

**RHODE ISLAND HEALTH AND  
EDUCATIONAL BUILDING  
CORPORATION**  
**(a Component Unit of the State of Rhode Island)**

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**FINANCIAL STATEMENTS AND  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2024**

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Financial Statements and  
Management's Discussion and Analysis**

**June 30, 2024 and 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Rhode Island Health and Educational Building Corporation

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the business-type activity and the aggregate remaining fund information of Rhode Island Health and Educational Building Corporation (the "Corporation") (a component unit of the State of Rhode Island), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and the aggregate remaining fund information of the Corporation, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The accompanying supplemental information as schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2024, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

September 25, 2024

# **RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION**

**(A Component Unit of the State of Rhode Island)**

## **Management's Discussion and Analysis**

**June 30, 2024 and 2023**

The Rhode Island Health and Educational Building Corporation (the "Corporation") offers readers of these financial statements a narrative overview of the financial position and activities of the Corporation for the fiscal years ended June 30, 2024 and 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes, which are separately provided.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Corporation's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") as applied to governmental units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Activities and Changes in Net Position. The Corporation's basic financial statements are comprised of the following components:

*Statements of Net Position* – Presents information on all of the Corporation's assets and liabilities for the last two fiscal years, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

*Statements of Activities and Changes in Net Position* – Presents information showing how the Corporation's net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued compensable absences).

*Statements of Cash Flows* – Presents the sources and uses of funds of the Corporation for the last two fiscal years, including cash flows from operating, capital financing, non-capital financing and investing activities.

*Notes to the Basic Financial Statements* – The notes provide additional information essential for a full understanding of the basic financial statements. The notes are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

# **RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION**

**(A Component Unit of the State of Rhode Island)**

## **Management's Discussion and Analysis - Continued**

**June 30, 2024 and 2023**

### **FINANCIAL HIGHLIGHTS – FY 2024**

- The Corporation completed 12 bond financings totaling \$839,927,700 as compared to 7 bond financings completed during the prior fiscal year totaling \$318,729,000.
- The Corporation transferred \$242,491 to the State of Rhode Island's general fund for the funding of limited personnel expenses of the School Building Authority.
- Total assets are \$11,207,417, an increase of \$1,432,943 or 15% over total assets for the prior fiscal year.
- Cash and investments are \$9,934,845, an increase of \$1,111,863 or 13% over cash and investments for the prior fiscal year.
- Operating revenues are \$2,670,933, an increase of \$411,361 or 18% over operating revenues for the prior fiscal year.
- Operating expenses are \$1,816,955, a decrease of \$221,706 or 11% over operating expenses for the prior fiscal year.
- Change in net position is \$1,030,789, an increase of \$782,511 or 315% over the change in net position for the prior fiscal year.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(A Component Unit of the State of Rhode Island)

**Management's Discussion and Analysis - Continued**

**June 30, 2024 and 2023**

**FINANCIAL HIGHLIGHTS – FY 2023**

- The Corporation transferred \$5M from unrestricted net position to restricted net position due to a requirement to pledge \$5M as collateral for a line-of-credit obtained to fund a new loan program.
- The Corporation completed 7 bond financings totaling \$318,729,000 as compared to 13 bond financings completed during the prior fiscal year totaling \$492,555,569.
- The Corporation transferred \$255,752 to the State of Rhode Island's general fund for the funding of limited personnel expenses of the School Building Authority.
- Total assets are \$9,774,474, an increase of \$110,801 or 1% over total assets for the prior fiscal year.
- Cash and investments are \$8,822,982, an increase of \$265,230 or 3% over cash and investments for the prior fiscal year.
- Operating revenues are \$2,259,572, a decrease of \$110,092 or 5% over operating revenues for the prior fiscal year.
- Operating expenses are \$2,038,661, an increase of \$282,296 or 16% over operating expenses for the prior fiscal year.
- Change in net position is \$248,278, a decrease of \$142,626 or 36% over the change in net position for the prior fiscal year.

# RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(A Component Unit of the State of Rhode Island)

## Management's Discussion and Analysis - Continued

June 30, 2024 and 2023

### FINANCIAL ANALYSIS

#### Condensed Statements of Net Position

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Capital assets, net	\$ 210,801	\$ 314,265	\$ 417,054
Other assets	<u>10,996,616</u>	<u>9,460,209</u>	<u>9,246,620</u>
Total assets	11,207,417	9,774,474	9,663,674
Other liabilities	<u>851,633</u>	<u>449,479</u>	<u>586,957</u>
Total liabilities	<u>851,633</u>	<u>449,479</u>	<u>586,957</u>
Net investment in capital assets	(2,690)	(2,422)	3,521
Restricted	5,022,381	5,003,894	200,836
Unrestricted	<u>5,336,093</u>	<u>4,323,523</u>	<u>8,872,360</u>
Total net position	\$ <u>10,355,784</u>	\$ <u>9,324,995</u>	\$ <u>9,076,717</u>

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(A Component Unit of the State of Rhode Island)

**Management's Discussion and Analysis - Continued**

**June 30, 2024 and 2023**

**Capital Assets**

Capital assets decreased during fiscal year 2024 due to recognition of depreciation in the amount of \$101,500 on the right-to-use lease asset. The Corporation also invested \$5,100 in capital assets during the fiscal year. Capital assets decreased during fiscal year 2023 due to recognition of depreciation in the amount of \$101,500 on the right-to-use lease asset. The corporation also invested \$6,400 in capital assets and retired \$21,400 of capital assets during the fiscal year.

**Total Assets**

Total assets increased \$1.4M or 15% during fiscal year 2024. The Corporation increased its investment in OSIP \$1.1M through reinvestment of interest income and investing over \$700,000 of surplus cash. The Corporation's loans receivable increased \$443,400 due to the issuance of two loans through the Corporation's loan program. In comparison, total assets increased \$110,800 or 1% during fiscal year 2023. While the Corporation reinvested \$295,200 in interest income and invested surplus cash of \$500,000 during the fiscal year, \$400,000 was redeemed to fund grant obligations. Restricted cash decreased \$197,000 due to only \$91,000 of statutory administrative fee receipts being collected for the fiscal year to offset \$286,700 of disbursements to fund Rhode Island Department of Education's School Building Authority limited personnel expenses.

**Total Liabilities**

Total liabilities increased \$402,200 or 89% during fiscal year 2024 due to a \$500,000 draw on the Corporation's line of credit to fund two loans. The Corporation's lease liability for office space decreased \$103,200 during the fiscal year. Total liabilities decreased \$137,500 or 23% during fiscal year 2023. Amounts due to primary state government decreased \$31,000 due to the prior fiscal year State budget shifting \$500,000 of the School Building Authority's limited personnel costs from the Corporation to the State's general revenues. The Corporation's lease liability for its office space decreased \$96,800 during the fiscal year.

# **RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION**

**(A Component Unit of the State of Rhode Island)**

## **Management's Discussion and Analysis - Continued**

**June 30, 2024 and 2023**

### **Total Net Position**

As required by GASB 46, the Corporation's net position is classified as either net investment in capital assets, restricted or unrestricted. Most of the Corporation's unrestricted funds are, in fact, designated by the Corporation's Board of Directors for specific purposes and programs. The nature of these specifications, however, does not meet the requirements of GASB 46 to be classified as designated in the financial statements. The specific designations and corresponding amounts can be found in the notes to the financial statements.

# RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(A Component Unit of the State of Rhode Island)

## Management's Discussion and Analysis - Continued

June 30, 2024 and 2023

### Condensed Statements of Activities and Changes in Net Position

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues:			
Administrative fees	\$ 2,649,912	\$ 2,247,206	\$ 2,356,167
Interest earned on loans receivable	<u>21,021</u>	<u>12,366</u>	<u>13,497</u>
Total operating revenues	<u>2,670,933</u>	<u>2,259,572</u>	<u>2,369,664</u>
Operating expenses:			
Administrative	1,460,187	1,207,911	1,118,689
Grants	248,240	721,565	528,495
Depreciation	<u>108,528</u>	<u>109,185</u>	<u>109,181</u>
Total operating expenses	<u>1,816,955</u>	<u>2,038,661</u>	<u>1,756,365</u>
Operating income	<u>853,978</u>	<u>220,911</u>	<u>613,299</u>
Non-operating revenues (expenses):			
Interest income	415,058	295,221	22,271
Other income	23,484	-	27,914
Interest expense	(19,240)	(12,102)	(14,967)
Payment to primary state government	<u>(242,491)</u>	<u>(255,752)</u>	<u>(257,613)</u>
Total non-operating revenues (expenses)	<u>176,811</u>	<u>27,367</u>	<u>(222,395)</u>
Increase in net position	1,030,789	248,278	390,904
Net position, beginning of year	<u>9,324,995</u>	<u>9,076,717</u>	<u>8,685,813</u>
Net position, end of year	\$ <u>10,355,784</u>	\$ <u>9,324,995</u>	\$ <u>9,076,717</u>

# **RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION**

**(A Component Unit of the State of Rhode Island)**

## **Management's Discussion and Analysis - Continued**

**June 30, 2024 and 2023**

### **Revenues**

#### Administrative Fees (unrestricted)

The Corporation's main source of revenue is the annual fee it charges borrowers on the amount of bonds outstanding. Administrative fee revenues increased \$217,700 or 10% for fiscal year 2024 as the Corporation issued almost \$700M to finance new projects. There was no significant change in administrative fee revenue for fiscal year 2023, when compared to the prior fiscal year. Although the Corporation issued \$316M to finance new projects, redemptions and maturities decreased revenues by a similar amount.

#### Administrative Fees (restricted)

Article 9 of the fiscal year 2019 state budget allows the Corporation to collect a one-time fee from public school districts equal to 0.01% of the amount issued. These funds are restricted for the purpose of supporting the Corporation's funding of certain limited personnel expenses of the Rhode Island Department of Education's School Building Authority. Administrative fee revenues increased \$185,000 or 218% for fiscal year 2024 as the Corporation issued \$270M on behalf of five school districts. In comparison, administrative fee revenues decreased \$138,000 or 62% for fiscal year 2023 as the Corporation issued \$85M on behalf of one school district. Rising interest rates caused school districts to defer their financings to fiscal year 2024.

#### Interest Income

As interest rates remained high, the Corporation recorded investment income of \$415,000 for fiscal year 2024, an increase of \$119,800 or 41% over fiscal year 2023. Due to increases in interest rates, the Corporation recorded investment income of \$295,200 for fiscal year 2023, an increase of \$273,000 or 1,226% over the prior fiscal year.

### **Expenses**

#### Administrative

Administrative expenses increased \$252,300 or 21% for FY 2024. Increases in both salaries and health insurance premiums increased personnel expenses by \$192,300 or 28%. Legal fees increased \$40,200 or 23%. Finally, government relations and lobbying expenses increased \$18,000 or 100% for the fiscal year. Administrative expenses increased \$89,200 or 8% for FY 2023. Increases in both salaries and health insurance premiums increased personnel expenses by \$31,800 or 5%. Legal fees increased \$22,100 or 15%. Finally, an increase in liability coverage increased insurance premiums \$40,000, or 68% for the fiscal year.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(A Component Unit of the State of Rhode Island)

**Management’s Discussion and Analysis - Continued**

**June 30, 2024 and 2023**

Grants

The Corporation’s board of directors approved over \$2M of grants to eligible organizations during fiscal years 2022 and 2021. The Corporation paid \$248,200 and \$721,600 to the recipients during fiscal years 2024 and 2023 respectively. There are no further payments due on these grants.

Payments to the State

Article 9 of the fiscal year 2019 state budget stipulated the Corporation pay certain limited personnel expenses of the Rhode Island Department of Education’s School Building Authority. To satisfy this obligation, the Corporation transfers quarterly payments to the State of Rhode Island’s general fund. The Corporation’s payments totaled \$242,500 and \$255,800 for fiscal years 2024 and 2023 respectively.

**CONDUIT DEBT**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Bonds Payable	\$ <u>3,877,556,621</u>	\$ <u>3,377,370,472</u>	\$ <u>3,283,743,440</u>

The Corporation issued \$839,927,700 of conduit debt during fiscal year 2024. Of that amount, approximately \$699,807,800 was issued to finance new projects and \$140,119,900 was issued to refund prior bonds.

The Corporation issued \$318,729,000 of conduit debt during fiscal year 2023. Of that amount, approximately \$315,955,000 was issued to finance new projects and \$2,774,000 was issued to refund prior bonds.

More detail on the Corporation’s conduit debt can be found in the notes to the financial statements.

# **RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION**

**(A Component Unit of the State of Rhode Island)**

## **Management's Discussion and Analysis - Continued**

**June 30, 2024 and 2023**

### **FACTORS AFFECTING FUTURE OPERATIONS**

The Corporation's revenues and administrative expenses have remained relatively stable over the past ten years. The amount of outstanding principal on the Corporation's bonds, which determines the amount of revenues the Corporation collects, has also been stable over the past ten years. Over this time, the Corporation has operated through many different business cycles and economic changes, including the COVID pandemic, and has consistently generated sufficient revenues to exceed expenses. Furthermore, for the past 25 years, the Corporation's net position has increased every year except for the six years legislative mandates stipulated a significant transfer of reserves (\$1M or more) to the state's general fund.

### **CONTACTING THE CORPORATION**

This financial report is designed to provide Rhode Island citizens and taxpayers, and our customers, clients, investors and creditors, with a general overview of the Corporation's accountability. If you have any questions about this report or need additional financial information, contact the Rhode Island Health and Educational Building Corporation, 33 Broad Street, Suite 200, Providence, RI 02903, or visit our website at [www.rihebc.com](http://www.rihebc.com).

