
RHODE ISLAND INFRASTRUCTURE BANK

A Component Unit of the State of Rhode Island



RHODE ISLAND
INFRASTRUCTURE BANK

Basic Financial Report
June 30, 2026 and 2025

Table of Contents

Independent auditors' report.....	1 – 3
Management's discussion and analysis (unaudited).....	4 – 8
Financial statements	
Statements of net position.....	9
Statements of revenues, expenses, and changes in net position.....	10
Statements of cash flows	11 – 12
Notes to financial statements	13 – 32
Supplementary information	
Combining schedules of net position	33 – 34
Combining schedules of revenues, expenses, and changes in net position	35 – 36
State supplementary schedules	37 – 43
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	44 – 45

Management's Discussion and Analysis

INTRODUCTION

The following is Management's Discussion and Analysis of the financial condition and results of operations of Rhode Island Infrastructure Bank (the "Bank"). This commentary should be read in conjunction with the Bank's Financial Report including the companion Notes to financial statements for the fiscal years ending June 30, 2026 and 2025.

Established in 1989 as a quasi-public corporation, the Bank serves as Rhode Island's central financing resource for infrastructure investments that strengthen municipalities, support businesses, and benefit homeowners throughout the state. The Bank is governed by a five-member Board of Directors. Four public members are appointed by the Governor with the advice and consent of the State Senate, while the Rhode Island General Treasurer, or a designated member of the Treasurer's staff, serves as the fifth member in an ex-officio capacity.

The Bank executes on its mission by deploying capital through strategic, cost-effective financing programs that address Rhode Island's infrastructure priorities, strengthen communities, and support long-term economic and environmental sustainability. The Bank administers a broad portfolio of financing programs, including the Clean Water and Drinking Water State Revolving Funds, the Municipal Road and Bridge Revolving Fund, the Efficient Buildings Fund, and the Resilient Rhody Fund, that directs capital to priority investments in water, transportation, energy, and climate resilience across the State.

OVERVIEW OF THE FINANCIAL STATEMENTS

As noted above, the Management's Discussion and Analysis (MD&A) is intended to provide an introduction to the Bank's financial statements. The Bank prepares three primary financial statements:

1. **Statement of Net Position** – This statement reports the Bank's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources, represents the Bank's net position. Changes in net position over time may provide an indication of whether the Bank's financial condition is improving or declining and should be considered in the context of the Bank's financing programs, restrictions on resources, and other relevant factors.
2. **Statement of Revenues, Expenses and Changes in Net Position**: This statement presents the Bank's operating revenues and expenses, non-capital subsidies, other non-operating revenues and expenses, and the resulting change in net position for the fiscal year. The statement provides information about the Bank's financial performance and the extent to which its activities are supported by operating revenues and other sources of funding.
3. **Statement of Cash Flows**: The Bank's Statement of Cash Flows is presented using the direct method of reporting, which reflects cash flows from operating activities, capital and related financing activities, noncapital financing activities, and investing activities. This statement provides information about the Bank's cash receipts and payments and how cash is generated and used during the fiscal year.

The Bank follows the accrual basis of accounting, consistent with governmental accounting standards. Under this method, assets, liabilities, revenues, and expenses are recorded when the underlying event occurs, not when cash is received or paid. As a result, certain revenues and expenses reported in the Statement of Revenues, Expenses, and Changes in Net Position may affect cash flows in future periods.

Management's Discussion and Analysis

FINANCIAL HIGHLIGHTS

Statement of Net Position – Condensed

	2026	2025	2024
Current assets	\$ 687,843,063	\$ 663,786,055	\$ 622,248,248
Noncurrent assets	1,388,387,022	1,294,094,701	1,254,486,778
Total assets	2,076,230,085	1,957,880,756	1,876,735,026
Deferred outflows of resources (a)	2,634,848	3,078,315	3,894,977
Current liabilities	246,456,659	248,562,026	286,208,409
Noncurrent liabilities	607,080,392	590,190,388	567,251,608
Total liabilities	853,537,051	838,752,414	853,460,017
Deferred inflows of resources (a)	2,926,655	1,030,398	1,368,176
Net investment in capital assets	(29,369)	46,879	137,723
Restricted for program purposes	1,182,467,895	1,087,844,959	993,042,642
Unrestricted	39,962,701	33,284,421	32,621,445
Total net position	\$1,222,401,227	\$1,121,176,259	\$1,025,801,810

- (a) In conjunction with refunding certain above-market rate bonds, the difference between the newly issued bond(s) and the net carrying amount of the refunded bond(s) is (are) recorded as an amount deferred on refunding – either as an outflow or inflow. Please see Note 1, “Summary of Significant Accounting Policies” for more information.

Statement of Net Position – as of fiscal periods ending June 30, 2026 and 2025

- Total assets for the period ending June 30, 2026, amounted to \$2.076 billion, an increase of \$118.3 million from the previous year-end when total assets amounted to \$1.958 billion. The increase was primarily attributable to growth in the Bank's loan portfolio, which reflects continued investment in infrastructure projects throughout Rhode Island.
- Total investments amounted to \$7.1 million on June 30, 2026, down \$1.8 million from \$9.0 million at the end of the prior fiscal year. The decrease included the maturity of a Clean Water guaranteed investment contract during fiscal year 2026. The Bank continued to maintain its remaining investment portfolio in U.S. agency securities and guaranteed investment contracts in accordance with its investment policies and anticipated obligations.
- Loans outstanding amounted to \$1.489 billion on June 30, 2026, an increase of \$100.3 million from \$1.389 billion on June 30, 2025. During fiscal year 2026, the Bank executed loan agreements totaling \$285.1 million across its infrastructure financing programs. Significant activity included \$90.8 million through the Clean Water State Revolving Fund, \$86.7 million through Commercial Property Assessed Clean Energy, and \$77.6 million through the Drinking Water State Revolving Fund. Additional financing included \$23.9 million for municipal road and bridge improvements, \$2.6 million through the Clean Energy Fund, \$2.0 million through the Resilient Rhody Infrastructure Fund, and \$1.6 million through the Community Septic System Loan Program. These agreements reflect the Bank's continued commitment to financing essential infrastructure; loan disbursements and repayments determine the timing of the related changes in loans receivable.

Management's Discussion and Analysis

- Project costs payable, which represent committed loan proceeds that have yet to be disbursed and are shown in current liabilities, increased by \$2.3 million in fiscal year 2026. Such liabilities amounted to \$193.2 million and \$190.9 million on June 30, 2026, and June 30, 2025, respectively. The balance reflects the Bank's continuing commitments to finance infrastructure projects, with funds disbursed as borrowers incur eligible project costs. The modest increase in outstanding commitments occurred alongside the Bank's significant new lending activity during the year.
- As of year-end 2026, bonds payable totaled \$650.8 million, marking an increase of \$10.8 million from \$640.0 million at the end of the previous year. During fiscal year 2026, the Bank issued \$58.3 million of Series 2026A bonds, which, together with \$36.0 million of Bank equity and the related bond premium, provided approximately \$100.0 million for new infrastructure loans. The Bank also issued \$126.2 million of Series 2026B refunding bonds to refinance approximately \$126.7 million of outstanding debt. The refunding replaced existing obligations rather than providing new lending capital. The year-end change in bonds payable reflects the combined effects of new financing, refunding activity, scheduled principal repayments, and related carrying-value adjustments.
- During fiscal year 2026, the Bank's unrestricted net position increased by \$6.7 million, growing from \$33.3 million on June 30, 2025, to \$40.0 million on June 30, 2026. Total net position increased by \$101.2 million to \$1.222 billion. The increase was principally attributable to \$84.1 million of capital grants and \$17.2 million of operating income, reflecting continued federal and state support for the Bank's lending programs and the results of its ongoing operations. Restricted net position increased to \$1.182 billion, consistent with the Bank's continued capitalization of its infrastructure financing programs.

Statement of Revenues, Expenses and Changes in Net Position – Condensed

	2026	2025	2024
Interest income – loans	\$ 27,779,100	\$ 26,227,419	\$ 23,467,841
Other operating income	7,181,735	6,403,335	6,646,929
Grant income – operating	-	488,414	20,500
Total operating revenues	34,960,835	53,803,567	51,924,891
Operating expenses			
Principal forgiveness	7,583,760	5,974,728	4,515,370
Consulting fees to partner agencies	7,592,153	6,463,192	5,058,010
General administrative	3,747,453	3,854,045	3,634,317
Professional fees	1,150,725	1,030,048	1,133,912
Total operating expenses	20,074,091	31,989,237	29,410,726
Operating income	14,886,744	21,814,330	22,514,165
Noncapital subsidies			
Intergovernmental	-	(2,000,000)	(5,500,000)
Total Noncapital subsidies	-	(2,000,000)	(5,500,000)
Other Nonoperating Revenues(Expenses)			
Interest income – investments	21,512,782	20,684,399	21,789,621
Interest expense	(18,727,472)	(14,667,224)	(15,069,117)
Debt issuance costs	(1,332,299)	(519,723)	(524,272)
Grant income – non-operating	84,885,213	76,048,553	57,675,303
Total nonoperating revenues(expenses)	86,338,224	81,546,005	63,871,535
Change in net position	101,224,968	101,360,335	80,885,700
Net position, beginning of year	1,121,176,259	1,025,801,810	951,132,842
Net position, end of year	\$ 1,222,401,227	\$ 1,121,176,259	\$ 1,025,801,810

Results of Operations - June 30, 2026 and 2025

- Total operating revenues decreased by \$18.8 million to \$34.9 million in fiscal year 2026, compared with \$53.8 million in fiscal year 2025. Loan interest income increased by \$1.6 million to \$27.8 million, while other operating income, consisting principally of loan servicing and origination fees, increased by \$0.8 million to \$7.2 million. These increases reflect continued growth in the Bank's lending portfolio and direct loan activity across its infrastructure financing programs. Investment income was moved to other nonoperating revenue due to the implementation of GASB 103 and increased by \$0.8 million to \$21.5 million.
- Total operating expenses increased by \$11.9 million to \$20 million in fiscal year 2026, compared with \$32.0 million in fiscal year 2025. Interest expense was moved to other nonoperating expense due the implementation of GASB 103 and increased by \$4.1 million to \$18.7 million, reflecting the Bank's debt financing activities and the costs associated with supporting its lending programs. During the year, the Bank completed its Series 2026A new-money bond issuance and Series 2026B refunding transaction. The Series 2026A financing provided approximately \$100.0 million for new infrastructure loans, while the Series 2026B transaction refinanced existing obligations. These transactions were significant components of the Bank's financing activity during the year.
- Principal forgiveness expense increased by \$1.6 million to \$7.6 million, compared with \$6.0 million in fiscal year 2025, reflecting forgiveness recognized as eligible loans were repaid under the Bank's federal capitalization grant programs. Consulting fees to partner agencies increased by \$1.1 million to \$7.6 million, reflecting the costs of administering the Bank's infrastructure financing and assistance programs. Professional fees increased by \$1.7 million to \$2.7 million, including costs associated with the Bank's bond financing transactions and other professional services. General administrative expenses decreased by \$0.3 million to \$3.5 million.
- Operating income decreased by \$6.9 million to \$14.8 million in fiscal year 2026, compared with \$21.8 million in fiscal year 2025. The decrease reflects the \$11.9 million decrease in operating expenses, partially offset by the \$18.8 million decrease in operating revenues. While growth in direct lending generated additional interest and fee income, higher financing costs, principal forgiveness, and program administration expenses more than offset those revenue increases.
- Non-operating grant income increased by \$4.7 million to \$86.3 million, compared with \$81.5 million in fiscal year 2025. The increase reflects continued federal and state funding for the Bank's infrastructure financing programs, including capitalization grants supporting clean water and drinking water lending. These resources provide capital for the Bank to make additional loans and support eligible project costs.
- The Bank's change in net position was \$101.2 million in fiscal year 2026, compared with \$101.3 million in fiscal year 2025. The increase in net position was principally attributable to \$86.3 million of non-operating grant income and \$14.8 million of operating income. Ending net position increased to \$1.222 billion, reflecting continued capitalization of the Bank's lending programs and the financial results of its operations.

Management's Discussion and Analysis

LENDING AND PROGRAMATIC ACTIVITY

During fiscal year 2026, the Bank continued to expand its infrastructure lending activities, executing loan agreements totaling \$285.1 million¹ across its financing programs. The largest commitments were \$90.8 million through the Clean Water State Revolving Fund, \$86.7 million through Commercial Property Assessed Clean Energy, and \$77.6 million through the Drinking Water State Revolving Fund. Additional financing included \$23.9 million for municipal road and bridge improvements, \$2.6 million through the Clean Energy Fund, \$2.0 million through the Resilient Rhody Infrastructure Fund, and \$1.6 million through the Community Septic System Loan Program.

