-	(6,102,522)	11,738,952
Total capital assets, non-depreciable	12,737,788	12,283,811	49,475	(6,102,522)	18,869,602
Capital assets, depreciable:					
Buildings and improvements	71,417,516	2,335,141	265,803	4,378,843	77,865,697
Vehicles and equipment	10,363,545	398,065	-	1,723,679	12,485,289
Total capital assets, depreciable	81,781,061	2,733,206	265,803	6,102,522	90,350,986
Less: accumulated depreciation for:					
Buildings and improvements	46,348,981	2,942,487	265,803	-	49,025,665
Vehicles and equipment	8,429,033	767,067	-	-	9,196,100
Total accumulated depreciation	54,778,014	3,709,554	265,803	-	58,221,765
Total capital assets, depreciable, net	27,003,047	(976,348)	-	6,102,522	32,129,221
Total capital assets, net	$ 39,740,835	11,307,463	49,475	-	$ 50,998,823

IV. CAPITAL ASSETS (CONTINUED)

Depreciation expense of approximately $3,710,000 was charged to the operations of the District for the year ended June 30, 2026.

The District has outstanding construction commitments of approximately $2,423,000 at June 30, 2026 primarily related to the scoreboard and ribbons project and the master plan and schematic design project.

Capital asset activity for the District for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, non-depreciable:					
Land	$ 2,420,017	4,760,108	-	-	$ 7,180,125
Construction in progress	1,124,764	7,154,278	-	(2,721,379)	5,557,663
Total capital assets, non-depreciable	3,544,781	11,914,386	-	(2,721,379)	12,737,788
Capital assets, depreciable:					
Buildings and improvements	69,563,442	157,678	-	1,696,396	71,417,516
Vehicles and equipment	9,304,578	123,877	89,893	1,024,983	10,363,545
Total capital assets, depreciable	78,868,020	281,555	89,893	2,721,379	81,781,061
Less: accumulated depreciation for:					
Buildings and improvements	43,670,547	2,678,434	-	-	46,348,981
Vehicles and equipment	7,856,419	662,507	89,893	-	8,429,033
Total accumulated depreciation	51,526,966	3,340,941	89,893	-	54,778,014
Total capital assets, depreciable, net	27,341,054	(3,059,386)	-	2,721,379	27,003,047
Total capital assets, net	$ 30,885,835	8,855,000	-	-	$ 39,740,835

Depreciation expense of approximately $3,341,000 was charged to the operations of the District for the year ended June 30, 2025.

V. DEFERRED LOSSES ON REFUNDING DEBT

Deferred losses on refunding debt consisted of the following at June 30, 2026 and 2025:

	2026	2025
Deferred losses on refunding debt	$ 1,801,088	$ 1,801,088
Less: accumulated amortization	(1,033,958)	(933,897)
Deferred losses on refunding debt, net	$ 767,130	$ 867,191

Amortization expense was approximately $100,000 for the years ended June 30, 2026 and 2025.

VI. LONG-TERM OBLIGATIONS

The District from time to time may issue various forms of debt to fund the acquisition, construction, and improvements of BSWA facilities. General Obligation Bonds ("GOB") and General Obligation Refunding Bonds ("GORB") are direct obligations and pledge the full faith and credit of the District. The Accommodations Fee Revenue Refunding and Improvement Bond ("AFRRIB") and Accommodations Fee Revenue Bond ("AFRB") obligations are considered special obligations of the District. Financed Purchase ("FP") obligations for real property or equipment are special obligations of the District payable from the general revenues of the District. The full faith, credit, and taxing powers of the District are not pledged for the payment of AFRRIB, AFRB, and FP obligations nor the interest thereon.

Each of the District's outstanding debt issues are either direct borrowings/placements ("DBP") or publicly traded ("PT"). The District's DBP debt generally are secured/collateralized by the underlying assets and contain provisions that in an event of default, (a) outstanding amounts can become immediately due if the District is unable to make payment and (b) lender could exercise its option to demand return of the financed assets. The District's long-term debt obligations outstanding at June 30, 2026, consisted of the following:

Accommodation Bonds – DBP

Series 2012 B: $9,995,000 AFRRIB issued by the District in December 2012 were used to (i) currently refund a small portion of the remaining balance on the Series 2009 B RCOP; (ii) finance (a) the acquisition, construction, renovation, installation, furnishing and equipping of capital improvements to the Arena and related facilities and (b) the acquisition of various items of equipment related thereto; and (iii) pay for related costs of issuance. The interest rate is 2.81% per annum and is payable semi-annually on March 1st and September 1st of each year and the AFFRIB will mature in successive annual installments on March 1st of each year through March 2027 ranging from $80,000 to $1,720,000.