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Statements of Net Position**

**June 30,**

**Assets**

	<u>2024</u>	<u>2023</u>
<b>Current Assets:</b>		
Cash and equivalents	\$ 4,912,464	\$ 3,819,088
Restricted cash and equivalents	5,022,381	5,003,894
Current portion of loans receivable	464,972	46,385
Accounts receivable	53,123	81,779
Prepaid expenses	<u>102,036</u>	<u>92,251</u>
<b>Total Current Assets</b>	<b><u>10,554,976</u></b>	<b><u>9,043,397</u></b>
<b>Non-Current Assets:</b>		
Loans receivable, net of current portion	441,640	416,812
Capital assets, net	<u>210,801</u>	<u>314,265</u>
<b>Total Non-Current Assets</b>	<b><u>652,441</u></b>	<b><u>731,077</u></b>
<b>Total Assets</b>	<b><u>\$ 11,207,417</u></b>	<b><u>\$ 9,774,474</u></b>

**Liabilities and Net Position**

<b>Current Liabilities:</b>		
Accrued expenses	\$ 79,420	\$ 64,046
Current portion of lease liability	108,239	103,197
Due to primary state government	58,722	68,746
Line of credit	<u>500,000</u>	<u>-</u>
<b>Total Current Liabilities</b>	<b><u>746,381</u></b>	<b><u>235,989</u></b>
<b>Non-Current Liability:</b>		
Lease liability, net of current portion	105,252	213,490
<b>Total Liabilities</b>	<b><u>851,633</u></b>	<b><u>449,479</u></b>
<b>Net Position:</b>		
Net investment in capital assets	(2,690)	(2,422)
Restricted:		
Payments to primary state government	22,381	3,894
Agreement with financial institution	5,000,000	5,000,000
Unrestricted	<u>5,336,093</u>	<u>4,323,523</u>
<b>Total Net Position</b>	<b><u>10,355,784</u></b>	<b><u>9,324,995</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 11,207,417</u></b>	<b><u>\$ 9,774,474</u></b>

*The accompanying notes are an integral part of the financial statements.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Statements of Activities and Changes in Net Position**

**For the Years Ended June 30,**

	<u>2024</u>	<u>2023</u>
<b>Operating Revenues:</b>		
Administrative fees	2,649,912	2,247,206
Interest earned on loans receivable	<u>21,021</u>	<u>12,366</u>
<b>Total Operating Revenues</b>	<b><u>2,670,933</u></b>	<b><u>2,259,572</u></b>
<b>Operating Expenses:</b>		
Administrative	1,460,187	1,207,911
Grants	248,240	721,565
Depreciation	<u>108,528</u>	<u>109,185</u>
<b>Total Operating Expenses</b>	<b><u>1,816,955</u></b>	<b><u>2,038,661</u></b>
<b>Operating Income</b>	<b>853,978</b>	<b>220,911</b>
<b>Non-Operating Revenues (Expenses):</b>		
Interest income	415,058	295,221
Other income	23,484	-
Interest expense	(19,240)	(12,102)
Payment to primary state government	<u>(242,491)</u>	<u>(255,752)</u>
<b>Total Non-Operating Revenues</b>	<b><u>176,811</u></b>	<b><u>27,367</u></b>
<b>Increase in Net Position</b>	<b>1,030,789</b>	<b>248,278</b>
Net Position, Beginning of Year	<u>9,324,995</u>	<u>9,076,717</u>
<b>Net Position, End of Year</b>	<b><u>\$ 10,355,784</u></b>	<b><u>\$ 9,324,995</u></b>

*The accompanying notes are an integral part of the financial statements.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Statements of Cash Flows**

**For the Years Ended June 30,**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>		
Cash received from institutions for administrative fees	\$ 2,678,568	\$ 2,241,128
Cash received from collections on loans receivable	(443,415)	45,255
Cash received from interest earned on loans receivable	21,021	12,366
Cash received from other sources	23,484	-
Payment to grantees	(248,240)	(721,565)
Payment of employees for services	(747,572)	(502,309)
Payment to suppliers for goods and services	<u>(707,026)</u>	<u>(702,815)</u>
Net Cash Provided by Operating Activities	<u>576,820</u>	<u>372,060</u>
<b>Cash Flow from Non-Capital Financing Activity:</b>		
Payment to primary state government	<u>(252,515)</u>	<u>(286,708)</u>
<b>Cash Flow from Capital and Related Financing Activities:</b>		
Interest expense	(19,240)	(12,102)
Proceeds from line of credit	500,000	-
Payments on lease obligations	(103,196)	(96,846)
Purchase of capital assets	<u>(5,064)</u>	<u>(6,396)</u>
Net Cash Provided by (Applied to) Capital and Related Financing Activities	<u>372,500</u>	<u>(115,344)</u>
<b>Cash Flows from Investing Activities:</b>		
Net investment income	<u>415,058</u>	<u>295,221</u>
<b>Net Increase in Cash and Equivalents and Restricted Cash</b>	<b>1,111,863</b>	<b>265,229</b>
Cash and Equivalents and Restricted Cash, at Beginning of Year	<u>8,822,982</u>	<u>8,557,753</u>
<b>Cash and Equivalents and Restricted Cash, at End of Year</b>	<b><u>\$ 9,934,845</u></b>	<b><u>\$ 8,822,982</u></b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating income	\$ 853,978	\$ 220,911
Adjustments to reconcile net income to net cash provided by (applied to) operating activities:		
Depreciation	108,528	109,185
Other income	23,484	-
Changes in assets and liabilities:		
Accounts receivable	28,656	(6,078)
Prepaid expenses	(9,785)	12,463
Loans receivable	(443,415)	45,255
Accrued expenses	<u>15,374</u>	<u>(9,676)</u>
Net Cash Provided by Operating Activities	<u>\$ 576,820</u>	<u>\$ 372,060</u>
<b>Cash and equivalents and restricted cash are comprised of the following:</b>		
Cash and equivalents	\$ 4,912,464	\$ 3,819,088
Restricted cash and equivalents	<u>5,022,381</u>	<u>5,003,894</u>
	<b><u>\$ 9,934,845</u></b>	<b><u>\$ 8,822,982</u></b>

*The accompanying notes are an integral part of the financial statements.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Statements of Fiduciary Net Position  
Private-Purpose Trust Funds**

**June 30, 2024 and 2023**

**Assets**

	<u>2024</u>	<u>2023</u>
<b>Assets:</b>		
Cash and equivalents	\$ 69,765,972	\$ 85,151,395
Loans receivable	468,617	685,840
Due from other funds	-	24,000
Accrued interest receivable	<u>787</u>	<u>1,147</u>
<b>Total Assets</b>	<b><u>\$ 70,235,376</u></b>	<b><u>\$ 85,862,382</u></b>

**Liabilities and Net Position**

<b>Liabilities:</b>		
Project costs payable	\$ 12,140,190	\$ 13,975,748
Due to other funds	<u>-</u>	<u>24,000</u>
<b>Total Liabilities</b>	<b><u>12,140,190</u></b>	<b><u>13,999,748</u></b>
<b>Net Position:</b>		
Restricted:		
Held for authorized projects	27,917,061	49,004,113
Available for future projects	<u>30,178,125</u>	<u>22,858,521</u>
<b>Total Net Position</b>	<b><u>58,095,186</u></b>	<b><u>71,862,634</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 70,235,376</u></b>	<b><u>\$ 85,862,382</u></b>

*The accompanying notes are an integral part of the financial statements.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Statements of Changes in Fiduciary Net Position  
Private-Purpose Trust Funds**