Direct lending activity and the Bank's fiscal year 2026 bond financing were significant components of the year's operations. The Series 2026A bond issuance, together with Bank equity and the related bond premium, provided approximately \$100.0 million for new infrastructure loans. The Bank also completed the Series 2026B refunding transaction, refinancing existing obligations. These transactions supported the Bank's ability to continue providing long-term financing while managing its outstanding debt.

Loans outstanding increased by \$100.3 million to \$1.489 billion at June 30, 2026. The \$285.1 million of loan agreements represents financing commitments executed during the year and is not equivalent to cash disbursements or the increase in loans receivable. Loan balances change as funds are advanced for eligible project costs, borrowers make principal repayments, and principal forgiveness is recognized. At year-end, project costs payable totaled \$193.2 million, reflecting committed loan proceeds that had not yet been disbursed. The Bank continues to advance funds in accordance with loan agreements as borrowers incur eligible project costs.

Segment	2026	2025	2024
Clean Water	92,336,611	100,550,000	\$ 78,700,000
Resilient Rhody	2,000,850	2,000,000	2,960,698
Drinking Water	77,590,790	34,481,550	73,225,000
Municipal Road and Bridge	23,874,143	1,000,000	3,500,000
Clean Energy*	89,265,698	27,146,246	29,595,000
Total	\$ 285,068,092	\$ 165,177,796	\$ 187,980,698

*Included in the caption are Efficient Building Fund and C-PACE loans.

Rhode Island municipalities accounted for 78% of loan and grant originations, involving 28 distinct municipal borrowers. Water utilities, non-profit organizations, a quasi-state agency, and commercial businesses comprise the remaining portion of our portfolio.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Bank's financial activity. If you have questions about this report or need additional financial information, please contact us at: 275 Promenade Street, Suite 301, Providence, Rhode Island 02908, telephone number (401) 453-4430 or email us at info@riib.org.

Rhode Island Infrastructure Bank (A Component Unit of the State of Rhode Island)

Statements of Net Position – June 30, 2026 and 2025		
	2026	2025
Assets		
Current assets:		
Unrestricted:		
Cash, cash equivalents and investments	\$ 14,015,252	\$ 8,767,594
Restricted:		
Cash and cash equivalents	551,002,081	527,238,837
Investments	7,199,379	9,026,047
Total restricted cash, cash equivalents and investments	558,201,460	536,264,884
Other current assets:		
Unrestricted:		
Prepaid expenses, other assets and other receivables	237,196	216,703
Restricted:		
Service fees receivable	1,654,733	1,630,528
Loans receivable	102,159,680	96,380,327
Intergovernmental receivable	-	10,000,000
Accrued interest receivable:		
Loans	10,036,359	9,187,357
Investments	1,538,383	1,338,662
Total current assets	687,843,063	663,786,055
Noncurrent assets:		
Unrestricted:		
Loans receivable	11,663,005	13,046,005
Total unrestricted noncurrent assets	11,663,005	13,046,005
CAPITAL ASSETS		
Capital Assets Not Being Depreciated	-	-
Capital Assets, Net of Depreciation and Amortization	1,554,853	1,790,046
Total Capital Assets	1,554,853	1,790,046
Restricted:		
Loans receivable	1,375,169,164	1,279,258,650
Total noncurrent assets	1,388,387,022	1,294,094,701
Total assets	2,076,230,085	1,957,880,756
Deferred Outflows of Resources	2,634,848	3,078,315
Liabilities		
Current liabilities:		
Project costs payable	193,198,332	190,936,240
Bonds payable, net	46,115,979	52,146,634
Lease liability	174,491	158,944
Accrued interest payable	6,583,603	4,827,495
Accounts payable and accrued expenses	384,254	492,713
Total current liabilities	246,456,659	248,562,026
Noncurrent liabilities:		
Bonds payable, net	604,658,545	587,806,944
Lease liability	1,409,731	1,584,223
Accrued arbitrage rebate	1,012,116	799,221
Total noncurrent liabilities	607,080,392	590,190,388
Total liabilities	853,537,051	838,752,414
Deferred Inflows of Resources	2,926,655	1,030,398
Net position:		
Net investments in capital assets	(29,369)	46,879
Restricted for program purposes	1,182,467,895	1,087,844,959
Unrestricted	39,962,701	33,284,421
Total net position	\$ 1,222,401,227	\$ 1,121,176,259

See notes to financial statements.

Rhode Island Infrastructure Bank (A Component Unit of the State of Rhode Island)

Statements of Revenues, Expenses, and Changes in Fund Net Position – Years Ended June 30, 2026 and 2025

	2026	2025
Operating revenues:		
Interest income - loans	\$ 27,779,100	\$ 26,227,419
Loan servicing fees	4,916,854	4,940,080
Loan origination fees	2,264,881	1,463,255
Total operating revenues	34,960,835	32,630,754
Operating expenses:		
Program administration, partner agencies	7,592,153	6,463,192
Principal forgiveness	7,583,760	5,974,728
Compensation and benefits	2,719,532	2,442,399
Professional services	551,186	301,598
Legal	305,833	387,063
Correspondent and trustee	122,182	141,319
Information technology	149,670	151,146
Marketing	223,964	140,084
Audit and accounting	86,961	120,068
Financial advisory	84,563	80,000
Loan origination service	213,880	171,955
Occupancy and office expense	83,435	90,159
Depreciation and amortization	235,193	235,193
Insurance	71,243	71,942
Business and travel	20,479	13,334
Dues and subscriptions	22,032	13,416
Seminars	8,025	4,694
Total operating expenses	20,074,091	16,802,290
Operating income	14,886,744	15,828,464
NONCAPITAL SUBSIDIES		
Intergovernmental transactions	-	(2,000,000)
Total Noncapital Subsidies	-	(2,000,000)
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	14,886,744	13,828,464
OTHER NONOPERATING REVENUES (EXPENSES)		
Interest income - investments	21,512,782	20,684,399
Interest expense, net of premium amortization	(18,727,472)	(14,667,224)
Debt issuance costs	(1,332,299)	(519,723)
Grant income and other contributed capital	84,885,213	76,048,533
Total Other Nonoperating Revenues (Expenses)	86,338,224	81,545,985
INCREASE (DECREASE) IN FUND NET POSITION	101,224,968	95,374,449
Fund Net Position - Beginning of Year	1,121,176,259	1,025,801,810
FUND NET POSITION - END OF YEAR	<u>\$ 1,222,401,227</u>	<u>\$ 1,121,176,259</u>

See notes to financial statements.

Rhode Island Infrastructure Bank (A Component Unit of the State of Rhode Island)

Statements of Cash Flows – Years Ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Loan repayments	\$ 83,264,443	\$ 93,468,243
Origination fees	2,264,881	1,463,255
Loan servicing fees	4,892,649	4,966,974
Interest income - loans	26,930,098	25,683,953
Loan disbursements	(195,086,449)	(170,036,410)
Payments for goods and services	(9,899,751)	(8,242,316)
Payments for personnel-related costs	(2,719,532)	(2,442,399)
Net cash used by operating activities	(90,353,661)	(55,138,700)
Cash flows from capital and related financing activities:		
Purchases of property and equipment	-	-
Interest paid on bonds	(14,631,640)	(14,300,300)
Bond issuance costs	(1,332,299)	(519,723)
Net cash provided by capital and related financing activities	(15,963,939)	(14,820,023)
Cash flows from noncapital financing activities:		
Proceeds from bond issuance	65,454,610	75,624,621
Repayment of notes payable	(48,363,945)	(54,334,349)
Non-operating grants	94,885,213	66,048,533
Payment of intergovernmental transfers	-	(2,000,000)
Net cash provided by noncapital financing activities	111,975,878	85,338,805
Cash flows from investing activities:		
Interest received subject to arbitrage	212,895	184,982
Investment income	21,313,061	21,076,035
Purchase of Investments	(472,844)	-
Proceeds from Sales and Maturities of Investments	2,299,512	4,543,469
Net cash provided by investing activities	23,352,624	25,804,486
Cash and cash equivalents, beginning of the year	536,006,431	494,821,863
Cash and cash equivalents, end of the year	\$ 565,017,333	\$ 536,006,431

See notes to financial statements.

Rhode Island Infrastructure Bank (A Component Unit of the State of Rhode Island)

Statements of Cash Flows – Years Ended June 30, 2026 and 2025 continued

	2026	2025
Operating Income	\$ 14,886,744	\$ 15,828,464
Adjustments		
Depreciation	235,193	235,193
Amortization of bond premiums and discounts, net	(6,428,664)	(4,164,301)
Effects of Changes in Operating Assets, Liabilities, and Deferred Outflows/Inflows		
(Increase) Decrease in accrued interest income - loans	(849,002)	(543,466)
(Increase) Decrease in Loans Receivables	(100,306,867)	(34,562,218)
Increase (Decrease) in Project Payable	2,262,092	(32,102,113)
(Increase) Decrease in prepaid expenses	(20,493)	(52,670)
Increase (Decrease) in accounts payable	(108,459)	195,517
(Increase) decrease in accounts receivable - service fees	(24,205)	26,894
Net cash used by operating activities	<u>\$ (90,353,661)</u>	<u>\$ (55,138,700)</u>
Supplementary cash flow information:		
Noncash transactions:		
Increase in loans receivable issued related to project costs payable	\$ (3,931,379)	\$ (34,876,425)
Increase (decrease) in fair value of investments	\$ (423,764)	\$ (1,201,763)

See notes to financial statements.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization: Rhode Island Infrastructure Bank (Bank) was established in 1989 by the State of Rhode Island (State) General Assembly, under Chapter 46-12.2 of the Rhode Island General Laws (1986) as amended. While the Bank is a body politic and corporate and public instrumentality of the State, it has a distinct legal existence separate from the State and is not considered a department of State government. For financial reporting purposes, the Bank is considered a component unit of the State.

In accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement 14*, and GASB Statement No. 61, *the Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, the financial statements must present the Bank and its component units, which, for the periods included here, there were none in existence. As noted above, however, the Bank is considered a component unit of the State and, accordingly, its financial statements are incorporated with and into the financial statements of the State.

The Bank is governed by a Board of Directors (Board) consisting of five members, four of whom are members of the public appointed by the Governor, with the advice and consent of the state senate. The General Treasurer, or such officer's designee, who shall be a subordinate within the General Treasurer's department, shall serve as an ex-officio member. While it appoints a voting majority of the Bank's governing board, the state bears no responsibility for the Bank's debt.

Description of business: The Bank facilitates financing infrastructure improvements for municipalities, businesses, and homeowners in the State. Lending programs include clean water, drinking water, transportation, energy efficiency and renewable energy, brownfield remediation, and stormwater and climate resiliency. The Bank supports and finances infrastructure investments through the origination of loans and mobilization of public and private capital. Projects financed through the Bank serve to help build and maintain a strong system of infrastructure which boosts economic productivity in both the short- and long-term while enhancing the state's environment.

Pursuant to an operating agreement between the Environmental Protection Agency (EPA) and the Bank, the Bank manages the state's Clean Water and Drinking Water State Revolving Fund (SRF) programs, CWSRF and DWSRF, respectively. The SRF programs, which were authorized by Federal legislation (the Water Quality Act of 1987 for the CWSRF and the Safe Drinking Water Act of 1996 for the DWSRF), were established to provide a perpetual source of capital for water infrastructure that protects public health and the environment. SRFs provide eligible borrowers with below market loans and other forms of low-cost financing to build, repair and improve wastewater (e.g., sewage treatment and stormwater management) and drinking water infrastructure.

The SRF programs are "revolving" in nature because the revenue received by the Bank from borrower debt service payments is greater than the debt service the Bank owes on its bonds and these excess funds, together with residual amounts released from reserve funds as the Bank's debt is retired, are used to originate new loans to borrowers that are pledged as a source of payment and security, for new SRF bonds or for other eligible purposes.

In addition, since the SRFs were established, Congress has provided an annual federal grant, called a "capitalization grant," to add to the available capital of the SRFs. States are required to match 20% of the capitalization grant with state funds. Federal and state contributions, as well as revolved funds, are limited to specific uses by laws and regulations, the operating agreement noted above, and a capitalization grant agreement with the EPA. Because of these limitations on use, these funds are classified as "restricted" on the statements of net position.

The Bank's SRF programs are leveraged by issuing bonds to provide additional funds to finance program-eligible projects. Federal and state grants and other monies available to the Bank are pledged to secure the bonds by either funding reserves or financing loans pledged to the bonds. Earnings on these pledged assets are used to pay a portion of the debt service on the related bonds, thereby allowing for a reduction in the borrowers' loan repayment obligation. Generally, the Bank lends to borrowers at 67%

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

and 75% of the current market rate for the CWSRF and DWSRF, respectively. In addition to providing low-cost financing, including interim financing, for eligible projects, the Bank's SRF programs primary activities include the issuance of debt, the investment of program funds, and the management and coordination of the programs.