Series 2013: $4,005,000 AFRB issued by the District in January 2013 were used to (i) finance (a) the acquisition, construction, renovation, installation, furnishing and equipping of capital improvements to the Arena and related facilities and (b) the acquisition of various items of equipment related thereto and (ii) pay for related costs of issuance. The interest rate is 2.81% per annum and is payable semi-annually on March 1st and September 1st of each year and the AFRB will mature in successive annual installments on March 1st of each year through March 2027 ranging from $95,000 to $380,000.

General Obligation Bonds - PT

Series 2016 C: $13,830,000 GORB (taxable) issued by the District in March 2016 were used to (i) advance refund all or a portion of the callable maturities of the Series 2009 C General Obligation Refunding and Improvement Bonds, including accrued interest, (ii) establish a debt service reserve fund, and (iii) pay for costs of issuance. Interest ranging from 2.60% to 3.40% per annum is payable semi-annually on April 1st and October 1st of each year and the bonds will mature in successive annual installment on April 1st of each year through April 2033 ranging from $195,000 to $1,185,000.

The District GORB's are secured by the ad valorem taxes of the District (as the full faith, credit, and taxing power of the District has been pledged) and to the extent that such revenues are insufficient to meet the debt service payments, the District will next use the debt service reserve fund ("DSRF"). Next, the District has pledged the revenues of the BSWA to pay any remaining debt service of these bonds. Since 2020, the bonds are being paid from ad valorem property taxes of the District which will continue until maturity.

Should the District use any portion of the DSRF, the District must replenish the DSRF and further, if the DSRF is not replenished at the time the County Auditor levies annual ad valorem taxes, then an ad valorem tax would have to be levied to replenish the DSRF. The DSRF for the Series 2016 C was approximately $1,235,000 and $1,238,000 at June 30, 2026 and at June 30, 2025, respectively. The District's reacquisition price on the refunded debt (Series 2009 C) exceeded its net carrying value which resulted in a deferred loss on refunding of approximately $1,801,000 (see Note V for more details).

VI. LONG-TERM OBLIGATIONS (CONTINUED)

The District has assigned its rights to receive the City of Greenville ("City") and Greenville County's ("County") accommodations fees to the trustee to satisfy the debt service related to the accommodation fee bonds (i.e. AFRRIB and AFRB). Any accommodations fees received from the City and County in a given year in excess of the annual debt service requirement (as defined) must be refunded to the City and County each year within twenty days after March 1st. The District had approximately $3,404,000 and $3,769,000 in restricted cash and cash equivalents (remaining accommodation fees available to be either (a) refunded to the City and County or (b) for the payment of future debt service) at June 30, 2026 and 2025, respectively. All accommodation fee bonds are direct placements and contain an event of default that could change the timing of repayment of outstanding amounts to become immediately due if the District is unable to make payment.

Changes in the District's long-term obligations for the year ended June 30, 2026, were as follows:

Long-term obligations	PT or DBP	June 30, 2025	Additions	Reductions	June 30, 2026	Due Within One Year
General obligation bonds:						
Series 2016 C- GORB	PT	$ 8,245,000	-	905,000	7,340,000	$ 935,000
Accommodation bonds						
Series 2012 B - AFRRIB	DBP	3,390,000	-	1,670,000	1,720,000	1,720,000
Series 2013 - AFRB	DBP	555,000	-	270,000	285,000	285,000
Total accommodation bonds		3,945,000	-	1,940,000	2,005,000	2,005,000
Financed purchase:						
2024 FP	DBP	1,245,357	-	1,245,357	-	-
Total debt/long-term obligations		$ 13,435,357	-	4,090,357	9,345,000	$ 2,940,000

Changes in the District's long-term obligations for the year ended June 30, 2025, were as follows:

Long-term obligations	PT or DBP	June 30, 2024	Additions	Reductions	June 30, 2025	Due Within One Year
General obligation bonds:						
Series 2016 C- GORB	PT	$ 9,120,000	-	875,000	8,245,000	$ 905,000
Accommodation bonds						
Series 2012 B - AFRRIB	DBP	5,015,000	-	1,625,000	3,390,000	1,670,000
Series 2013 - AFRB	DBP	825,000	-	270,000	555,000	270,000
Total accommodation bonds		5,840,000	-	1,895,000	3,945,000	1,940,000
Financed purchase:						
2024 FP	DBP	-	1,245,357	-	1,245,357	-
Total debt/long-term obligations		$ 14,960,000	1,245,357	2,770,000	13,435,357	$ 2,845,000