**For the Years Ended June 30,**

	<u>2024</u>	<u>2023</u>
<b>Additions:</b>		
State appropriations	\$ 71,018,061	\$ 119,628,299
State bond proceeds appropriations	37,199,803	86,329,440
Interest earned on loans receivable	13,395	17,714
Investment earnings:		
Interest income	<u>4,616,671</u>	<u>2,231,747</u>
<b>Total Additions</b>	<b>112,847,930</b>	<b>208,207,200</b>
<b>Deductions:</b>		
Housing aid	69,232,807	65,818,017
Project cost grants	57,308,273	85,648,475
Administrative expenses	<u>74,298</u>	<u>15,750</u>
<b>Total Deductions</b>	<b><u>126,615,378</u></b>	<b><u>151,482,242</u></b>
<b>Increase (Decrease) in Fiduciary Net Position</b>	<b>(13,767,448)</b>	<b>56,724,958</b>
Net Position, Beginning of Year	<u>71,862,634</u>	<u>15,137,676</u>
<b>Net Position, End of Year</b>	<b><u>\$ 58,095,186</u></b>	<b><u>\$ 71,862,634</u></b>

*The accompanying notes are an integral part of the financial statements.*

# **RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION**

**(a Component Unit of the State of Rhode Island)**

## **Notes to the Financial Statements**

**June 30, 2024 and 2023**

### Note 1 - **Summary of Significant Accounting Policies**

#### *Organization*

Rhode Island Health and Educational Building Corporation (the "Corporation") is a component unit of the State of Rhode Island (the "State") for financial reporting purposes. As such, the financial statements of the Corporation will be included in the State's Annual Comprehensive Financial Report. The purpose of the Corporation is to aid eligible educational and healthcare institutions in Rhode Island gain access to capital, remain proactive in developing cost-effective programs, offer staff assistance and provide technical resources that benefit these institutions.

#### *Basis of Presentation*

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"), as prescribed by the *Governmental Accounting Standards Board* ("GASB"). Under the accrual basis, revenues are recognized when earned and expenses when the related liability for goods or services is incurred, regardless of the timing of the related cash flows.

#### *Business-Type Activity Accounting*

The Corporation has determined that it functions as a business-type activity as defined by GASB. The basic financial statements and required supplementary information for general purpose governments consist of management's discussion and analysis, basic financial statements and required supplementary information.

#### *Fiduciary Funds*

The fiduciary fund financial statements are reported using the same basis of accounting as the business-type activity. Fiduciary funds are not reflected in the Corporation's business-type financial statements because the resources of these funds are not available to support the Corporation's own programs. The fiduciary funds are private-purpose trust funds which are administered through separate trusts of which the Corporation is not a beneficiary, dedicated to providing benefits to the recipients in accordance with the benefit terms, and legally protected from the creditors of the Corporation.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 1 - **Summary of Significant Accounting Policies - Continued**

*Fiduciary Funds - continued*

Under the provisions of Rhode Island General Law, legislation assigned certain administrative duties related to the management and custody of monetary assets of the following fiduciary programs to the Corporation, including establishing a trust to hold related monies, and creating and maintaining a custody account.

The Corporation reports the following fiduciary funds –

*School Building Authority Capital Fund (“SBACF”)*

The SBACF was established to address high priority projects in communities with limited financial resources. Awards are approved and granted by the School Building Authority (“SBA”), a division within the Rhode Island Department of Education (“RIDE”), for the purposes of repairing, and improving public school facilities for local education authorities (“LEAs”). Once approved, a portion of the project costs, based on the LEA’s state housing aid reimbursement rate, is provided as a grant (state share). The LEA may also fund their share of the project costs (local share) through a loan from the SBACF. Since its inception, the SBACF has made grants to LEAs through many different initiatives, including funding for technical assistance on the application process, COVID-19 related projects, facility equity, technology and furniture funding, and outdoor learning. Funding of SBACF is expected to continue through annual appropriations from the legislature, interest earned on loans, interest savings from bond refinancing and other payments received by the Corporation pursuant to finance agreements with LEAs.

*School Construction Bond (“PayGo”)*

The State fiscal year 2019 budget legislation authorized a \$250M Statewide School Construction Bond (“PayGo”) which was approved by voters in the November 2018 election. The bond proceeds allowed RIDE/SBA to provide LEAs who have been approved for Necessity of School Construction with upfront funding as opposed to waiting until their project is completed to receive state aid. LEAs will be offered 15% of the state share of their total approval on a pay-as-you-go basis. LEAs have two years to spend PayGo awards.

*School Housing Aid (“Housing Aid”)*

School Housing Aid provides LEAs that complete school housing projects, including repair, renovation, and new construction, reimbursement for eligible project costs. The Housing Aid program also provides incentive bonuses for the improvement of school safety and security. The minimum reimbursement rate is 35%. The state’s share ratio is based on the district’s ability to pay.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 1 - **Summary of Significant Accounting Policies - Continued**

*Revenue Recognition*

The principal operating revenues of the Corporation are administrative fees relating to various bonds and notes outstanding, which are recognized as revenue as of the periodic billing date. Operating expenses consist predominantly of administrative expenses and grant expenses, which are recognized as costs are incurred. Certain other transactions are reported as non-operating activities in accordance with GASB Statement No. 34. These non-operating activities primarily consist of gains or losses related to investments and payments to the primary state government.

*Revenue Recognition - Fiduciary Funds*

The principal additions of the fiduciary funds are state appropriations and transfers of bond proceeds while deductions consist predominantly of project cost grants and housing aid payments, which are recognized as costs are incurred by the LEA.

*Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made as facts and circumstances require. As future events and their effects cannot be determined with certainty, actual results may differ from the estimates used in preparing the accompanying financial statements. Significant estimates and assumptions are required as part of estimating an allowance for doubtful accounts and depreciation.

*Cash and Equivalents*

The Corporation has defined cash and equivalents to include cash held at various institutions and all highly liquid investments with maturities of three months or less when purchased.

*Cash and Equivalents - Restricted*

The Corporation's restricted cash and equivalents consist of cash deposits restricted by state legislation for specific payment to the State of Rhode Island or as part of agreements with financial institutions.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 1 - **Summary of Significant Accounting Policies - Continued**

*Cash and Equivalents - Fiduciary Funds*

The fiduciary funds' cash deposits are held in designated accounts at financial institution(s) and institutional money market accounts and are designated for specific purposes as defined by applicable state statutes.

*Accounts and Loans Receivable*

Accounts and loans receivable of the Corporation are stated at the amount management expects to collect from outstanding balances. Allowances for doubtful accounts are determined by considering the financial condition of its customers and other economic factors affecting the customers and their industries. As of the date of the Statements of Net Position, management is of the opinion that an allowance for doubtful accounts is not necessary. Interest earned on loans receivable is recognized over the life of the loans.

*Prepaid Expenses*

Prepaid expenses consist of payments related to insurance and deposits for the years ended June 30, 2024 and 2023.