In addition to the CWSRF and DWSRF, the Bank also manages the following programs:

Program	Summary
Clean Energy Fund (CEF)	The Fund provides financing and energy audits to public and not-for-profit entities for renewable energy and energy efficiency improvement projects. Projects can be either engineering/design and audit, or construction. Capital can be provided through ratepayer funds and Regional Greenhouse Gas Initiative (RGGI) proceeds.
Commercial – Property Assessed Clean Energy (C-PACE)	C-PACE provides financing for a broad array of energy efficiency and renewable energy projects (and related improvements) in commercial and industrial properties. As the Bank does not directly provide financing for C-PACE loans, property owners are free to arrange financing directly with one of the Bank's third-party capital providers.
Community Septic System Loan Program (CSSLP)	Included in the CWSRF program, CSSLP provides discounted financing to communities to address nonpoint source pollution abatement issues with end loans being offered to residents with cesspools or substandard septic systems. The DEM is responsible for producing a PPL of eligible communities for the Bank to provide financing. Revolved capital from CWSRF provides funding for this program.
Community Project Assistance Fund	This technical assistance program provides municipalities with expert support for the design and engineering of projects aimed at enhancing community resiliency, improving stormwater management, and strengthening local infrastructure. By offering guidance and resources early in the project lifecycle, the program helps ensure that infrastructure investments are effective, sustainable, and aligned with the community's long-term resilience goals.
Efficient Buildings Fund (EBF)	The Fund provides financing to municipalities and quasi-public agencies for renewable energy and energy efficiency improvements. The Rhode Island Office of Energy Resources is responsible for producing a PPL of eligible projects for the Bank to provide financing. Bank capital is supplemented by allocated rate-payer funds and Regional Greenhouse Gas Initiative (RGGI) proceeds.

Notes to Financial Statements
Note 1. Summary of Significant Accounting Policies (continued)

Program	Summary
Municipal Road and Bridge Revolving Fund (MRB)	The Fund provides financing to municipalities for transportation-based infrastructure projects. The Rhode Island Department of Transportation is responsible for producing a PPL of eligible projects for the Bank to provide financing. Funding for the program is provided by local and state bond issues.
Resilient Rhody Investment Fund	This fund provides municipalities with financing to identify and implement projects that reduce vulnerability to flooding, severe weather, and other climate-related hazards. Given Rhode Island's extensive coastline, the Fund also prioritizes initiatives that address sea level rise, coastal erosion, and storm surge impacts, which pose significant risks to local infrastructure and community resilience. These programs are funded through a combination of local and state general obligation bond issues.
Rhode Island Water Pollution Control Revolving Fund (including the Facility Plan Loan Program (FPLP) and the Sewer Tie-In Loan Fund (STILF))	The Fund provides discounted financing for water pollution abatement projects that do not meet the requirements of the CWSRF. In addition, under the FPLP, the Fund also provides financing to municipalities for the completion of water pollution abatement project facility plans, and amendments or updates to such plans. The Fund also supports the STILF program which, like CSSLP, allows communities to borrow funds to address nonpoint source wastewater pollution abatement issues with end loans being offered to residents to connect to the local sewer systems. These programs are funded through capitalization grants from state general obligation bond issues.
Water Quality Protection Charge (WQPC) Fund	The WQPC Fund provides financing for the protection of watershed lands to help ensure water quality. This Fund accounts for water quality protection charges received from various Rhode Island water suppliers. The WQPC provides funding to water suppliers for watershed protection land acquisition, water pipe replacement, and other related projects.

The Bank does not possess the power to raise or collect taxes of any kind or to establish any generally applicable fees and charges, other than loan origination and servicing fees charged directly to those borrowers that receive financing from the Bank. The Bank, at its discretion, may also charge cost of issuance fees to borrowers.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Basis of accounting: The accompanying basic financial statements of the Bank have been prepared in conformance with generally accepted accounting principles (GAAP) as prescribed by the GASB. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Bank is engaged only in “business-type” activities and its operations are financed and operated in a manner like a non-governmental business, where the intent is that the costs of providing services is financed through user charges. The financial statements of the Bank are prepared using the economic resources measurement focus and accrual basis of accounting which aims to report all inflows, outflows and balances affecting an entity’s net position and to recognize the effects of transactions, events and inter-fund activity when they occur regardless of the timing of related cash flows.

Revenue recognition: Operating income emanates through the origination and servicing of loans to eligible borrowers and includes revenues (i.e., interest income on loans and related investments) and expenses incurred in loan-related business activities and other program management expenses. All other revenues and expenses are reported as nonoperating revenues and expenses.

Funding from Federal capitalization grants and state matching grants are reported as nonoperating revenue. Federal capitalization grant revenue is recognized in accordance with funding availability schedules contained within the individual grant agreements. Revenue recognition associated with these grants is based on the standard principles of eligibility, including timing requirements. The Bank recognizes grant revenue upon acceptance of its request for drawdowns by the grantor agency (EPA) and satisfaction of qualifying commitments and all other grant requirements.

The Bank’s Federal capitalization grants, beginning with the American Recovery and Reinvestment Act of 2009 (ARRA) grant, required that a portion of the grant funds be provided as additional subsidization in the form of principal forgiveness, grants, or negative interest loans. The Bank provides the additional subsidization in the form of principal forgiveness, which is recorded as an operating expense.

Fund accounting: To ensure compliance with the limitations and restrictions placed on the use of resources available to the Bank, the accounts of the Bank are maintained in individual funds – essentially by program as described above. For the presentation of the Bank’s financial position and results of operations, these funds are presented on a consolidated basis.

Cash and cash equivalents: The Bank’s cash equivalents include cash deposits at financial institutions and institutional money market accounts. The Bank’s policy is to treat all highly liquid investments with original maturities of three months or less when purchased as cash and cash equivalents.

Investments: Investments with maturity dates of greater than one year at the time of purchase are reported at fair value using quoted market prices. Fair value is defined by GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72), as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As more fully disclosed in Note 3 “Investments,” the Bank’s investments as of June 30, 2025, and 2024 consisted of U.S. agency obligations (e.g., FannieMae, and the Federal Home Loan Bank), and GICs. The Bank’s various indentures or depository and administrative payment agreements (DAPAs) governing its outstanding bond issues restrict the Bank’s ability to invest the proceeds of bonds issued. In addition to those listed above, permitted investments under either an indenture or DAPA, include, for example, repurchase agreements, certificates of deposit, money market funds, and commercial paper – each subject to specific ratings and/or other restrictions. Management actively manages its investment portfolio with a focus on asset allocation, diversification, and duration within the parameters of the permitted investments.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Collateralization of deposits: In accordance with Section 35-10.1-7 of the General Laws of the State, dealing with the collateralization of public deposits, all certificates of deposits with maturities of greater than 60 days and all deposits in institutions that do not meet its minimum capital standards as required by its Federal regulator must be collateralized. The Bank did not have any deposits in fiscal year 2025 and 2024 which required collateralization.

Investment income: All investment income, including changes in the fair value of investments, is reported as revenue in the accompanying statements of revenue, expenses and changes in net position except for the guaranteed investment contracts (GIC) that is reported at contract value. Contract value represents contributions made under the contract plus earnings, less withdrawals and administrative expense.

Property and equipment: Property and equipment are stated at cost. The Bank's threshold for capitalizing any individual item is \$5,000 and a useful life in excess of one year. Depreciation is determined using a straight-line basis over the estimated useful life of the asset per the following schedule:

Asset Category	Estimated Useful Life
Computer equipment and software	3 years
Equipment, furniture, and fixtures	3 – 5 years
Leasehold improvements	7 – 20 years

Bond issuance costs: Bond issuance costs are recorded as operating expenses as incurred.

Allowance for loan losses: Management reviews loan receivable balances and borrowers on a continual basis for possible uncollectible amounts. In the event management determines a specific need for an allowance, provision for loss will then be provided. Should a borrower default on a loan, potential remedies are contained in the loan agreement which is backed by the full taxing power of the borrowing municipality in the form of a general obligation pledge or in the full revenue collecting ability of the Bank's revenue borrowers. Further, the Indenture of Trust (Indenture) as it relates to the Local Interest Subsidy Trust (LIST) serves as a debt service reserve fund. An allowance for loan losses has not been established at either June 30, 2026 and 2025 since historical collection experience has shown amounts to be fully collectible when due.

Deferred inflows and outflows of resources: A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period to which they relate. Deferred inflows and outflows of resources of the Bank consist entirely of deferred refunding costs.

The Bank has refunded certain bond obligations which had the effect of reducing aggregate debt service. The difference between the reacquisition price and the net carrying amount of the refunded bonds is recorded as an amount deferred on refunding. The deferred amount on refunding is amortized over the remaining life of the refunded bonds, or the life of the new bonds, whichever is shorter. The amortization amount is a component of interest expense.

Accrued arbitrage rebate: The Bank has bonds outstanding which are subject to arbitrage limitations. The term "arbitrage rebate" refers to the required payment to the U.S. Treasury Department (Treasury) of earnings received on applicable tax-exempt bond proceeds that are invested at a higher yield than the yield of the tax-exempt bond issue. The Bank's ultimate rebate of arbitrage earnings on these issues is contingent on numerous factors, but principally yields on invested proceeds. The amount the Bank will be required to remit to the Treasury could differ materially from the estimated liability – even in the near term.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Based on calculations that were performed as of June 30, 2026 and 2025, the Bank had accrued arbitrage rebate liabilities totaling \$1,012,117 and \$799,221, respectively. The rebate obligations are generally computed and adjusted, as applicable, on an annual basis in accordance with regulations promulgated by the Treasury. Required rebates are generally due and payable in five-year intervals during the life of debt issues, with rebates due no later than 60 days after the retirement of the debt issues. Actual calculation and payment dates may be accelerated because of refundings/defeasances. Arbitrage rebate expense is recorded as a reduction in interest income – investments.

Loan origination fees: The Bank assesses loan origination fees at the time of loan closing and recognizes such revenue in the period received.

Project costs payable: Project costs payable represents the liability of amounts loaned to borrowers that have not been requisitioned. On June 30, 2026 and 2025, undrawn funds amounted to \$193,198,332 and \$190,936,240 respectively.

Bond premium: Bond premiums, included in long-term debt, are amortized using the effective interest method over the respective life of the associated bond issues. Amortization of bond premiums, which are credited to interest expense, amounted to \$7,116,182 and \$5,469,741 for fiscal years 2026 and 2025, respectively.

Compensated absences: The Bank permits employees to receive compensation for unused sick leave benefits, up to a maximum number of five days per fiscal year. Such compensation is paid annually. The liability for unused sick leave benefits at both period ends were di minimis and as such not recognized.

Net position: Net investment in capital assets represents capital assets, net of accumulated depreciation. Net position of the Bank is classified as restricted when external constraints are imposed by debt agreements, grantors, contributors, or laws or regulations of governments or constraints imposed by law through constitutional provisions or enabling legislation. The Bank's net position is restricted by debt covenants and grantor restrictions. Unrestricted net position has no external restrictions and is available for the operations of the Bank. Unrestricted net position may be designated by actions of the Board.

Operating revenues and expenses: The Bank's principal ongoing operations consist of providing financing for infrastructure projects and administering related programs. Operating revenues consist principally of interest income on loans, loan origination and servicing fees, investment income associated with the Bank's principal ongoing operations, and grant income received for the administration of the Bank's infrastructure financing programs. Operating expenses consist of costs incurred in providing financing and administering these programs. Revenues and expenses that do not meet the criteria for operating classification are reported as nonoperating in accordance with GASB Statement No. 103, *Financial Reporting Model Improvements*. Federal EPA capitalization grants and state matching grants are reported separately from operating revenues in accordance with the applicable GASB reporting requirements.

Restricted assets: Restricted assets of the Bank consist of cash and cash equivalents and investments designated primarily for borrower construction drawdowns (and any interest earned on such investments), borrower interest rate subsidies, arbitrage rebate liabilities, and other programs or purposes designated as restricted by the Board. These restrictions relate to the CWSRF, DWSRF, CWSWIF, Rhode Island Water Pollution Control Revolving Fund, EBF (including ratepayer funds and RGGI proceeds), C-PACE, MRB, WQPC, RRIF, Brownfields RLF, and other programs subject to applicable restrictions. Certain loans receivable in programs with outstanding bonds provide security for the related bonds. Loan payments received are restricted for payment of bond debt service in accordance with the applicable bond indentures.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Intergovernmental transactions: Such amounts represent compulsory payments made to the State as part of its budget requirements.

In the November 2024 ballot, the State of Rhode Island Budget Office recommended \$10.0 million in general obligation bonds to complement the \$16.0 million authorized by voters in November of 2022. The proceeds would serve as matching grants to municipalities for restoring and improving resiliency of infrastructure, vulnerable coastal habitats, and restoring rivers and stream floodplains. The funds are expected to leverage matching funds to support local programs to improve community resiliency and public safety in the face of increased flooding, major storm events and environmental degradation. The \$10.0 million was part of the State's bond issuance in June of 2025. The Bank received the \$10.0 million in August of 2025.

