RFP – Independent Auditor

Response to Questions:

1. Please indicate the extent of audit adjustments being proposed by your independent auditor and accepted by management for recognition in the financial statements.

   We typically have no audit adjustments. We had one audit adjustment in the FY2022 audit report.

2. Have there been any disagreements between management and your independent auditors during the prior three engagements?

   No.

3. Who is typically compiling the MD&A and the financial statements/notes? Is this prepared by the auditors and placed on the Bank’s letterhead or put together by the Bank?

   The Bank puts together the financial statements, notes, and MD&A. We provide the auditors an excel file and word documents of each and expect the auditors to add any new verbiage to comply with the GASB pronouncements.

4. Please provide the fees paid for audit services, agreed upon procedures services and fees for contracted amounts for out-of-scope or additional services not contemplated at contract award.

   FY2021 - $50,900 audit fee; $8,475 agreed upon procedure services; $0 additional services.

   FY2022 - $61,041 audit fee; $3,820 agreed upon procedure services; $17,500 re-issuance of FY2022 financial statements.
FY2023 - $54,100 audit fee; $0 agreed upon procedure services; $0 additional services.

5. Could you please provide us with a copy of the most recent quarterly agreed upon procedures report?

   See Exhibit A attached.

6. Was the Bank subject to a Single Audit in FY2023? If so, could you please provide us with a copy of the report or the most recent Single Audit report?

   See Exhibit B attached.
Independent Accountants’ Report
on Applying Agreed-Upon Procedures

The Board of Directors and Management of Rhode Island Infrastructure Bank
Providence, Rhode Island

We have performed the procedures enumerated below on the internal accounting records as of and for the quarter ended March 31, 2021. Rhode Island Infrastructure Bank (RIIB) is responsible for internal accounting records.

Management of RIIB has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the internal accounting records. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

Cash

1. We obtained monthly bank reconciliations and bank statements for the following cash accounts as of March 31, 2021:

   Operating Account - Bank  0001 5693 XXXX
   Clean Water SRF           0000 0879 XXXX
   Drinking Water SRF        0000 0992 XXXX
   Municipal Road and Bridge RF  3940 0572 XXXX
   Efficient Buildings Fund  3940 0537 XXXX

   a. We traced the statement ending balance per each reconciliation to the ending bank balance per the related monthly bank statement. We observed that the bank balance per the bank statement matched the bank balance per the reconciliation in each instance.

   b. We traced deposits in-transit and outstanding checks and charges to clearing on subsequent bank statements. We observed that all items traced agreed to the subsequent bank statements without exception.

   c. We traced the adjusted bank balance per each bank reconciliation to the trial balance as of March 31, 2021. We observed that the general ledger balance per the bank reconciliation matched the trial balance in each instance.
Investments

2. We obtained monthly investment reconciliations which include Month End Detail reports from US Bank and the GAAP Base Balance Sheet by Lot from Clearwater as of March 31, 2021 and performed the following procedures:

a. We traced the amounts from the investment reconciliation to the Federal Tax Cost Amount per US Bank for all accounts except for the Bank’s fixed income positions which was traced to the Market Value per Clearwater. We observed that the balances per the investment reconciliations matched the Federal Tax Cost Amount per US Bank or the Market Value per Clearwater, as applicable, in each instance.

b. We traced reconciled balances per the investment reconciliations for each investment account to RIIB’s general ledger balance as of March 31, 2021. We observed that the reconciled balances per the investment reconciliations matched RIIB’s general ledger in each instance.

c. We traced the net realized and unrealized gains and losses per the investment reconciliations to RIIB’s general ledger as of March 31, 2021. We observed that the net realized and unrealized gains and losses per the investment reconciliations matched RIIB’s general ledger in each instance.

Loans Outstanding and Requisitions

3. We traced the detail loan trial balance (from EnABLE, loan management solution) by program to the Closing Balance for each related general ledger balance (including Loans Receivable and Loans Receivable - Undisbursed, which equals Project Costs Payable) as of March 31, 2021. We observed that the detail loan trial balances matched the general ledger in each instance.

4. We traced all accrued interest and fees receivable by program from the quarterly Loans Outstanding schedules to RIIB’s general ledger as of March 31, 2021. We observed that all accrued interest and fees receivable per the Loans Outstanding schedules matched RIIB’s general ledger.

5. We inspected the general ledger detail for loan disbursements for the quarter under review and haphazardly selected 10 loan disbursements with at least 5 of those disbursements exceeding $250,000. For each selection, we obtained supporting invoices and documentation of approval for the disbursement. We tested 10 disbursements in total and observed each had supporting invoices and documentation of approval.

Bonds Payable and Accrued Interest Payable

6. We obtained RIIB’s outstanding bond listing for the quarter under review and agreed it to RIIB’s general ledger as of March 31, 2021. We observed that the outstanding bond listing agreed to RIIB’s general ledger as of March 31, 2021.

7. We traced the accrued interest payable per RIIB’s Accrued Interest Payable worksheet to RIIB’s general ledger as of March 31, 2021. The accrued interest payables matched RIIB’s general ledger as of March 31, 2021.