*Capital Assets*

Capital assets include furniture and fixtures, and office and computer equipment. In accordance with the Corporation's policy, a \$1,000 threshold is utilized for capitalizing assets. Capital assets are depreciated on a straight-line basis over their estimated useful lives of five to ten years. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

*Project Costs Payable - Fiduciary Funds*

The fiduciary funds' project costs payable represent the liability for amounts granted or loaned, the work has been completed, but has not been requisitioned by the grant recipients for their projects as of year end.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 1 - **Summary of Significant Accounting Policies - Continued**

*Due to Local Governments - Fiduciary Funds*

The amounts due from the fiduciary funds to local governments represent housing aid payments that have not been paid to their intended recipients as of year end.

*Compensated Absences*

Employees earn the right to be compensated during absences for vacation and sick leave. Accrued vacation and sick leave is included in accrued expenses at June 30, 2024 and 2023. Upon retirement or termination, employees are compensated for all accumulated unused vacation up to a maximum depending on length of employment, and 50% of all accumulated unused sick leave, not to exceed 45 days. At June 30, 2024 and 2023, compensated absences totaled approximately \$10,700 and \$34,700, respectively.

<b>Balance at June 30, 2023</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance at June 30, 2024</b>
\$ 34,700	\$ 44,900	\$ 68,900	\$ 10,700
<b>Balance at June 30, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance at June 30, 2023</b>
\$ 29,500	\$ 43,400	\$ 38,200	\$ 34,700

*Net Position*

Resources are classified for accounting purposes into the following categories:

*Net Investment in Capital Assets:* Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted - Nonexpendable:* Net position subject to externally imposed conditions that the Corporation must maintain in perpetuity.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 1 - **Summary of Significant Accounting Policies - Continued**

*Net Position - Continued*

*Restricted - Expendable*: Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the Corporation or by the passage of time.

*Unrestricted*: All other categories of net position. Unrestricted net position may be designated by actions of the Corporation.

*Tax Status*

The Corporation is a component unit of the State of Rhode Island and is therefore generally exempt from income taxes under Section 115 of the Internal Revenue Code.

*Adopted Accounting Pronouncement*

As of July 1, 2022, the Corporation adopted GASB Statement 100 - *Accounting Changes and Error Corrections - an amendment of GASB 62*. The objective of this statement is to provide consistency for changes in accounting principles, accounting estimates, and the reporting entity and corrections of errors. The implementation of this standard did not have a material impact on the financial statements.

*Future Government Accounting Pronouncements*

GASB Statement 101 - *Compensated Absences* is effective for periods beginning after December 15, 2023. The objective of this Statement is to enhance the recognition and measurement for compensated absences.

GASB Statement 102 - *Certain Risk Disclosures* is effective for reporting periods beginning after June 15, 2024. The objective of this Statement is to updated the required disclosure for risks that could negatively impact state and local governments.

GASB Statement 103 - *Financial Reporting Model Improvements* is effective for reporting periods beginning after June 15, 2025. The objective of this Statement is to improve the financial reporting model to enhance decision making by the Corporation and assessing a government's accountability.

Management has not completed its review of the requirements of these standards and their applicability.

# RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

## Notes to the Financial Statements - Continued

**June 30, 2024 and 2023**

### Note 2 - Conduit Debt

Since its inception, the Corporation has issued various series of bonds, notes and leases to finance capital expenditures for Rhode Island educational institutions and healthcare providers. The bonds, notes and leases are special obligations of the Corporation payable from revenues derived solely from the organization for which the project was financed. The bonds, notes, and leases do not constitute a debt or pledge of faith and credit of the Corporation or the State of Rhode Island, and accordingly, have not been reflected in the accompanying financial statements. At June 30, 2024 and 2023, the bond issues and leases outstanding are as follows:

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2024</u>	<u>Outstanding Principal at 06/30/2023</u>
International Institute of RI, Inc.	2003	08/01/2033	\$ 1,015,000	\$ 1,115,000
Brown University, Series B	2003	09/01/2043	37,290,000	37,910,000
Meeting Street Center	2005	06/01/2035	2,555,000	3,190,000
Brown University, Series A	2005	05/01/2035	85,500,000	85,500,000
Public Schools Revenue Bonds, Series A	2007	05/15/2027	105,000	140,000
NRI Community Services, Inc.	2007	06/01/2037	1,940,000	2,050,000
Public Schools Revenue Bonds, Series B	2007	05/15/2027	315,000	405,000
CVS-Highlander Charter School	2007	09/01/2037	2,560,000	2,695,000
Public Schools Revenue Bonds, Series D	2007	11/15/2027	1,300,000	1,595,000
Bryant University	2008	06/01/2035	36,130,000	38,295,000
Roger Williams University, Series A	2008	11/15/2024	1,765,000	3,470,000
New England Institute of Technology	2008	03/01/2034	4,670,000	5,320,000
Public Schools Revenue Bonds, Series B	2008	05/15/2029	-	70,000
Roger Williams University, Series B	2008	11/15/2038	25,660,000	26,865,000
Board of Governors, Series B	2008	09/15/2034	3,830,000	3,830,000
Board of Governors, Series B	2009	09/15/2029	8,490,000	8,490,000
Providence Public Building Authority, Series A	2009	06/15/2025	1,520,000	3,040,000
Board of Governors, Series A	2010	09/15/2040	16,885,000	17,540,000
Public Schools Revenue Bonds, Series A	2010	05/15/2027	12,575,000	12,575,000
Thundermist Health Center, Series A	2010	08/01/2030	1,274,958	1,481,708
Public Schools Revenue Bonds, Series C	2010	05/15/2026	780,000	1,130,000
Public Schools Revenue Bonds, Series D	2010	05/15/2025	270,000	624,000
Public Schools Revenue Bonds, Series E	2010	05/15/2025	530,000	1,226,000
Public Schools Revenue Bonds, Series F & G	2010	05/15/2029	24,100,000	24,100,000
Providence Public Building Authority, Series A & B	2010	05/15/2029	21,945,000	21,945,000
The Providence Community Health Centers, Inc., Series A	2010	06/01/2037	7,279,213	7,725,379
Roger Williams University	2011	11/15/2027	5,958,916	7,346,627
The Compass School, Series A & C	2011	06/28/2027	435,001	580,001
Blackstone Valley Community Health Care, Inc., Series A	2011	08/01/2041	4,741,456	4,920,322
Steere House	2011	09/01/2036	-	3,531,000

**RHODE ISLAND HEALTH AND EDUCATIONAL  
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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