Resource use: The Bank deploys its resources to advance client infrastructure priorities and support its programs and operations, subject to applicable restrictions. Funding sources are utilized based on program needs and availability, with unrestricted resources supporting the Bank's operating expenses.

Recent pronouncements: The GASB has issued the following standards that were effective during the current reporting period or will be effective in future periods:

In April of 2024, GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance the effectiveness of information provided to financial statement users. The Statement establishes requirements for management's discussion and analysis, the presentation of operating and nonoperating revenues and expenses, the presentation of unusual or infrequent items, and certain other financial reporting matters. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Bank is implementing the Statement in its fiscal year 2026 financial statements, including applicable changes to financial statement presentation and management discussion and analysis.

In September of 2024, GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement establishes additional disclosure requirements for certain intangible capital assets and capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Bank has evaluated the applicability of the Statement and has updated its capital asset disclosures, as applicable.

In December of 2025, GASB issued Statement No. 105 – *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The Statement clarifies the subsequent events evaluation period, the distinction between recognized and non-recognized subsequent events, and related disclosure requirements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The Bank will evaluate the impact of the Statement on its financial statements when it becomes effective.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income tax: The Bank is a component unit of the State and is therefore, generally exempt from Federal income taxes under Section 115 of the Internal Revenue Code.

Reclassification: Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. The reclasses had no effect on prior year net position or results of operations.

Notes to Financial Statements

Note 2. Cash and Cash Equivalents

At June 30, 2026 and 2025, the carrying amount of the Bank's cash deposits was \$99,267,532 and \$86,588,072, respectively. The difference between the carrying amount and the depository balance is attributable to outstanding reconciling items (primarily outstanding checks) at year-end. Pursuant to GASB 79, Certain External Investment Pools and Pool Participants, the Bank's institutional money market accounts represent qualifying external investment pools that measure for financial reporting purposes all its investments at amortized cost.

In accordance with Chapter 35-10.1 of the Rhode Island General Laws dealing with Public Finance, depository institutions holding public deposits shall insure or pledge eligible collateral equal to one-hundred percent (100%) of any time deposit with maturities greater than sixty (60) days. If any depository institution does not meet its minimum capital standards as prescribed by its federal regulator, they shall insure or pledge eligible collateral equal to one-hundred percent (100%) of all public deposits. None of the cash deposits of the Bank were required to be collateralized at June 30, 2026 pursuant to this statutory provision.

Cash and cash equivalents, including restricted amounts, consisted of the following at year-end:

Description	2026	2025
Deposits with financial institutions	\$ 99,267,532	\$ 86,588,072
Institutional money market accounts – government portfolio	465,749,801	449,418,359
Cash and cash equivalents	<u>\$565,017,333</u>	<u>\$ 536,006,431</u>

Description	2026	2025
Unrestricted:		
Deposits with financial institutions	\$ 13,986,509	\$ 8,740,043
Institutional money market accounts – government portfolio	28,743	27,549
Subtotal	<u>14,015,252</u>	<u>8,767,592</u>
Restricted:		
Deposits with financial institutions	85,281,023	77,848,029
Institutional money market accounts – government portfolio	465,721,058	449,390,810
Subtotal	<u>551,002,081</u>	<u>527,238,839</u>
Cash and cash equivalents	<u>\$ 565,017,333</u>	<u>\$ 536,006,431</u>

Unrestricted cash: Cash and cash equivalents of \$14,015,252 and \$8,767,592 as of June 30, 2026 and 2025, respectively, are classified as unrestricted. While classified as unrestricted, those assets are subject to use only within the proper purpose of the Bank as established through its enabling legislation discussed in Note 1 and the directives and programs approved by the Board.

Custodial credit risk - Cash and Cash Equivalents: Custodial credit risk is the risk that in the event of insolvency, the Bank's deposits may not be returned in full. The Bank does not have a formal deposit policy for custodial credit risk and therefore, does not limit the amount of its deposits with its depositories. The Bank mitigates custodial credit risk by (i) ensuring that cash deposits that exceed federal depository insurance are collateralized and (ii) investing in institutional money market accounts – government portfolio that are "AAA" rated.

For fiscal year end 2026 and 2025, institutional money market accounts consisted of the following:

Issuer	2026	2025
First American Funds – Government Obligations	\$ 462,034,751	\$ 445,220,332
First American Funds – U.S. Treasury	3,715,050	4,198,027
Total	<u>\$ 465,749,801</u>	<u>\$ 449,418,359</u>

First American Funds was assigned the highest credit ratings by Standard & Poor's, Moody's, and Fitch.

Notes to Financial Statements

Note 3. Investments

The Bank's investments consisted of the following at June 30, 2026:

2026	Amount	Maturity Date(s)	Interest Rate(s)	Credit Ratings Moody's/S&P
US agency and Treasury securities:				
Federal National Mortgage Association	\$ 126,463	2026	1.25% - 2.00%	AAA/AA+
Federal Home Loan Mortgage Corp	2,234,450	2025-2028	1.75% - 2.35%	AAA/AA+
Subtotal	2,360,913			
Guaranteed investment contracts ¹ :				
Mass Mutual Life Insurance Company	787,997	2027	4.79%	Aa3/AA+
Mass Mutual Life Insurance Company	4,050,469	2029	4.50%	Aa3/AA+
Subtotal	4,838,466			
Total investments	\$ 7,199,379			

¹Credit ratings reflect the rating of the issuer.

The Bank's investments consisted of the following at June 30, 2025:

2025	Amount	Maturity Date(s)	Interest Rate(s)	Credit Ratings Moody's/S&P
US agency and Treasury securities:				
Federal National Mortgage Association	\$ 121,338	2026	1.25% - 2.00%	AAA/AA+
Federal Home Loan Mortgage Corp	3,656,651	2025-2028	1.75% - 2.35%	AAA/AA+
Subtotal	3,777,989			
Guaranteed investment contracts ¹ :				
Mass Mutual Life Insurance Company	288,990	2025	4.67%	Aa3/AA+
Mass Mutual Life Insurance Company	1,197,588	2027	4.79%	Aa3/AA+
Mass Mutual Life Insurance Company	3,761,480	2029	4.50%	Aa3/AA+
Subtotal	5,248,058			
Total investments	\$ 9,026,047			

¹Credit ratings reflect the rating of the issuer.

Custodial credit risk - Investments: Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Bank will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Bank requires that all investment agreements be collateralized either upon execution of such agreement or upon the happening of certain events, and always thereafter, by securities or other obligations issued or guaranteed by the United States, by certain Federal agencies having a market value of not less than 100% of the amount currently on deposit or in accordance with their respective agreement. The Bank has a policy which requires the monthly monitoring of custodial credit risk, including the review of institutional credit ratings.

Credit risk: Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The risk is evidenced by a rating issued by a nationally recognized statistical rating organization, which regularly rate such obligations. Most of the Bank's investments are in Treasury, agency securities, municipals, or GICs. Securities issued by the U.S. Treasury are all backed by the full faith and credit of the Federal government.

Notes to Financial Statements

Note 3. Investments (continued)

The Bank has GICs with one provider who maintains the contributed investments. GIC providers must meet the following ratings from S&P and Moody's: domestic banks rated at least AA/Aa2; U.S. branches of foreign banks rated at least AA/Aa2; insurance companies (or corporations whose obligations are guaranteed by an insurance company, in the form of an insurance policy, or by an insurance holding company) rated AAA/Aaa. As discussed in Note 1, the GICs are reported at contract value. The providers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Bank. In accordance with GASB 72, the fair value of these investments is measured at such contract value outside of the fair value hierarchy. The Bank's GICs \$4,549,477 and \$5,248,058 as of June 30, 2026 and 2025, respectively. There are no reserves against contract value for credit risk of the provider or otherwise. The crediting interest rates are based on a formula agreed upon by each provider.

Interest rate risk: Interest rate risk is the risk that an investment's value will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve, or in any other interest rate relationship. Such changes usually affect securities market value inversely. The Bank manages its exposure to interest rate risk by matching the duration of its investments to anticipated obligations.

At June 30, 2026 and 2025, maturities of the Bank's investment by sector were as follows:

Sector – 2026	Total Fair Value	Years			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. agency securities	\$ 2,360,913	\$ 937,723	\$ 1,423,190	\$ -	\$ -
Guaranteed investment contracts	4,838,466	-	4,838,466	-	-
	<u>\$ 7,199,379</u>	<u>\$ 937,723</u>	<u>\$ 6,261,656</u>	<u>\$ -</u>	<u>\$ -</u>

Sector – 2025	Total Fair Value	Years			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. agency securities	\$ 3,777,989	\$ 1,502,326	\$ 2,275,663	\$ -	\$ -
Guaranteed investment contracts	5,248,058	288,990	4,959,068	-	-
	<u>\$ 9,026,047</u>	<u>\$ 1,791,316</u>	<u>\$ 7,234,731</u>	<u>\$ -</u>	<u>\$ -</u>

Fair value measurement: The Bank's investments are recorded at fair value as of June 30, 2026 and 2025, pursuant to the provisions of GASB No. 31, *Certain Investments and External Investment Pools* (GASB 31), and GASB 72. GASB 31 established accounting and financial reporting standards for certain investments to be reported at fair value and for external investment pools. GASB No. 72 addresses accounting and financial reporting issues related to fair value measurements. The Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Notes to Financial Statements

Note 3. Investments (continued)

Level	Valuation Methodology
1	Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that the Bank can access at the measurement date.
2	Investments with inputs, other than quoted prices included in Level 1, that are observable for an asset, either directly or indirectly.
3	Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

The Bank's investments within the fair value hierarchy (which do not include the GICs) are summarized below as of June 30, 2026 and 2025:

2026				
Investment Sector	Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value	
U.S. agency securities	\$ -	\$ 2,360,913	\$	2,360,913
Total investments	\$ -	\$ 2,360,913	\$	2,360,913

2025				
Investment Sector	Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value	
U.S. agency securities	\$ -	\$ 3,777,989	\$	3,777,989
Total investments	\$ -	\$ 3,777,989	\$	3,777,989

The Bank had no investments that were categorized as Level 3 at either June 30, 2026, or June 30, 2025, and therefore that information is not presented in the above tables. Certain investments that are measured at fair value using the net asset value (NAV) per share as a practical expedient have not been classified in the fair value hierarchy.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Bank's investment in a single issuer. Excluding U.S. Treasury securities, the issuers where investments exceeded 5% of the Bank's total investments at either period end are:

Issuer	Percentage of Total Investments	
	2026	2025
Federal Home Loan Mortgage Corp	32%	41%
Federal National Mortgage Association	2%	1%
Mass Mutual Life Insurance Company	66%	58%

Notes to Financial Statements

Note 4. Loans Receivable

At June 30, 2026 and 2025, the Bank had loans outstanding of \$1,488,991,849 and \$1,388,684,982 respectively, including all unused outstanding loan commitments (project costs payable).

Borrowers are obligated to repay the full balance of loan agreements; however, funds are disbursed by the Bank in accordance with the loan agreements as costs are incurred for the projects for which the loans are intended. The Bank disburses funds to the borrowers and/or vendors after receipt of a request for disbursement, which is accompanied by supporting documentation. The Bank is obligated to disburse funds only up to the value of the loan agreement and is not responsible for any excess costs incurred by the borrower. The borrower, in turn, is obligated to make principal and interest payments in accordance with the repayment schedules per the loan agreement even if funds have not been fully disbursed by the Bank at the time of first payment. Loan terms and conditions do vary but loans are generally repaid over 20 years with either level principal or level total payments. Loan amounts may include capitalized interest expense incurred by the borrower during the construction period.

As noted in the "Allowance for loan losses" caption in Note 1, the Bank has various LIST funds, which are restricted by the indenture between the trustee and the Bank and may be used to make the required bond payments in the event of default by a borrower.

Capitalization Grants: The Bank receives capitalization grants from the EPA for the CWSRF and DWSRF. The grants are used to fund the Bank's lending activities with a commitment for state matching funds of 20% of the Federal grant award. CWSRF grant eligible expenses allow the Bank to reimburse the DEM for up to 4% of the capitalization grant for expenses incurred for services they provide the Bank related to these lending activities. DWSRF grants also provide funding for various improvement programs administered by the DOH – ostensibly to support water supplier's efforts to meet the minimum standards for quality outlined in the Federal Act. The DWSRF allows the DOH to set-aside up to 31% of the annual capitalization grants in four accounts as follows: 1) 4% for program administration which is to be split between the DOH and the Bank, 2) up to 2% for technical assistance, 3) up to 10% for state program management, and 4) up to 15% for local assistance.

Principal forgiveness loans: Loans made to eligible borrowers under the CWSRF and DWSRF programs may be forgiven through capitalization grants from the EPA. Certain criteria must be met to qualify, including that the borrower continues to make debt service payments, continues to operate the project in compliance with laws and regulations, and does not dispose of or discontinue the project.