VI. LONG-TERM OBLIGATIONS (CONTINUED)

The District's maturities for long-term debt at June 30, 2026 are as follows:

Year Ended	General Obligation Bonds		Accommodation Bonds		
June 30,	Principal	Interest	Principal	Interest	Totals
2027	$ 935,000	223,873	2,005,000	56,341	$ 3,220,214
2028	965,000	199,563	-	-	1,164,563
2029	1,000,000	173,025	-	-	1,173,025
2030	1,040,000	144,025	-	-	1,184,025
2031	1,080,000	112,305	-	-	1,192,305
2032-2033	2,320,000	118,029	-	-	2,438,029
Totals	$ 7,340,000	970,820	2,005,000	56,341	$ 10,372,161

The State limits the amount of GOB that the District can issue to 8% of the assessed value of all taxable property within the District's corporate limits. The District is allowed by state statute to exceed the legal debt margin of 8% if citizens of the District approve such additional debt. The District's outstanding GOB is below this state-imposed limit.

VII. ACCRUED EXPENSES

Accrued expenses consisted of the following at June 30, 2026 and 2025:

	2026	2025
Accrued interest	$ 74,748	$ 99,707
Accrued admission tax	386,816	111,763
Accrued payroll	74,064	243,012
Excess accommodation fees payable	3,220,689	3,597,612
Miscellaneous accruals	397,581	233,288
	$ 4,153,898	$ 4,285,382

VIII. LEVY CONCESSIONS AGREEMENT

On September 1, 2020, the District entered into a new 10-year concession service agreement with Levy, whereby Levy has agreed to invest $750,000 for development, design, construction, fixturing, equipping and finishing of Foodservice Facilities and to generate incremental revenue at the Arena. Under the terms of the agreement, the District will retain 94% of the net receipts from concession operations with Levy receiving the remaining 6%. Of the 94%, Levy withholds 1% on behalf of the District as a capital reserve. As of June 30, 2026 and 2025, this capital reserve was approximately $49,000 and $103,000, respectively, and has been recorded as an other asset on the Statements of Net Position.

In addition to the concession operations net receipts split with Levy (as noted above), unearned concessions agreement revenue related to the $750,000 investment (which Levy has agreed to pay over the course of ten years) is being recognized as revenue on a straight-line basis over the life of the agreement. For the years ended June 30, 2026 and 2025, the District recognized approximately $77,000 and $77,000 in concessions revenue, respectively. As of June 30, 2026 and 2025, the District's unearned concessions agreement liability balances were approximately $308,000 and $385,000, respectively.

The District is also showing a receivable for the total amount of the contracted agreement less any payments made by Levy on behalf of the agreement. As of June 30, 2026 and 2025, the District's accounts receivable concessions agreement balances were approximately $3,000 and $201,000, respectively. Any amount spent by Levy on behalf of the agreement is expensed as if the District spent this amount since the District would have to make these purchases if there was no concessions agreement with Levy. If for any reason the contract is terminated, Levy will have to pay the District for any amount of revenue recognized over the amount that Levy has actually paid, or the District will have to pay back Levy for any amount that Levy has paid over the amount of revenue that has been recognized.

IX. OTHER SIGNIFICANT CONTRACTS

License and Naming Rights

In February 2023, the Districted entered into a new five-year naming rights agreement with Bon Secours St. Francis Health System, Inc. ("Bon Secours") that became effective October 1, 2024. This agreement required an initial payment of $375,000 and subsequent annual payments of $700,000 through October 1, 2028. The total annual payments expected to be received under this naming rights agreement is $3,875,000. The District recognizes naming rights income each year based on the total estimated payments to be received over the estimated life of the agreement. The District recognized naming rights income of approximately $775,000 and $577,000 for the years ended June 30, 2026 and 2025, respectively. The District has a liability for unearned naming rights of approximately $419,000 and $494,000 at June 30, 2026 and 2025, respectively.

Hockey Team

In March 2015, the District entered into a five-year agreement with Chestnut Street Sports, LLC for the continued use of the Bon Secours Wellness Arena for their minor league hockey team ("Team") tenant. In March 2020, the Team was purchased by Spire Sports and Entertainment ("Spire") under the same agreement terms. This agreement expired at the end of August 2020 but was extended through annual addendums through August 2024. In April 2024, an amended agreement, which commenced on September 1, 2024, was signed to extend the expiration date of the agreement through August 2029. Some of the key terms (as defined) of this agreement are (a) the Team will pay a user fee to the District, (b) the District and Team will share food and beverage sales, (c) the Team will receive all merchandise sales and certain suite, club seat, and parking revenue related to games, and (d) the District will provide promotion and advertising each year.