**Note 2 - Conduit Debt - Continued**

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2024</u>	<u>Outstanding Principal at 06/30/2023</u>
Roger Williams University, Series B	2011	12/15/2029	\$ 4,910,000	\$ 5,610,000
Salve Regina University	2011	06/15/2031	9,465,000	10,885,000
Immaculate Conception Catholic Regional School	2012	03/16/2032	2,518,750	2,843,750
Rhode Island School of Design	2012	06/01/2031	-	815,000
Rhode Island School of Design, Series B	2012	08/15/2035	2,410,000	4,725,000
Public Schools Revenue Bonds, Series B	2012	05/15/2032	7,455,000	8,250,000
Providence College, Series B	2012	11/01/2024	4,670,000	9,115,000
Scandinavian Home	2013	04/01/2040	2,994,669	3,130,402
Public Schools Revenue Bonds, Series B	2013	05/15/2033	4,005,000	4,450,000
Board of Education, Series A - D	2013	09/15/2024	2,485,000	7,315,000
Public Schools Revenue Bonds, Series D	2013	05/15/2033	1,930,000	2,145,000
Public Schools Revenue Bonds, Series E	2013	05/15/2028	200,000	250,000
Providence Public Building Authority, Series A	2013	05/15/2024	-	4,255,000
Brown University	2013	09/01/2043	-	114,180,000
Public Schools Revenue Bonds, Series H	2013	05/15/2034	6,825,000	7,365,000
Public Schools Revenue Bonds, Series I	2013	11/15/2023	-	1,170,000
Public Schools Revenue Bonds, Series A	2014	05/15/2034	2,435,000	2,635,000
Public Schools Revenue Bonds, Series B	2014	05/15/2034	1,935,000	2,095,000
Roger Williams University	2014	10/15/2035	9,881,429	10,581,305
Newport Hospital	2014	07/01/2029	9,117,000	10,494,000
Public Schools Revenue Bonds, Series C	2014	05/15/2034	4,725,000	5,110,000
Child and Family Services of Newport County	2015	04/30/2043	-	5,812,308
Salve Regina University, Series A - C	2015	05/01/2045	20,673,122	21,511,450
Providence Public Building Authority, Series A	2015	05/15/2028	56,575,000	70,310,000
Mercymount Country Day School	2015	05/01/2035	1,780,285	2,142,463
Providence College	2015	11/01/2045	29,555,000	31,935,000
South County Hospital Healthcare System	2015	09/15/2033	25,015,000	27,585,000
New England Institute of Technology	2015	09/01/2045	47,113,124	48,935,852
Public Schools Revenue Bonds, Series B	2015	05/15/2036	3,115,000	3,315,000

**RHODE ISLAND HEALTH AND EDUCATIONAL  
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(a Component Unit of the State of Rhode Island)

**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

**Note 2 - Conduit Debt - Continued**

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2024</u>	<u>Outstanding Principal at 6/30/2023</u>
Saint Philomena School	2015	04/01/2035	\$ 1,161,194	\$ 1,252,706
Johnson & Wales University	2015	10/01/2030	14,534,118	16,431,345
Tamarisk, Inc.	2015	10/01/2040	6,913,007	7,230,697
Brown University	2015	09/01/2045	34,730,000	36,220,000
Providence Public Building Authority, Series B	2015	05/15/2035	6,580,000	7,060,000
Saint Elizabeth Home, East Greenwich	2015	12/01/2045	11,288,950	11,613,113
Public Schools Revenue Bonds, Series C & D	2015	05/15/2036	8,465,000	10,490,000
Moses Brown School, Series A & B	2016	06/01/2046	16,970,139	17,549,968
Public Schools Revenue Bonds, Series A	2016	05/15/2029	37,685,000	46,180,000
Lifespan Obligated Group	2016	05/15/2039	150,880,000	167,315,000
Public Schools Revenue Bonds, Series B & C	2016	05/15/2036	3,960,000	4,490,000
Care New England, Series B	2016	09/01/2036	108,020,000	114,220,000
The Frassati Residence	2016	11/01/2029	3,041,322	3,536,053
Council on Postsecondary Education, Series A - C	2016	09/15/2036	66,925,000	70,720,000
Roger Williams University, Series A & B	2016	11/15/2031	4,146,090	4,635,275
New England Institute of Technology	2017	03/01/2040	27,716,147	29,049,371
Public Schools Revenue Bonds, Series A	2017	05/15/2034	42,840,000	46,130,000
Providence College	2017	11/01/2047	46,415,000	46,415,000
Public Schools Revenue Bonds, Series B	2017	05/15/2027	7,955,000	9,345,000
Public Schools Revenue Bonds, Series C	2017	05/15/2027	52,130,000	54,045,000
Public Schools Revenue Bonds, Series D	2017	05/15/2037	7,010,000	7,430,000
Public Schools Revenue Bonds, Series E	2017	05/15/2037	15,555,000	16,980,000
Public Schools Revenue Bonds, Series F	2017	05/15/2038	14,150,000	15,265,000
Brown University, Series A	2017	09/01/2047	138,865,000	140,125,000
Public Schools Revenue Bonds, Series G	2017	05/15/2042	28,435,000	29,420,000
Public Schools Revenue Bonds, Series H	2017	05/15/2038	3,945,000	4,140,000
Council on Postsecondary Education, Series A - D	2017	09/15/2047	116,180,000	118,750,000
Public Schools Revenue Bonds, Series I & J	2017	05/15/2032	9,385,000	10,820,000
Meeting Street, Series A	2017	12/01/2047	13,747,684	14,121,025
Public Schools Revenue Bonds, Series A	2018	05/15/2038	3,695,000	3,885,000
Public Schools Revenue Bonds, Series B	2018	05/15/2038	15,140,000	15,915,000

**RHODE ISLAND HEALTH AND EDUCATIONAL  
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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

**Note 2 - Conduit Debt - Continued**

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2024</u>	<u>Outstanding Principal at 06/30/2023</u>
Rhode Island School of Design	2018	08/15/2048	\$ 52,920,000	\$ 53,960,000
Ocean State Assisted Living	2018	11/01/2031	6,131,000	6,706,000
St. Andrew's School, Series A & B	2018	07/01/2048	18,606,571	18,487,955
Council on Postsecondary Education, Series A & B	2018	09/15/2038	16,440,000	17,175,000
South County Hospital Healthcare System Meeting Street	2018	12/01/2047	5,681,250	6,943,750
Public Schools Revenue Bonds, Series A	2019	05/15/2042	4,491,982	4,640,730
Blackstone Valley Prep	2019	05/01/2049	36,190,000	37,490,000
Mount Saint Charles Academy	2019	05/01/2040	14,510,509	14,831,456
Trinity Academy for the Performing Arts	2019	06/01/2050	3,178,943	3,314,895
Public Schools Revenue Bonds, Series B	2019	05/15/2039	-	6,188,514
Providence Public Building Authority, Series A	2019	05/15/2039	15,310,000	16,020,000
Brown University, Series A	2019	09/01/2029	16,520,000	17,255,000
Kingston Hill Academy	2019	08/01/2051	54,560,000	54,560,000
Public Schools Revenue Bonds, Series C	2019	05/15/2041	5,897,820	6,008,650
Public Schools Revenue Bonds, Series D	2019	05/15/2041	4,305,000	4,560,000
The Compass School	2019	10/01/2049	4,795,000	5,020,000
HopeHealth Hospice & Palliative Care	2019	11/01/2049	3,423,040	3,558,160
Roger Williams University	2019	11/15/2028	9,903,966	10,156,345
Bryant University	2019	12/06/2031	7,541,801	9,132,217
Public Schools Revenue Bonds, Series A	2020	05/15/2040	11,290,787	12,672,556
Portsmouth Abbey School, Series A - D	2020	06/01/2050	3,100,000	3,295,000
Public Schools Revenue Bonds, Series B	2020	05/15/2040	14,908,892	15,688,292
Public Schools Revenue Bonds, Series C	2020	05/15/2040	51,235,000	53,390,000
Public Schools Revenue Bonds, Series D	2020	05/15/2037	5,660,000	5,915,000
Rhode Island School of Design	2020	08/15/2035	23,590,000	25,665,000
Blackstone Valley Prep, Series A & B	2021	03/01/2051	51,350,000	51,870,000
Public Schools Revenue Bonds, Series A & B	2021	05/15/2042	14,893,344	15,233,350
Public Schools Revenue Bonds, Series C	2021	05/15/2033	11,040,000	11,900,000
Public Schools Revenue Bonds, Series D	2021	05/15/2041	14,275,000	16,065,000
Providence College, Series A	2021	11/01/2050	97,000,000	100,690,000
			19,585,000	19,585,000