The Bank's historical capitalization grants, state matching funds, principal forgiveness component and principal forgiveness loans for CWSRF are summarized below:

Capitalization Grant	Capitalization Grant Award	State Matching funds	Principal Forgiveness Component	Principal Forgiveness Loans Issued as of FY2026
2009-2018	\$ 115,753,600	\$ 23,150,720	\$ 20,527,430	\$ 20,527,430
2019	10,669,000	2,133,800	1,066,900	1,066,900
2020	10,670,000	2,134,000	1,067,000	-
2021	10,669,000	2,133,800	1,066,900	1,827,300
2022	20,348,000	2,749,000	8,037,500	5,124,805
2023	19,033,000	2,407,000	7,865,440	5,199,024
2024	20,752,000	4,150,400	8,578,700	7,319,416
2025	27,194,000	5,438,800	10,235,690	11,813,433
	<u>\$ 235,088,600</u>	<u>\$ 44,297,520</u>	<u>\$ 58,445,560</u>	<u>\$ 52,878,308</u>

Notes to Financial Statements

Note 4. Loans Receivable (continued)

The Bank's historical capitalization grants available for principal forgiveness loans for DWSRF are summarized below:

Capitalization Grant	Capitalization Grant Award	State Matching funds	Principal Forgiveness Component	Principal Forgiveness Loans Issued as of FY2026
2009-2018	\$ 105,179,000	\$ 21,035,800	\$ 29,184,900	\$ 28,353,923
2019	11,004,000	2,200,800	2,200,800	2,200,800
2020	11,011,000	2,202,200	2,202,200	28,009
2021	11,001,000	2,200,200	2,200,200	662,000
2022	60,905,000	3,200,800	31,664,180	2,107,500
2023	62,283,000	3,093,100	32,938,163	21,711,000
2024	63,936,000	5,529,200	34,153,010	18,813,550
2025	72,094,000	7,160,800	36,059,720	30,166,936
	<u>\$ 397,413,000</u>	<u>\$ 46,622,900</u>	<u>\$ 170,603,173</u>	<u>\$ 104,043,718</u>

The Bank recognizes principal forgiveness expense as the related loans are repaid. The total amount forgiven under these programs in fiscal years 2026 and 2025 was \$7,583,760 and \$5,974,728 respectively. The amounts are included in loan principal forgiveness in the statements of revenues, expenses, and changes in net position.

Note 5. Bonds Payable

Since its inception, the Bank has issued revenue bonds to investors to finance infrastructure projects. The bonds are limited obligations of the Bank and repayment is made by a combination of revenue from the loans, debt service funds, and recycled capital.

In addition, from time to time the Bank issues conduit bonds. The term conduit bonds refers to certain limited-obligation revenue bonds issued by the Bank for the express purpose of providing capital financing for a specific third party. Although conduit debt obligations bear the name of the Bank, it has no obligation for the debt beyond the resources provided by a loan with the third party on whose behalf the conduit bonds are issued. As of June 30, 2026 and 2025, there were seven series of conduit bonds outstanding, with an aggregate principal amount payable of \$29,934,000 and \$33,835,000 respectively.

Notes to Financial Statements

Note 5. Bonds Payable (continued)

The Bank had the following revenue bonds outstanding at June 30, 2026 and 2025:

Clean Water Program	2026	2025
2015 Series B Refunding Bonds, dated October 6, 2015, with serial bonds of \$24,345,000 at rates varying from 2.00% to 5.00% due annually from October 1, 2016 through October 1, 2026. The Bank's defeasance of the 2005A resulted in economic present value savings of \$2,562,154 or 9%.	500,000	3,220,000
2016 Series A Refunding Bonds, dated June 2, 2016, with serial bonds of \$49,060,000 at rates varying from 1.75% to 5.00% due annually from October 1, 2018 through October 1, 2030. The Bank's defeasance of the 2007A and 2009A bonds resulted in economic present value savings of \$6,074,803 or 11%. On September 1, 2021 the Bank advance refunded \$8,410,000 of the outstanding bonds. On February 25, 2026, the Bank refunded the remaining \$14,585,000 through the 2026 Series B Refunding Bonds. The bonds were called March 31, 2026. No series 2016A bonds remained outstanding at June 30, 2026	-	19,380,000
2016 Series B Bonds, dated June 2, 2016, with serial bonds of \$18,790,000 at rates varying from 2.00% to 5.00% due annually from October 1, 2017 through October 1, 2037. On September 1, 2021 the Bank advance refunded \$12,715,000 of the outstanding bonds.	-	875,000
2017 Series A Bonds, dated April 13, 2017, with serial bonds of \$28,130,000 at rates varying from 3.00% to 5.00% due annually from October 1, 2018 through October 1, 2036.	11,510,000	13,390,000
2017 Series B Bonds, dated June 28, 2017, with serial bonds of \$41,120,000 at rates varying from 3.00% to 5.00% due annually from October 1, 2021 through October 1, 2032. The Bank's defeasance of the 2010B and 2011A bonds resulted in economic present value savings of \$4,655,796 or 10%.	23,635,000	27,340,000
2018 Series A Bonds, dated April 25, 2018, with serial bonds of \$17,715,000 at rates varying from 3.00% to 4.00% due annually from October 1, 2025 through October 1, 2037.	17,275,000	17,715,000
2019 Series A Bonds, dated December 18, 2019, with serial bonds of \$112,870,000 at rates varying from 4.00% to 5.00% due annually from October 1, 2020 through October 1, 2034. The Bank's defeasance of the 1999A, 2010A, 2010B, 2012A, 2013A, 2014A, and 2015A bonds resulted in economic present value savings of \$6,414,291 or 7%. On February 25, 2026, the Bank advance refunded the remaining \$77,765,000 through the 2026 Series B Refunding Bonds. The defeased bonds remain outstanding until their schedule redemption dates. No Series 2019A bonds remained in bonds payable at June 30, 2026.	-	83,610,000
2021 Series A Bonds, dated August 17, 2021, with serial bonds of \$103,380,000 at rates varying from .16% to 2.77% due annually from October 1, 2021 through October 1, 2044. The Bank's defeasance of the 2012A, 2012B, 2014A, 2015A, 2015C, 2016A and 2016B bonds resulted in economic present value savings of \$5,002,055 or 8%.	71,505,000	81,060,000
2023 Series A Bonds, dated June 13, 2023, with serial bonds of \$72,890,000 at rates varying from 4.00% to 5.00% due annually from October 1, 2023 through October 1, 2053.	71,600,000	71,600,000
2024 Series A Bonds, dated May 23, 2024, with serial bonds of \$41,780,000 at rates varying from 3.00% to 4.00% due annually from October 1, 2025 through October 1, 2053.	41,615,000	41,780,000
2025 Series A Bonds, dated June 24, 2025, with serial bonds of \$70,680,000 at rates varying from 5.00% to 5.25% due annually from October 1, 2026 through October 1, 2055	70,680,000	70,680,000
2026 Series A Bonds, dated February 25, 2026, with serial bonds of \$45,945,000 at rates varying from 3.00% to 5.00% due annually from October 1, 2026 through October 1, 2055	45,945,000	-
2026 Series B Refunding Bonds, dated February 25, 2026, with \$84,270,000 allocable to the Clean Water Program. The issue refunded \$14,585,000 of Series 2016A and \$77,765,000 of Series 2019A Clean Water bonds.	84,270,000	-
Program Total	438,535,000	430,650,000

Notes to Financial Statements

Note 5. Bonds Payable (continued)

Drinking Water Program	2026	2025
2014 Series A Bonds, dated December 4, 2014, with serial bonds of \$13,090,000 at rates varying from 2.00% to 5.00% due annually from October 1, 2016 through October 1, 2036 and term bonds of \$1,085,000 at 3.50% due October 1, 2025 and term bonds of \$3,350,000 at 5.00% due October 1, 2036. On December 18, 2019, and September 1, 2021 the Bank advance refunded \$3,350,000 and \$1,080,000 respectively of the outstanding bonds. On February 25, 2026, the Bank refunded the remaining \$3,665,000 through the 2026 Series B Refunding Bonds. The refunded bonds were called May 21, 2026. No Series 2014A bonds remained outstanding at June 30, 2026.	-	4,165,000
2015 Series A Bonds, dated December 17, 2015, with serial bonds of \$22,640,000 at rates varying from 2% to 5% due annually from October 1, 2017 through October 1, 2037. On September 1, 2021 the Bank advance refunded \$4,620,000 of the outstanding bonds. On February 25, 2026, the Bank refunded the remaining \$8,685,000 through the 2026 Series B Refunding Bonds. The refunded bonds were called March 31 and May 21, 2026. No Series 2015A bonds remained outstanding at June 30, 2026.	-	9,810,000
2017 Series A Bonds, dated February 28, 2017, with serial bonds of \$23,785,000 at rates varying from 2% to 5% due annually from October 1, 2018 through October 1, 2036. The Bank's defeasance of the 2008A bonds resulted in economic present value savings of \$2,608,056 or 11%.	8,360,000	10,470,000
2017 Series B Bonds, dated May 10, 2017, with serial bonds of \$11,350,000 at rates varying from 2% to 5% due annually from October 1, 2019 through October 1, 2036.	7,995,000	8,520,000
2019 Series A Bonds, dated June 27, 2019, with serial bonds of \$31,600,000 at rates of 4.00% and 5% due annually from October 1, 2023 through October 1, 2039.	29,795,000	31,060,000
2019 Series B Refunding Bonds, dated June 27, 2018, with serial bonds of \$10,205,000 at rates varying from 2.07% to 2.76% due annually from October 1, 2019 through October 1, 2029. The Bank's defeasance of the 2005A and 2008A bonds resulted in economic present value savings of \$1,127,646 or 12%. On February 25, 2026, the Bank advance refunded the remaining \$5,230,000 through the 2026 Series B Refunding Bonds. The defeased bonds remain outstanding until their scheduled redemption dates. No Series 2019B bonds remained in bonds payable at June 30, 2026.	-	7,570,000
2019 Series C Bonds, dated December 18, 2019, with serial bonds of \$6,490,000 at a rate of 5% due annually from October 1, 2023 through October 1, 2030. The Bank's advanced refunding of the 2009A bonds resulted in economic present value savings of \$1,370,822 or 17%.	5,040,000	5,780,000
2019 Series D Bonds, dated December 18, 2019, with serial bonds of \$112,870,000 at rates varying from 1.73% to 2.88% due annually from October 1, 2020 through October 1, 2034. The Bank's defeasance of the 2012A, 2013A, 2014A bonds resulted in economic present value savings of \$2,683,561 or 8%. On February 25, 2026, the Bank advance refunded the remaining \$28,185,000 through the 2026 Series B Refunding Bonds. The defeased bonds remain outstanding until their schedule redemption dates. No Series 2019D bonds remained in bonds payable at June 30, 2026.	-	32,290,000
2021 Series A Bonds, dated September 1, 2021, with serial bonds of \$24,220,000 at rates varying from .16% to 2.17% due annually from October 1, 2021 through October 1, 2035. The Bank's defeasance of the 2012A, 2013A, 2014A, and 2015A bonds resulted in economic present value savings of \$1,438,458 or 9%.	22,400,000	22,765,000
2023 Series A Bonds, dated June 13, 2023, with serial bonds of \$4,370,000 at rates varying from 4.00% to 5.00% due annually from October 1, 2023 through October 1, 2039.	2,420,000	3,060,000
2026 Series A Bonds, dated February 25, 2026, with serial bonds of \$12,310,000 allocable to the Drinking Water Program, at rates varying from 3.00% to 5.00% due annually from October 1, 2026 through October 1, 2055.	12,310,000	-
2026 Series B Bonds, dated February 25, 2026, with serial bonds of \$41,970,000 allocable to the Drinking Water Program, at rates varying from 4.00% to 5.00% due annually from October 1, 2026 through October 1, 2055. The Bank's refunding of the 2014A, 2015A, 2019B, and 2019D bonds included \$3,665,000, \$8,685,000, \$5,230,000 and \$28,185,000, respectively, of outstanding bonds.	41,970,000	-
Program Total	130,290,000	135,490,000

Notes to Financial Statements

Note 5. Bonds Payable (continued)

Municipal Road & Bridge	2026	2025
2018 Series A Bonds, dated June 20, 2018, with serial bonds of \$13,965,000 at rates varying from 2% to 5% due annually from October 1, 2019 through October 1, 2037.	\$ 8,730,000	\$ 9,385,000
2019 Series A Bonds, dated May 2, 2019, with serial bonds of \$15,440,000 at rates of 4% to 5% due annually from October 1, 2019 through October 1, 2035.	11,570,000	12,200,000
2020 Series A Bonds, dated April 16, 2020, with serial bonds of \$12,765,000 at rates of 4% and 5% due annually from October 1, 2021 through October 1, 2031.	7,130,000	8,330,000
Program Total	27,430,000	29,915,000
Efficient Buildings Fund	2026	2025
2018 Series A Bonds, dated November 29, 2018, with serial bonds of \$18,310,000 at rates varying from 3% to 5% due annually from October 1, 2019 through October 1, 2033.	\$ 9,405,000	\$ 10,885,000
2020 Series A Bonds, dated October 14, 2020, with serial bonds of \$13,970,000 at a rate of 4% due annually from October 1, 2021 through October 1, 2040.	10,895,000	11,440,000
Program Total	20,300,000	22,325,000
Subtotal	616,555,000	618,380,000
Bond premium, net of amortization	38,154,310	26,195,882
Refunding credits, net of amortization	(3,934,786)	(4,622,304)
Total bonds payable	<u>\$ 650,774,524</u>	<u>\$ 639,953,578</u>