8. We traced the carrying value of bond premiums and discounts, including periodic amortization or accretion, per the Premiums and Discounts worksheet to RIIB’s general ledger as of and for the quarter ended March 31, 2021. We observed that the carrying value of bond premiums and discounts, including period amortization or accretion, per the Premiums and Discounts worksheet matched RIIB’s general ledger.
9. We traced the carrying value of deferred inflows and outflows, including periodic amortization or accretion, per the Deferred Flows Schedule to the RIIB’s general ledger as of and for the quarter ended March 31, 2021. We observed that the carrying value of deferred inflows and outflows, including periodic amortization or accretion, per the Deferred Flows Schedule matched RIIB’s general ledger.

We were engaged by RIIB to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on internal accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of RIIB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of RIIB and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Cranston, Rhode Island
June 22, 2021
Exhibit B

RHODE ISLAND INFRASTRUCTURE BANK
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2023
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditors’ Report on Supplementary Information</td>
<td>1</td>
</tr>
<tr>
<td>Schedule of Expenditures of Federal Awards</td>
<td>2</td>
</tr>
<tr>
<td>Notes to Schedule of Expenditures of Federal Awards</td>
<td>3-4</td>
</tr>
<tr>
<td>Independent Auditors’ 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</td>
<td>5-6</td>
</tr>
<tr>
<td>Schedule of Findings and Questioned Costs</td>
<td>7</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT ON
SUPPLEMENTARY INFORMATION

Board of Directors
Rhode Island Infrastructure Bank
Providence, Rhode Island

We have audited the financial statements of Rhode Island Infrastructure Bank, a component unit of the State of Rhode Island, as of and for the year ended June 30, 2023, and have issued our report thereon dated September 28, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Rhode Island Infrastructure Bank’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

Cranston, Rhode Island
February 8, 2024

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<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal Assistance Listing Number</th>
<th>Passed Through to Subrecipients</th>
<th>Total Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Environmental Protection Agency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalization Grant for Clean Water State Revolving Fund</td>
<td>66.458</td>
<td>1,571,754</td>
<td>1,571,754</td>
</tr>
<tr>
<td>Capitalization Grant for Drinking Water State Revolving Fund</td>
<td>66.468</td>
<td>10,383,166</td>
<td>10,603,386</td>
</tr>
<tr>
<td>Environmental Information Exchange Network Grant Program and Related Assistance</td>
<td>66.608</td>
<td>16,250</td>
<td>16,250</td>
</tr>
<tr>
<td>Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program</td>
<td>66.442</td>
<td>300,871</td>
<td>300,871</td>
</tr>
<tr>
<td>Total United States Environmental Protection Agency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$12,272,041</td>
<td>12,272,041</td>
<td>$12,492,261</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this schedule
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Rhode Island Infrastructure Bank (the Bank) under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Bank, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the Bank.

Basis of Accounting

Expenditures reported on the Schedule are reported using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. DETERMINATION OF MAJOR PROGRAMS

The determination of major federal financial assistance programs was based upon the overall level of expenditures for all federal programs for the State of Rhode Island, of which the Bank is a component unit. As such, the determination of major programs is made at the State level, where it was determined there are no major programs during the State fiscal year ended June 30, 2023.

3. PASSED THROUGH TO SUBRECIPIENTS

The Bank passed-through federal awards to subrecipients during the State fiscal year ended June 30, 2023 as follows:

<table>
<thead>
<tr>
<th>Federal Assistance Listing Number</th>
<th>Program Name</th>
<th>Amounts Provided to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>66.458</td>
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<td>$300,871</td>
</tr>
</tbody>
</table>
3. PASSED THROUGH TO SUBRECIPIENTS (CONTINUED)

Capitalization grants for the clean water state revolving fund were passed through to the Narragansett Bay Commission, Quonset Development Corporation, the City of Providence and the Rhode Island Department of Environmental Management. Capitalization grants for the drinking water state revolving fund were passed through to the Rhode Island Department of Health, Charlestown Cedars, Providence Water, Hog Island Water Association, Kent County Water Authority, Foster Gloucester, Harmony Hill School, Hillsdale Housing Cooperative, Lawrence Sunset Cove Association, Paige Associates, the Harrisville Fire District, Pascoag Utility District and the Village at Chopmist Hill.

4. INDIRECT COST RECOVERY

The Bank has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Rhode Island Infrastructure Bank
Providence, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Rhode Island Infrastructure Bank, a component unit of the State of Rhode Island, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Rhode Island Infrastructure Bank’s basic financial statements, and have issued our report thereon dated September 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Rhode Island Infrastructure Bank’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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Rhode Island Infrastructure Bank’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Rhode Island Infrastructure Bank’s internal control.

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

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

As part of obtaining reasonable assurance about whether the Rhode Island Infrastructure Bank’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 Rhode Island Infrastructure Bank’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 Rhode Island Infrastructure Bank’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Cranston, Rhode Island
February 8, 2024
I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
• Material weakness(es) identified? yes no
• Significant deficiency(ies) identified? yes none reported
• Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
• Material weakness(es) identified? N/A
• Significant deficiency(ies) identified? N/A

Type of auditors' report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? N/A

Major programs:

Based on the type A threshold provided by the Office of the Auditor General of Rhode Island, we did not identify any major programs for the Rhode Island Infrastructure Bank.

Dollar threshold used to distinguish between type A and type B programs: $21,117,107

Auditee qualified as low-risk auditee? N/A

II. FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

N/A