X. RETIREMENT PLAN, RISK MANAGEMENT, AND LITIGATION

Retirement Plan

In 2011, the District established the Greenville Arena District Eligible 457 Plan ("Plan") for the benefit of its employees. The Plan is an eligible deferred compensation plan described under §457(b) of the Internal Revenue Code with the District serving as its Plan Sponsor. The investment trust for the plan is with First Citizens, who is a non-discretionary Trustee and provides third-party administrative services to the District. The District has established the Greenville Arena District Retirement Committee to make all decisions regarding the Plan, Trust, and investment design and administration.

In accordance with provisions of the Plan, participants make tax-deferred salary reduction contributions, through payroll deduction. The Plan allows for the IRS maximum, the lesser of 100% of participants' includible compensation, or the elective deferral limit of $24,500 and $23,500 for the years ended June 30, 2026 and 2025, respectively. Participants age 50 or over may contribute an additional $8,000 and $7,500 for the years ended June 30, 2026 and 2025, respectively. Employees are eligible to participate in the Plan immediately if employed prior to the effective date of the Plan. If employed after the effective date of the Plan, employees are eligible to participate after completing 90 days of continuous service. Participation is open to employees who are anticipated to work over 1,000 hours per year.

The Plan permits discretionary matching contributions currently set at 50% of an employee's contributions, up to 6% of pay, to the extent allowed by IRS regulations. The employee's Plan account is 100% vested in both employee and employer contributions. For the years ended June 30, 2026 and 2025, employee contributions were approximately $186,000 and $122,000, respectively, and employer matching contributions were approximately $63,000 and $48,000, respectively. All contributions are allocated to the investment trust following each pay date, in accordance with the Plan.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The District purchases commercial insurance to cover these liabilities and to cover employee health insurance benefits (insured plans). There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

X. RETIREMENT PLAN, RISK MANAGEMENT, AND LITIGATION (CONTINUED)

Risk Management (Continued)

In addition, the District provides a health insurance program for its employees. The District pays a monthly premium to the insurer for its health coverage (insured plan) with the insurer being responsible for claims.

Litigation

Various lawsuits, claims, and proceedings have been or may be instituted or asserted against the District, including those pertaining to environmental, product liability, illegal acts, and safety and health matters. However, based on facts currently available, management believes that the disposition of matters that are pending or asserted will not have a materially adverse effect on the financial position of the District.

SUPPLEMENTARY INFORMATION

GREENVILLE ARENA DISTRICT
GREENVILLE, SOUTH CAROLINA

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES - PROPRIETARY FUND

YEAR ENDED JUNE 30, 2026

	2026
Wages	$ 2,915,584
Contract labor	64,626
Workers compensation	2,831
Employee benefits	408,681
Payroll taxes	208,644
Insurance	605,916
Repairs and maintenance	756,196
Equipment rental	1,068
Meals and entertainment	20,469
Travel	17,634
Supplies	115,064
Postage	1,132
Communications	359,833
Dues and subscriptions	194,459
Utilities	696,567
Legal, accounting, and professional fees	86,271
Training and development	57,341
Advertising	248,838
Premium seat and sponsors	35,412
Printing	8,214
Bank charges	9,051
Miscellaneous	137,057
Food and beverage management - Levy	1,329,191
Food and beverage operations - Levy	770,965
Food and beverage repairs and maintenance - Levy	54,787
Food and beverage concessions agreement - Levy	24,640
Total general and administrative expenses	$ 9,130,471

GREENVILLE ARENA DISTRICT
GREENVILLE, SOUTH CAROLINA

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES - PROPRIETARY FUND

YEAR ENDED JUNE 30, 2025

	2025
Wages	$ 2,722,698
Contract labor	36,411
Employee benefits	366,440
Payroll taxes	194,829
Insurance	629,438
Repairs and maintenance	660,020
Equipment rental	801
Meals and entertainment	23,054
Travel	20,688
Supplies	123,233
Postage	1,049
Communications	340,578
Dues and subscriptions	156,579
Utilities	626,356
Legal, accounting, and professional fees	102,460
Training and development	60,449
Advertising	217,720
Premium seat and sponsors	24,524
Printing	6,972
Bank charges	8,874
Miscellaneous	163,215
Food and beverage management - Levy	1,125,557
Food and beverage operations - Levy	680,468
Food and beverage repairs and maintenance - Levy	47,298
Total general and administrative expenses	$ 8,339,711

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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

Board of Trustees
Greenville Arena District
Greenville, South Carolina

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 ("*Government Auditing Standards*"), the financial statements of the Greenville Arena District, South Carolina (the "District") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 9, 2026.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
September 9, 2026