Long-term liability activity for the years ended June 30, 2026 and 2025, was as follows:

2026	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Long term debt:					
Revenue bonds	\$ 618,380,000	\$184,495,000	\$ 186,320,000	\$ 616,555,000	\$ 40,530,000
Plus bond premium, net of amortization	26,195,882	19,074,610	7,116,182	38,154,310	6,177,430
Less refunding credits, net of amortization	4,622,304	-	687,518	3,934,786	591,451
Total long-term debt	<u>\$ 639,953,578</u>	<u>\$ 203,569,610</u>	<u>\$ 192,748,664</u>	<u>\$ 650,774,524</u>	<u>\$ 46,115,979</u>
2025	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Long term debt:					
Revenue bonds	\$ 601,890,000	\$ 70,680,000	\$ 54,190,000	\$ 618,380,000	\$ 48,205,000
Plus bond premium, net of amortization	26,721,003	4,944,620	5,469,741	26,195,882	4,629,153
Less refunding credits, net of amortization	5,927,745	-	1,305,441	4,622,304	687,519
Total long-term debt	<u>\$ 622,683,258</u>	<u>\$ 75,624,620</u>	<u>\$ 58,354,300</u>	<u>\$ 639,953,578</u>	<u>\$ 52,146,634</u>

Notes to Financial Statements

Note 5. Bonds Payable (continued)

Annual principal and interest requirements are as follows for the year ending June 30, 2026:

Years	Principal	Interest	Total
2027	\$ 40,530,000	\$ 25,468,160	\$ 65,998,160
2028	37,340,000	23,847,360	61,187,360
2029	33,045,000	22,509,902	55,554,902
2030	48,795,000	20,922,444	69,717,444
2031	35,375,000	19,217,996	54,592,996
2032-2036	155,435,000	60,220,348	215,655,348
2037-2041	134,025,000	43,439,810	177,464,810
2042-2046	31,855,000	27,031,093	58,886,093
2047-2051	44,710,000	19,236,372	63,946,372
2052-2056	55,445,000	6,208,503	61,653,503
Total	\$ 616,555,000	\$ 268,101,988	\$ 884,656,988

Advanced refunding of debt: As described in Note 1 (please see “Deferred inflows and outflows of resources”), the Bank will occasionally refund bonds if market conditions are amenable to reducing the aggregate debt service. When a bond is refunded, the Bank deposits bond proceeds from refunding bonds with an escrow agent to provide resources for all future debt service payments on the refunded bonds. As a result, the bonds are defeased and the liability is no longer included in the Bank’s financial statements.

In prior years, the Bank defeased certain bonds in the same manner as described above. At June 30, 2026 and 2025, the Bank had \$111,180,000 and \$23,845,000 of bonds outstanding, respectively, that are defeased.

Deferred outflows and inflows of resources: When the Bank refunds or advance refunds its bonds, it calculates the difference between the reacquisition price and the net carrying amount of the old debt. The resulting accounting gain or loss is then amortized over the life of the refunding bonds or remaining life of the defeased bonds, whichever is lesser. The excess of the reacquisition price over the carrying value of the defeased bonds is recorded as deferred outflows of resources on the statement of net position. The excess of the carrying value of the defeased bond over the reacquisition price is recorded as deferred inflows of resources on the same.

The deferred outflows were as follows at June 30:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Ending balance – June 30, 2024	\$ 3,894,977	\$ 1,368,176
Additions	-	-
Reductions	(816,662)	(337,778)
Ending balance – June 30, 2025	3,078,315	1,030,398
Additions	4,557,760	4,438,429
Reductions	(5,001,227)	(2,542,172)
Ending Balance - June 30, 2026	\$ 2,634,848	\$ 2,926,655

Notes to Financial Statements

Note 6. Lease Liability

The Bank leases its office under a long-term, non-cancelable lease agreement that expires in May of 2033. Total future minimum lease payments under the lease agreement are as follows:

Year Ending	Principal	Interest	Total
2027	\$ 174,491	\$ 74,226	\$ 248,717
2028	191,046	65,095	256,141
2029	208,749	55,109	263,858
2030	227,563	44,212	271,775
2031	247,554	32,346	279,900
2032-2033	534,819	25,014	559,833
	<u>\$ 1,584,222</u>	<u>\$ 296,002</u>	<u>\$ 1,880,224</u>

Note 7. Deferred Compensation

The Bank sponsors a deferred compensation plan for the benefit of its employees, known as the "Rhode Island Infrastructure Bank Deferred Compensation Plan" (Plan) and created in accordance with Internal Revenue Code Section 457. The Plan, available to all Bank employees – after certain tenure requirements are met – permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Board is responsible for establishing or amending the Plan's provisions and establishing or amending contribution requirements. The Bank has an obligation to provide for the prudent management of these monies and has contracted with Voya Retirement Insurance and Annuity Company to serve as the Plan administrator.

The Bank implemented the Governmental Accounting Standards Board, Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As a result, deferred compensation investments and the respective liability are not included in the Bank's financial statements for the years ended June 30, 2026 and 2025. The Bank currently remits to the Plan administrator an amount equal to 10% of eligible employees' compensation (gross) monthly. The Board establish the contribution percentage on an annual basis. Employees immediately vest in the employer contributions, therefore, there are no employee forfeitures. The Bank's contribution totaled \$186,177 and \$154,422 for the years ended June 30, 2026 and 2025, respectively. Employees can make contributions to the Plan up to, but not exceeding, the lesser of 33 and 1/3% of their individual compensation or \$24,500 and \$23,500 for calendar years 2026 and 2025, respectively, with higher limits available to eligible participants under statutory catch-up provisions/There is no additional obligation incurred by the Bank.

Notes to Financial Statements

Note 8. Capital Assets

The summary of changes in capital assets are summarized below:

	Balance at June 30, 2025	Additions	Retirements	Balance at June 30, 2026
Cost:				
Computer equipment and software	\$ 26,698	\$ -	\$ -	\$ 26,698
Furniture and fixtures	157,239	-	-	157,239
Equipment	61,225	-	-	61,225
Right-of-use asset - office lease	2,028,728	-	-	2,028,728
Total cost	2,273,890	-	-	2,273,890
Accumulated depreciation and amortization:				
Computer equipment and software	(12,319)	(6,675)	-	(18,994)
Furniture and fixtures	(33,205)	(17,471)	-	(50,676)
Equipment	(15,669)	(8,175)	-	(23,844)
Right-of-use asset - office lease	(422,651)	(202,872)	-	(625,523)
Total accumulated depreciation and amortization	(483,844)	(235,193)	-	(719,037)
Net capital assets	\$ 1,790,046	\$ (235,193)	\$ -	\$ 1,554,853

	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025
Cost:				
Computer equipment and software	\$ 47,495	\$ -	\$ (20,797)	\$ 26,698
Furniture and fixtures	157,239	-	-	157,239
Equipment	61,225	-	-	61,225
Right-of-use asset - office lease	2,028,728	-	-	2,028,728
Leasehold improvements	-	-	-	-
Total cost	\$2,294,687	-	(20,797)	\$2,273,890
Accumulated depreciation and amortization:				
Computer equipment and software	(26,441)	(6,675)	20,797	(12,319)
Furniture and fixtures	(15,734)	(17,471)	-	(33,205)
Equipment	(7,494)	(8,175)	-	(15,669)
Right-of-use asset - office lease	(219,779)	(202,872)	-	(422,651)
Leasehold improvements	-	-	-	-
Total accumulated depreciation and amortization	(269,448)	(235,193)	20,797	(483,844)
Net capital assets	\$ 2,025,239	\$ (235,193)	\$ -	\$ 1,790,046

Depreciation and amortization expense was \$235,193 for each of the years ended June 30, 2026 and 2025

Notes to Financial Statements

Note 9. Commitments and Contingencies

The Bank receives grants from the EPA and the State to fund its loan program activities. These amounts are subject to audit and adjustment by the Federal government. Any disallowed claims, including amounts already collected may constitute a liability of the Bank. The EPA conducts annual fiscal and regulatory compliance reviews to determine that Bank activities follow EPA regulations. As of June 30, 2026 and 2025, no expenditures of the Bank have been disallowed. Management does not believe that any future disallowance of expenditures would be material. Like other areas of the country, some Rhode Island communities continue to experience budget challenges. The impact of these economic conditions on the Bank's borrowers and their ability to continue to make timely loan repayments is difficult to determine; however, the loans are secured predominantly by revenues from essential water and sewer services. Some communities, particularly smaller communities, may generally be more vulnerable to the effects of downturns in the economy. The Bank continues to monitor the financial status of its borrowers as part of an overall loan portfolio monitoring process.

Note 10. Risk Management

The Bank is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors or omissions and injuries to employees. The Bank has purchased commercial insurance to protect itself from potential liabilities from losses or claims. To date, the Bank has not incurred any claims or losses. There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the Bank's insurance coverage during the past five years.

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING SCHEDULE OF NET POSITION
June 30, 2026

	Bank	Clean Water	RIWPCRF	DWSRF	MRBRF	WQPCF	EBF	Brownfields	Resilient Rhody	Total
Assets										
Current assets:										
Cash, cash equivalents and investments										
Unrestricted:										
Cash and cash equivalents	\$ 14,015,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	14,015,252
Restricted:										
Cash and cash equivalents	753,884	223,341,537	52,679,802	145,062,295	50,135,776	9,394,872	37,924,190	132,162	31,577,563	551,002,081
Investments	-	2,649,902	-	4,549,477	-	-	-	-	-	7,199,379
Total restricted cash, cash equivalents and investments	753,884	225,991,439	52,679,802	149,611,772	50,135,776	9,394,872	37,924,190	132,162	31,577,563	558,201,460
Other current assets:										
Unrestricted:										
Prepaid expenses, other assets and other receivables	237,199	-	-	-	-	-	-	-	-	237,199
Restricted:										
Service fees receivable	1,530,127	-	-	-	124,606	-	-	-	-	1,654,733
Loans receivable	1,383,000	48,253,154	284,455	37,873,610	7,850,000	-	5,696,000	39,669	779,792	102,159,680
Intergovernmental receivable	-	-	-	-	-	-	-	-	-	-
Accrued interest receivable:										
Loans	125,432	6,099,142	4,760	2,758,544	657,776	-	338,527	2,187	49,991	10,036,359
Investments	85	601,414	195,306	435,490	191,648	9,089	73,137	138	32,076	1,538,383
Prepaid expenses, other assets and other receivables	11,247,331	18,856,905	(19,390,288)	(9,886,391)	(5,029)	(596,330)	(181,594)	(4,953)	(39,654)	(3)
Total current assets	29,292,310	299,802,054	33,774,035	180,793,025	58,954,777	8,807,631	43,850,260	169,203	32,399,768	687,843,063
Noncurrent assets:										
Unrestricted:										
Loans receivable	11,663,005	-	-	-	-	-	-	-	-	11,663,005
Capital Assets										
Capital Assets not being depreciated	-	-	-	-	-	-	-	-	-	-
Capital Assets, net of depreciation and amortization	1,554,853	-	-	-	-	-	-	-	-	1,554,853
Total Capital Assets	1,554,853	-	-	-	-	-	-	-	-	1,554,853
Restricted:										
Loans receivable	-	791,558,227	2,957,196	424,883,465	100,635,143	-	43,156,683	295,842	11,682,608	1,375,169,164
Total noncurrent assets	13,217,858	791,558,227	2,957,196	424,883,465	100,635,143	-	43,156,683	295,842	11,682,608	1,388,387,022
Total assets	42,510,168	1,091,360,281	36,731,231	605,676,490	159,589,920	8,807,631	87,006,943	465,045	44,082,376	2,076,230,085
Deferred Outflows of Resources	-	1,758,672	-	876,176	-	-	-	-	-	2,634,848
Liabilities										
Current liabilities										
Project costs payable	-	72,163,136	854,906	93,981,388	19,387,452	-	2,702,160	24,196	4,085,094	193,198,332
Bonds payable	-	31,460,979	-	9,975,000	2,565,000	-	2,115,000	-	-	46,115,979
Lease liability	174,491	-	-	-	-	-	-	-	-	174,491
Accrued interest payable	-	4,725,021	-	1,351,166	303,403	-	204,013	-	-	6,583,603
Accounts payable and accrued expenses	355,694	(29,698)	8,998	(40,653)	3,275	-	85,768	-	870	384,254
Total current liabilities	530,185	108,319,438	863,904	105,266,901	22,259,130	-	5,106,941	24,196	4,085,964	246,456,659
Noncurrent liabilities:										
Bonds payable, net	-	431,025,292	-	128,202,810	26,153,848	-	19,276,595	-	-	604,658,545
Arbitrage	-	960,758	-	26,026	-	-	25,332	-	-	1,012,116
Lease liability	1,409,731	-	-	-	-	-	-	-	-	1,409,731
Total noncurrent liabilities	1,409,731	431,986,050	-	128,228,836	26,153,848	-	19,301,927	-	-	607,080,392
Total liabilities	1,939,916	540,305,488	863,904	233,495,737	48,412,978	-	24,408,868	24,196	4,085,964	853,537,051
Deferred Inflows of Resources	-	2,431,775	-	494,880	-	-	-	-	-	2,926,655
Net Position										
Net investments in capital assets	(29,369)	-	-	-	-	-	-	-	-	(29,369)
Restricted for program purposes	636,915	550,381,695	35,867,326	372,562,049	111,176,942	8,807,631	62,598,075	440,849	39,996,413	1,182,467,895
Unrestricted	39,962,701	-	-	-	-	-	-	-	-	39,962,701
Total net position	\$ 40,570,247	\$ 550,381,695	\$ 35,867,326	\$ 372,562,049	\$ 111,176,942	\$ 8,807,631	\$ 62,598,075	\$ 440,849	\$ 39,996,413	\$ 1,222,401,227

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING SCHEDULE OF NET POSITION
June 30, 2025

	Bank	Clean Water	RIWPCRF	DWSRF	MRBRF	WQPCF	EBF	Resilient Rhody	Total
Assets									
Current assets:									
Cash, cash equivalents and investments									
Unrestricted:									
Cash and cash equivalents	\$ 8,767,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,767,594
Restricted:									
Cash and cash equivalents	472,946	243,490,592	56,844,361	111,928,132	52,251,701	8,299,772	33,527,541	20,423,792	527,238,837
Investments	-	4,066,979	-	4,959,068	-	-	-	-	9,026,047
Total restricted cash, cash equivalents and investments	472,946	247,557,571	56,844,361	116,887,200	52,251,701	8,299,772	33,527,541	20,423,792	536,264,884
Other current assets:									
Unrestricted:									
Prepaid expenses, other assets and other receivables	216,703	-	-	-	-	-	-	-	216,703
Restricted:									
Service fees receivable	1,508,387	-	-	-	122,141	-	-	-	1,630,528
Loans receivable	1,381,669	46,812,658	544,616	34,480,454	6,958,000	-	5,535,000	667,930	96,380,327
Intergovernmental receivable	-	-	-	-	-	-	-	10,000,000	10,000,000
Accrued interest receivable:									
Loans	138,239	5,301,027	4,904	2,780,098	596,630	-	325,835	40,624	9,187,357
Investments	250	492,564	102,558	456,642	153,858	4,355	76,422	52,013	1,338,662
Prepaid expenses, other assets and other receivables	10,984,254	17,282,280	(19,347,186)	(8,221,939)	(4,500)	(596,330)	(74,972)	(21,607)	-
Total current assets	23,470,042	317,446,100	38,149,253	146,382,455	60,077,830	7,707,797	39,389,826	31,162,752	663,786,055
Noncurrent assets:									
Unrestricted:									
Loans receivable	13,046,005	-	-	-	-	-	-	-	13,046,005
Capital Assets									
Capital Assets not being depreciated	-	-	-	-	-	-	-	-	-
Capital Assets, net of depreciation and amortization	1,790,046	-	-	-	-	-	-	-	1,790,046
Total Capital Assets	1,790,046	-	-	-	-	-	-	-	1,790,046
Restricted:									
Loans receivable	333,865	748,727,307	3,277,218	385,150,884	84,611,000	-	46,435,204	10,723,172	1,279,258,650
Total noncurrent assets	15,169,916	748,727,307	3,277,218	385,150,884	84,611,000	-	46,435,204	10,723,172	1,294,094,701
Total assets	38,639,958	1,066,173,407	41,426,471	531,533,339	144,688,830	7,707,797	85,825,030	41,885,924	1,957,880,756
Deferred Outflows of Resources	-	2,125,478	-	952,837	-	-	-	-	3,078,315
Liabilities									
Current liabilities									
Project costs payable	24,194	100,096,862	2,531,766	76,211,867	5,407,427	-	4,184,155	2,479,969	190,936,240
Bonds payable	-	32,239,986	-	14,643,201	2,945,454	-	2,317,993	-	52,146,634
Lease liability	158,944	-	-	-	-	-	-	-	158,944
Accrued interest payable	-	3,172,369	-	1,092,697	334,466	-	227,963	-	4,827,495
Accounts payable and accrued expenses	444,574	66,852	4,370	(41,343)	4,490	-	-	13,770	492,713
Total current liabilities	627,712	135,576,069	2,536,136	91,906,422	8,691,837	-	6,730,111	2,493,739	248,562,026
Noncurrent liabilities:									
Bonds payable, net	-	411,897,524	-	125,798,977	28,718,848	-	21,391,595	-	587,806,944
Arbitrage	-	724,353	-	5,390	-	-	69,478	-	799,221
Lease liability	1,584,223	-	-	-	-	-	-	-	1,584,223
Total noncurrent liabilities	1,584,223	412,621,877	-	125,804,367	28,718,848	-	21,461,073	-	590,190,388
Total liabilities	2,211,935	548,197,946	2,536,136	217,710,789	37,410,685	-	28,191,184	2,493,739	838,752,414
Deferred Inflows of Resources	-	928,835	-	101,563	-	-	-	-	1,030,398
Net Position									
Net investments in capital assets	46,879	-	-	-	-	-	-	-	46,879
Restricted for program purposes	3,096,723	519,172,104	38,890,335	314,673,824	107,278,145	7,707,797	57,633,846	39,392,185	1,087,844,959
Unrestricted	33,284,421	-	-	-	-	-	-	-	33,284,421
Total net position	\$ 36,428,023	\$ 519,172,104	\$ 38,890,335	\$ 314,673,824	\$ 107,278,145	\$ 7,707,797	\$ 57,633,846	\$ 39,392,185	\$ 1,121,176,259

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2026

	Bank	Clean Water	RIWPCRF	DWSRF	MRBRF	WQPCF	EBF	Brownfields	Resilient Rhody	Total
Operating revenues:										
Interest income - loans	\$ 357,503	\$ 16,586,828	\$ 14,352	\$ 7,845,172	\$ 1,886,719	\$ -	\$ 947,222	\$ 6,837	\$ 134,467	\$ 27,779,100
Loan servicing fees	4,551,189	-	-	-	365,665	-	-	-	-	4,916,854
Loan origination fees	2,264,881	-	-	-	-	-	-	-	-	2,264,881
Total operating revenues	7,173,573	16,586,828	14,352	7,845,172	2,252,384	-	947,222	6,837	134,467	34,960,835
Operating expenses:										
Program administration, partner agencies	-	713,311	14,329	6,864,513	-	-	-	-	-	7,592,153
Principal forgiveness	-	2,061,673	-	5,495,492	-	-	-	-	26,595	7,583,760
Personnel	2,704,635	-	14,897	-	-	-	-	-	-	2,719,532
Professional services	107,666	-	-	-	-	-	443,520	-	-	551,186
Legal	305,833	-	-	-	-	-	-	-	-	305,833
Correspondent and trustee	122,182	-	-	-	-	-	-	-	-	122,182
Information technology	149,670	-	-	-	-	-	-	-	-	149,670
Marketing	223,964	-	-	-	-	-	-	-	-	223,964
Audit and accounting	86,961	-	-	-	-	-	-	-	-	86,961
Financial advisory	84,563	-	-	-	-	-	-	-	-	84,563
Loan origination expense	213,880	-	-	-	-	-	-	-	-	213,880
Occupancy and office expense	83,435	-	-	-	-	-	-	-	-	83,435
Depreciation	235,193	-	-	-	-	-	-	-	-	235,193
Insurance	71,243	-	-	-	-	-	-	-	-	71,243
Business and travel	20,479	-	-	-	-	-	-	-	-	20,479
Dues and Subscriptions	22,032	-	-	-	-	-	-	-	-	22,032
Seminars	8,025	-	-	-	-	-	-	-	-	8,025
Total operating expenses	4,439,761	2,774,984	29,226	12,360,005	-	-	443,520	-	26,595	20,074,091
Operating income	2,733,812	13,811,844	(14,874)	(4,514,833)	2,252,384	-	503,702	6,837	107,872	14,886,744
Noncapital Subsidies										
Transfers in	82,724	-	7,120	-	15,000	-	25,000	102,330	-	232,174
Transfers out	-	(117,352)	-	-	-	-	-	(102,330)	(12,492)	(232,174)
Total Noncapital Subsidies	82,724	(117,352)	7,120	-	15,000	-	25,000	-	(12,492)	-
Operating Income (Loss) and Noncapital Subsidies	2,816,536	13,694,492	(7,754)	(4,514,833)	2,267,384	-	528,702	6,837	95,380	14,886,744
Other Nonoperating Revenues (Expenses)										
Interest income - Investments	974,127	8,582,823	2,095,092	5,633,403	2,415,635	210,569	1,085,167	1,936	514,030	21,512,782
Interest expense, net	(82,556)	(13,844,856)	-	(3,468,832)	(784,221)	-	(547,007)	-	-	(18,727,472)
Debt issuance	(14,900)	(963,540)	-	(353,859)	-	-	-	-	-	(1,332,299)
Grant income and other contributed capital	881,098	23,740,670	(5,110,348)	60,592,344	-	889,264	3,897,368	-	(5,183)	84,885,213
Total Other Nonoperating Revenues (Expenses)	1,757,769	17,515,097	(3,015,256)	62,403,056	1,631,414	1,099,833	4,435,528	1,936	508,847	86,338,224
Increase (Decrease) in Fund Net Position	4,574,305	31,209,589	(3,023,010)	57,888,223	3,898,798	1,099,833	4,964,230	8,773	604,227	101,224,968
Net position, beginning of the year	35,995,942	519,172,106	38,890,336	314,673,826	107,278,144	7,707,798	57,633,845	432,076	39,392,186	1,121,176,259
Net position, end of the year	\$ 40,570,247	\$ 550,381,695	\$ 35,867,326	\$ 372,562,049	\$ 111,176,942	\$ 8,807,631	\$ 62,598,075	\$ 440,849	\$ 39,996,413	\$ 1,222,401,227

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2025

	Bank	Clean Water	RIWPCRF	DWSRF	MRBRF	WQPCF	EBF	Resilient Rhody	Total
Operating revenues:									
Interest income - loans	\$ 424,373	\$ 15,003,066	\$ 132,563	\$ 7,595,937	\$ 2,050,930	\$ -	\$ 987,678	\$ 32,872	\$ 26,227,419
Loan servicing fees	4,570,643	-	-	-	369,437	-	-	-	4,940,080
Loan origination fees	1,462,255	-	1,000	-	-	-	-	-	1,463,255
Total operating revenues	6,457,271	15,003,066	133,563	7,595,937	2,420,367	-	987,678	32,872	32,630,754
Operating expenses:									
Program administration, partner agencies	9,000	104,338	80,021	6,269,833	-	-	-	-	6,463,192
Principal forgiveness	-	1,865,973	56,402	4,052,353	-	-	-	-	5,974,728
Personnel	2,442,399	-	-	-	-	-	-	-	2,442,399
Professional services	116,026	4,146	91,297	-	-	-	90,129	-	301,598
Legal	369,617	-	17,446	-	-	-	-	-	387,063
Correspondent and trustee	140,319	-	-	-	1,000	-	-	-	141,319
Information technology	151,146	-	-	-	-	-	-	-	151,146
Marketing	140,084	-	-	-	-	-	-	-	140,084
Audit and accounting	120,068	-	-	-	-	-	-	-	120,068
Financial advisory	78,500	-	-	-	1,500	-	-	-	80,000
Loan origination expense	167,750	5,000	(795)	-	-	-	-	-	171,955
Occupancy and office expense	90,159	-	-	-	-	-	-	-	90,159
Depreciation	235,193	-	-	-	-	-	-	-	235,193
Insurance	71,942	-	-	-	-	-	-	-	71,942
Business and travel	13,334	-	-	-	-	-	-	-	13,334
Dues and subscriptions	13,416	-	-	-	-	-	-	-	13,416
Seminars	4,694	-	-	-	-	-	-	-	4,694
Total operating expenses	4,163,647	1,979,457	244,371	10,322,186	2,500	-	90,129	-	16,802,290
Operating income	2,293,624	13,023,609	(110,808)	(2,726,249)	2,417,867	-	897,549	32,872	15,828,464
Noncapital Subsidies									
Transfers in	79,935	-	-	4,440,864	-	-	-	217,760	4,738,559
Transfers out	-	(4,530,220)	(208,339)	-	-	-	-	-	(4,738,559)
Intergovernmental transactions	(2,033,929)	8,351	(29,191,613)	388,560	(163,532)	(892)	(2,355)	28,995,410	(2,000,000)
Total Noncapital Subsidies	(1,953,994)	(4,521,869)	(29,399,952)	4,829,424	(163,532)	(892)	(2,355)	29,213,170	(2,000,000)
Operating Income (Loss) and Noncapital Subsidies	339,630	8,501,740	(29,510,760)	2,103,175	2,254,335	(892)	895,194	29,246,042	13,828,464
Other Nonoperating Revenues (Expenses)									
Interest income - Investments	1,393,380	7,660,130	2,471,688	5,469,695	2,036,629	392,916	1,113,818	146,143	20,684,399
Interest expense, net	(90,131)	(9,861,855)	-	(3,278,996)	(841,514)	-	(594,728)	-	(14,667,224)
Debt issuance	(55,900)	(463,670)	-	(153)	-	-	-	-	(519,723)
Grant income and other contributed capital	488,414	33,775,701	489,340	25,483,960	1,444,676	993,989	3,372,453	10,000,000	76,048,533
Total Other Nonoperating Revenues (Expenses)	1,735,763	31,110,306	2,961,028	27,674,506	2,639,791	1,386,905	3,891,543	10,146,143	81,545,985
Increase (Decrease) in Fund Net Position	2,075,393	39,612,046	(26,549,732)	29,777,681	4,894,126	1,386,013	4,786,737	39,392,185	95,374,449
Net position, beginning of the year	34,352,630	479,560,058	65,440,067	284,896,143	102,384,019	6,321,784	52,847,109	-	1,025,801,810
Net position, end of the year	\$ 36,428,023	\$ 519,172,104	\$ 38,890,335	\$ 314,673,824	\$ 107,278,145	\$ 7,707,797	\$ 57,633,846	\$ 39,392,185	\$ 1,121,176,259

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE REQUIRED STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,015,252	\$ 8,767,594
Receivables (net)	13,229,475	12,156,547
Restricted assets:		
Cash and cash equivalents	551,002,081	527,238,837
Investments	7,199,379	9,026,047
Receivables (net)	102,159,680	96,380,327
Other assets	237,196	216,703
Due from primary government	-	-
Due from other component units	-	10,000,000
Due from other governments	-	-
Inventories	-	-
Other assets	-	-
Total current assets	<u>687,843,063</u>	<u>663,786,055</u>
Noncurrent assets:		
Investments		-
Receivables (net)	11,663,005	13,046,005
Restricted assets:		
Cash and cash equivalents	-	-
Investments	-	-
Receivables (net)	1,375,169,164	1,279,258,650
Other assets	-	-
Due from other component units	-	-
Capital assets - nondepreciable	-	-
Capital assets - depreciable (net)	1,554,853	1,790,046
Other assets, net of amortization	-	-
Total noncurrent assets	<u>1,388,387,022</u>	<u>1,294,094,701</u>
Total assets	<u>2,076,230,085</u>	<u>1,957,880,756</u>
Deferred Outflows of Resources		
Hedging instruments	-	-
Deferred loss on refunding of debt	2,634,848	3,078,315
Deferred pension amounts	-	-
Other deferred outflows of resources	-	-
Total deferred outflows of resources	<u>2,634,848</u>	<u>3,078,315</u>

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE REQUIRED STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
Liabilities		
Current liabilities:		
Cash overdraft	\$ -	\$ -
Accounts payable	193,198,332	190,936,240
Due to primary government	-	-
Due to other component units	-	-
Due to other governments	-	-
Unearned revenue	-	-
Other current liabilities	6,967,857	5,320,208
Current portion of long-term debt	46,290,470	52,305,578
Total current liabilities	<u>246,456,659</u>	<u>248,562,026</u>
Noncurrent liabilities:		
Due to primary government	-	-
Due to other component units	-	-
Due to other governments	-	-
Net pension liability	-	-
Net OPEB obligation	-	-
Unearned revenue	-	-
Notes payable	-	-
Loans payable	-	-
Obligations under capital leases	1,409,731	1,584,223
Compensated absences	-	-
Bonds payable	604,658,545	587,806,944
Other liabilities	1,012,116	799,221
Total noncurrent liabilities	<u>607,080,392</u>	<u>590,190,388</u>
Total liabilities	853,537,051	838,752,414
Deferred Inflows of Resources		
Deferred gain on refunding of debt	2,926,655	1,030,398
Deferred pension amounts	-	-
Total deferred inflows of resources	<u>2,926,655</u>	<u>1,030,398</u>
Net Position		
Net investment in capital assets	(29,369)	46,879
Restricted for:		
Debt	-	-
Other	1,182,467,895	1,087,844,959
Unrestricted	39,962,701	33,284,421
Total net position	<u>\$ 1,222,401,227</u>	<u>\$ 1,121,176,259</u>

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE REQUIRED STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
Operating Expenses	\$ 20,074,091	\$ 16,802,290
Program Revenues		
Charges for services	7,181,735	6,403,335
Operating grants and contributions	-	-
Interest Income - Loans	27,779,100	26,227,419
Interest Income - Investments	-	-
Total program revenues	<u>34,960,835</u>	<u>32,630,754</u>
Net (expenses) revenues	14,886,744	15,828,464
Noncapital Subsidies		
Intergovernmental transactions	-	(2,000,000)
Total noncapital subsidies	<u>-</u>	<u>(2,000,000)</u>
Operating Income (Loss) and Noncapital Subsidies	14,886,744	13,828,464
Other Nonoperating Revenues(Expenses)		
Interest income - investments	21,512,782	20,684,399
Interest expense, net of premium amortization	(18,727,472)	(14,667,224)
Debt issuance costs	(1,332,299)	(519,723)
Grant Income and other contributed capital	84,885,213	76,048,533
Total Other nonoperating Revenues (Expenses)	<u>86,338,224</u>	<u>81,545,985</u>
Change in net position	101,224,968	95,374,449
Total net position - beginning	<u>1,121,176,259</u>	<u>1,025,801,810</u>
Total net position - ending	<u>\$ 1,222,401,227</u>	<u>\$ 1,121,176,259</u>

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE REQUIRED SCHEDULE OF DEBT SERVICE TO MATURITY (BONDS ONLY)
LONG TERM DEBT

Fiscal Year Ending 30-Jun	Long-Term Debt	
	Principal	Interest
2027	\$ 40,530,000	\$ 25,468,160
2028	37,340,000	23,847,360
2029	33,045,000	22,509,902
2030	48,795,000	20,922,444
2031	35,375,000	19,217,996
2032-2036	155,435,000	60,220,348
2037-2041	134,025,000	43,439,810
2042-2046	31,855,000	27,031,093
2047-2051	44,710,000	19,236,372
2052-2056	55,445,000	6,208,503
	<u>\$ 616,555,000</u>	<u>\$ 268,101,988</u>

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE REQUIRED SCHEDULE OF CHANGES IN LONG-TERM DEBT
YEAR ENDED JUNE 30, 2026

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due Thereafter</u>
Bonds and leases payable, restricted	\$ 618,380,000	\$ 184,495,000	\$ 186,320,000	\$ 616,555,000	\$ 40,530,000	\$ 576,025,000
Net unamortized premium / discount	26,195,882	19,074,610	7,116,182	38,154,310	6,177,430	31,976,880
Refunding credits	(4,622,304)	-	(687,518)	(3,934,786)	(591,451)	(3,343,336)
Bonds payable	<u>639,953,578</u>	<u>203,569,610</u>	<u>192,748,664</u>	<u>650,774,524</u>	<u>46,115,979</u>	<u>604,658,545</u>
Notes payable	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Obligations under capital leases	1,743,167	-	158,945	1,584,222	174,491	1,409,731
Net OPEB liability	-	-	-	-	-	-
Net pension obligation	-	-	-	-	-	-
Due to primary government	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-
Due to other governments and agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
Reported as other liabilities						
Arbitrage rebate	799,220	480,252	267,356	1,012,116	882,339	129,777
Pollution remediation	-	-	-	-	-	-
Items not listed above	-	-	-	-	-	-
Other liabilities	<u>799,220</u>	<u>480,252</u>	<u>267,356</u>	<u>1,012,116</u>	<u>882,339</u>	<u>129,777</u>
	<u>\$ 642,495,965</u>	<u>\$ 204,049,862</u>	<u>\$ 193,174,965</u>	<u>\$ 653,370,862</u>	<u>\$ 47,172,809</u>	<u>\$ 606,198,053</u>

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE REQUIRED SCHEDULE OF CHANGES IN LONG-TERM DEBT
YEAR ENDED JUNE 30, 2025

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due Thereafter</u>
Bonds and leases payable, restricted	\$ 601,890,000	\$ 70,680,000	\$ 54,190,000	\$ 618,380,000	\$ 48,205,000	\$ 570,175,000
Net unamortized premium / discount	26,721,003	4,944,620	5,469,741	26,195,882	4,629,153	21,566,729
Refunding credits	(5,927,744)	-	(1,305,440)	(4,622,304)	(687,519)	(3,934,785)
Bonds payable	<u>622,683,259</u>	<u>75,624,620</u>	<u>58,354,301</u>	<u>639,953,578</u>	<u>52,146,634</u>	<u>587,806,944</u>
Notes payable	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Obligations under capital leases	1,887,516	-	144,349	1,743,167	158,944	1,584,224
Net OPEB liability	-	-	-	-	-	-
Net pension obligation	-	-	-	-	-	-
Due to primary government	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-
Due to other governments and agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
Reported as other liabilities						
Arbitrage rebate	614,239	434,749	249,768	799,220	-	799,220
Pollution remediation	-	-	-	-	-	-
Items not listed above	-	-	-	-	-	-
Other liabilities	<u>614,239</u>	<u>434,749</u>	<u>249,768</u>	<u>799,220</u>	<u>-</u>	<u>799,220</u>
	<u>\$ 625,185,014</u>	<u>\$ 76,059,369</u>	<u>\$ 58,748,418</u>	<u>\$ 642,495,965</u>	<u>\$ 52,305,578</u>	<u>\$ 590,190,388</u>

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATE REQUIRED SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2026

Traveler(s)	Date(s)	Location	Amount	Purpose
Aaron Qureshi	10/18 - 10/22/25	New Orleans, LA	1,312.90	CIFA Conference
Greg Miller	10/18 - 10/22/25	New Orleans, LA	623.08	CIFA Conference
Greg Miller	6/16 - 6/18/26	Washington, DC	476.91	SRF Financial Literacy Training
James Braz	9/15 - 9/17/25	Minneapolis, MN	1,455.53	CPACE Program Administrator Round Table
James Braz	4/7 - 4/9/26	New York, NY	1,317.26	PACENation Summit
Joanna L'Heureux	9/14 - 9/17/25	Jay, VT	226.60	NESGFOA Conference
Joanna L'Heureux	9/29 - 9/30/25	Westwood, MA	488.80	Bond Buyers Conference
Joanna L'Heureux	10/18 - 10/22/25	New Orleans, LA	981.55	CIFA Conference
Lilit Rose	10/18 - 10/22/25	New Orleans, LA	784.48	CIFA Conference
Maria Santos	10/18 - 10/22/25	New Orleans, LA	773.32	CIFA Conference
William Fazioli	9/14 - 9/17/25	Jay, VT	980.67	NESGFOA Conference
William Fazioli	9/29 - 9/30/25	Westwood, MA	700.19	Bond Buyers Conference
William Fazioli	10/18 - 10/22/25	New Orleans, LA	1,830.11	CIFA Conference
William Fazioli	2/11 - 2/13/26	New York, NY	780.85	Bond Buyer Conference
William Fazioli	4/7 - 4/9/26	Washington, DC	1,454.99	CIFA Conference
Aaron Qureshi	7/1-6/30/26	RI	140.65	Miles for in state meetings
Anna Coelho Cortes	7/1-6/30/26	RI	47.27	Miles for in state meetings
Anthony Hebert	7/1-6/30/26	RI	123.09	Miles for in state meetings
Greg Miller	7/1-6/30/26	RI	69.84	Miles for in state meetings
Jacqueline Gonzalez	7/1-6/30/26	RI	35.08	Miles for in state meetings
Joanna L'Heureux	7/1-6/30/26	RI	21.00	Miles for in state meetings
Kenneth C Viera Jr	7/1-6/30/26	RI	63.63	Miles for in state meetings
Lilit Rose	7/1-6/30/26	RI	21.14	Miles for in state meetings
Maria Santos	7/1-6/30/26	RI	21.14	Miles for in state meetings
Scott Mountain	7/1-6/30/26	RI	77.43	Miles for in state meetings
William Fazioli	7/1-6/30/26	RI	214.77	Miles for in state meetings
Subtotal			15,022.28	
Other incidental travel and entertainment			-	
Total			<u>\$ 15,022.28</u>	