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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

**Note 2 - Conduit Debt - Continued**

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2024</u>	<u>Outstanding Principal at 06/30/2023</u>
Public Schools Revenue Bonds, Series F	2021	05/15/2041	\$ 115,465,000	\$ 120,055,000
Public Schools Revenue Bonds, Series E	2021	05/15/2031	7,705,000	8,865,000
Providence College, Series B	2021	11/01/2041	23,680,000	24,495,000
Public Schools Revenue Bonds, Series G	2021	05/15/2043	8,660,000	8,980,000
St. George's School	2021	10/01/2051	44,300,000	44,300,000
Rhode Island School of Design, Series A & B	2021	08/15/2036	69,484,000	72,288,000
Public Schools Revenue Bonds, Series H	2021	05/15/2042	33,625,000	34,835,000
Bryant University	2021	06/01/2044	-	42,360,000
Public Schools Revenue Bonds, Series A	2022	05/15/2042	30,235,000	30,235,000
Public Schools Revenue Bonds, Series B	2022	05/15/2041	22,345,000	23,195,000
Roger Williams University	2022	11/15/2039	8,700,000	8,700,000
Public Schools Revenue Bonds, Series C	2022	05/15/2047	98,500,000	98,500,000
Achievement First Rhode Island, Inc., Series A - C	2022	04/01/2052	56,575,677	53,073,756
Public Schools Revenue Bonds, Series D	2022	05/15/2038	5,450,000	5,950,000
Public Schools Revenue Bonds, Series E	2022	05/15/2045	19,510,000	19,510,000
Brown University, Series A	2022	09/01/2033	86,340,000	87,220,000
Public Schools Revenue Bonds, Series F	2022	05/15/2052	85,000,000	85,000,000
Blackstone Valley Prep	2022	10/01/2052	12,488,197	12,668,726
Paul Cuffee School	2022	11/01/2042	2,963,475	62,000
Providence College	2023	11/01/2053	112,435,000	112,435,000
The Learning Community Charter School	2023	02/01/2038	2,584,968	2,774,000
University of Rhode Island	2023	09/15/2043	15,440,000	15,440,000
Public Schools Revenue Bonds, Series A	2023	05/15/2053	74,125,000	-
Brown University	2023	09/01/2043	96,535,000	-
Central Falls Public School Projects	2023	05/15/2043	89,630,000	-
Public Schools Revenue Bonds, Series B	2023	05/15/2039	5,540,000	-
Public Schools Revenue Bonds, Series C	2023	05/15/2043	20,000,000	-
RI Nurses Institute Middle College Charter High School	2024	01/01/2054	18,972,965	-
Lifespan Obligated Group	2024	05/15/2054	300,000,000	-
Child & Family Services of Newport County	2024	03/01/2054	3,556,328	-
Public Schools Revenue Bonds, Series A	2024	05/15/2049	76,805,000	-
Portsmouth Abbey School	2024	03/01/2040	8,000,000	-
Bryant University	2024	06/01/2048	132,795,000	-
Trinity Academy for the Performing Arts	2024	06/15/2056	104,532	-
			<u>\$ 3,877,556,621</u>	<u>\$ 3,377,370,472</u>

**RHODE ISLAND HEALTH AND EDUCATIONAL  
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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 3 - **Cash and Equivalents**

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 Corporation were required to be collateralized at June 30, 2024 pursuant to this statutory provision.

At June 30, 2024 and 2023, the carrying amounts of the Corporation's cash and equivalents were approximately \$9,935,000 and \$8,823,000, respectively, and bank balances were approximately \$10,188,000 and \$8,927,000, respectively. The Corporation does not have a policy for custodial credit risk associated with deposits. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- a) Uncollateralized,
- b) Collateralized with securities held by the pledging financial institution, or
- c) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor government's name.

Of the Corporation's cash and equivalents totaling approximately \$9,935,000 and \$8,823,000, respectively, approximately \$4,423,000 and \$3,228,000 at June 30, 2024 and 2023, respectively, was invested in the Ocean State Investment Pool Trust ("OSIP"). OSIP is an investment pool established by the State of Rhode Island General Treasurer for the purpose of investing funds of, and funds under the custody of agencies, authorities, Corporations, boards, municipalities, political subdivisions, and other public units of the State. OSIP has met the criteria outlined in GASB Statement No. 79 - *Certain External Investment Pools and Pool Participants* to permit election to report its investment at amortized cost which approximates fair value.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 3 - **Cash and Equivalents - Continued**

In addition to federal depository insurance (“FDIC”), the Corporation deposits funds with a banking institution that obtained specific depository insurance to mitigate the Corporation’s credit risk associated with funds deposited in excess of federally insured levels. Of the bank balances at June 30, 2024 and 2023, approximately \$482,000 and \$455,000 were covered by federal depository insurance and other specific deposit insurance. The remaining amount of approximately \$9,706,000 and \$8,472,000 was uninsured and uncollateralized at June 30, 2024 and 2023, respectively.

*Fiduciary Activities*

At June 30, 2024 and 2023, the carrying amounts and bank balances of the fiduciary funds’ cash and equivalents were approximately \$69,766,000 and \$85,151,000, respectively. The Corporation does not have a policy for custodial credit risk associated with deposits of fiduciary activities. Of the bank balances at June 30, 2024 and 2023, \$0, was covered by federal depository insurance.

Cash and equivalents of the fiduciary activities at June 30, are as follows:

2024			
Money market mutual funds	<u>Maturity in Days</u>	<u>Credit Ratings</u>	<u>Fair Value</u>
First American US Treasury Money Market Class V (#3702)	46	Aaa-mf	<u>\$ 69,765,972</u>
2023			
Money market mutual funds	<u>Maturity in Days</u>	<u>Credit Ratings</u>	<u>Fair Value</u>
First American US Treasury Money Market Class V (#3702)	48	Aaa-mf	<u>\$ 85,151,395</u>

**RHODE ISLAND HEALTH AND EDUCATIONAL  
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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 4 - **Loans Receivable**

Corporation's loans receivable as of the years ended June 30, are as follows:

	<u>2024</u>	<u>2023</u>
<p>In November 2005, the Corporation entered into a loan agreement with Aldersbridge Communities (f/k/a United Methodist Health Center) for \$700,000. The agreement stipulates monthly payments of \$4,879, inclusive of interest at 4.40% until maturity in November 2015. In June 2015, the loan was refinanced for \$795,000 and the new agreement stipulates monthly payments of \$4,802, inclusive of interest at 2.50% until maturity in June 2025 at which time a balloon payment of approximately \$373,000 is due.</p>	<b>\$ 416,812</b>	\$ 463,197
<p>In November 2023, the Corporation entered into a loan agreement with Higher Ground International for \$250,000. The agreement stipulates monthly payments of \$2,810, inclusive of interest at 6.27% until maturity in November 2033.</p>	<b>239,800</b>	-
<p>In June 2024, the Corporation entered into a loan agreement with Justice Assistance for \$250,000. The agreement stipulates monthly payments of \$3,704, inclusive of interest at 6.43% until maturity in June 2031.</p>	<u><b>250,000</b></u>	-
Total Loans Receivable	<b>906,612</b>	463,197
Less: Current Portion	<u><b>464,972</b></u>	<u>46,385</u>
Non-Current Loans Receivable	<u><b>\$441,640</b></u>	<u>\$ 416,812</u>

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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 5 - **School Building Authority Capital Fund Loans Receivable - Fiduciary Fund**

As discussed in Note 1, the Corporation is administrator of the School Building Authority Capital Fund as a private-purpose trust fund which provides loans as a portion of the project costs, which are used for repairs of public school facilities. The awarded LEA will sign a loan agreement with the Corporation for the total cost of the project. Upon completion of the project, the awardee will be responsible for repayment of their loan (local share) plus interest. The local share is determined by the Rhode Island Department of Education's education funding formula. The remaining project costs (state share) are provided to the LEA as a grant.

SBACF loans receivable as of the years ended June 30, are as follows:

	<u>2024</u>	<u>2023</u>
In June 2016, the Corporation entered into a loan agreement with the City of Providence for \$1,830,536. The agreement stipulates annual payments ranging from \$186,568 to \$215,466, inclusive of interest at 1.92% until maturity in June 2026.	<b>\$ 366,107</b>	\$ 549,161
In December 2017, the Corporation entered into a loan agreement with the City of Providence for \$341,698. The agreement stipulates annual payments ranging from \$34,973 to \$41,397, inclusive of interest at 2.35% until maturity in June 2027.	<u><b>102,510</b></u>	<u>136,679</u>
Total SBACF Loans Receivable	<b>468,617</b>	685,840
Less: Current Portion	<u><b>217,224</b></u>	<u>217,224</u>
Non-Current SBACF Loans Receivable	<u><b>\$ 251,393</b></u>	<u>\$ 468,616</u>

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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 6 - **Capital Assets**

Capital asset activity for the year ended June 30, 2024 is as follows:

	Estimated Lives (in years)	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets:					
Computer Equipment	5-7	\$ 44,625	\$ 5,064	\$ -	\$ 49,689
Furniture and Fixtures	5-10	80,011	-	-	80,011
Leased Building	5	<u>507,614</u>	<u>-</u>	<u>-</u>	<u>507,614</u>
Total Capital Assets		<u>632,250</u>	<u>5,064</u>	<u>-</u>	<u>637,314</u>
Less: Accumulated Depreciation					
Computer Equipment		29,134	6,597	-	35,731
Furniture and Fixtures		77,346	408	-	77,754
Leased Building		<u>211,505</u>	<u>101,523</u>	<u>-</u>	<u>313,028</u>
Total Accumulated Depreciation		<u>317,985</u>	<u>108,528</u>	<u>-</u>	<u>426,513</u>
Capital Assets, Net		<u>\$ 314,265</u>	<u>\$ (103,464)</u>	<u>\$ -</u>	<u>\$ 210,801</u>

**RHODE ISLAND HEALTH AND EDUCATIONAL  
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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 6 - **Capital Assets - Continued**

Capital asset activity for the year ended June 30, 2023 is as follows:

	Estimated Lives (in years)	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets:					
Office Equipment	5	\$ 14,854	\$ -	\$ 14,854	\$ -
Computer Equipment	5-7	41,729	6,396	3,500	44,625
Furniture and Fixtures	5-10	83,071	-	3,060	80,011
Leased Building	5	<u>507,614</u>	<u>-</u>	<u>-</u>	<u>507,614</u>
Total Capital Assets		<u>647,268</u>	<u>6,396</u>	<u>21,414</u>	<u>632,250</u>
Office Equipment		14,854	-	14,854	-
Computer Equipment		25,380	7,254	3,500	29,134
Furniture and Fixtures		79,998	408	3,060	77,346
Leased Building		<u>109,982</u>	<u>101,523</u>	<u>-</u>	<u>211,505</u>
Total Accumulated Depreciation		<u>230,214</u>	<u>109,185</u>	<u>21,414</u>	<u>317,985</u>
Capital Assets, Net		<u>\$ 417,054</u>	<u>\$ (102,789)</u>	<u>\$ -</u>	<u>\$ 314,265</u>

**RHODE ISLAND HEALTH AND EDUCATIONAL  
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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 7 - **Debt Obligations**

Long-term liabilities for the Corporation for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Non-Current Portion</u>
Lease liability	\$ 316,687	\$ -	\$ 103,196	\$ 213,491	\$ 108,239	\$ 105,252

	<u>2023</u>					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Non-Current Portion</u>
Lease liability	\$ 413,533	\$ -	\$ 96,846	\$ 316,687	\$ 103,197	\$ 213,490

**Lease Liability**

A summary of the Corporation's leases at June 30, are as follows:

<u>Description</u>	<u>Date</u>	<u>Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>6/30/2024 Lease Liability</u>	<u>FY 2024 Additional Outflows</u>
33 Broad Street	6/1/2021	60 months	variable	3.50%	\$ 213,491	\$ -

<u>Description</u>	<u>Date</u>	<u>Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>6/30/2023 Lease Liability</u>	<u>FY 2023 Additional Outflows</u>
33 Broad Street	6/1/2021	60 months	variable	3.50%	\$ 316,687	\$ -

On June 1, 2021, the Corporation entered into a five-year lease agreement for office space. The lease can be renewed for an additional 5 years, but management is unsure the Corporation will be renewing the lease for an additional term. Payments are due monthly. The lease payment at inception was \$8,333, which is adjusted annually by the greater of 3% or a number equal to the percentage increase in the Consumer Price Index over a 12-month period. The Corporation's incremental borrowing rate for a transaction with similar attributes was used to discount the lease payments to recognize the intangible right to use this asset and the associated lease liability.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
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**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 7 - **Debt Obligations - Continued**

*Lease Liability - continued*

Annual requirements to amortize the lease liability and related interest subsequent to June 30, 2024 are as follows:

<u>Years Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 108,239	\$ 5,340
2026	<u>105,252</u>	<u>1,718</u>
	<u>\$ 213,491</u>	<u>\$ 7,058</u>

*Line of Credit*

During 2023, the Corporation entered into a revolving line of credit agreement with a financial institution for \$5,000,000. The interest rate on the line of credit is based on the Secured Overnight Financing Rate (SOFR) (5.33% and 5.09% at June 30, 2024 and 2023, respectively) plus .60%. The line of credit is secured by \$5,000,000 deposited into a reserve account with the lending financial institution. The \$5,000,000 of reserves are included in restricted cash and equivalents on the statement of net position. The outstanding balance related to this agreement totaled \$500,000 at June 30, 2024. The Corporation has no debt related to this agreement at June 30, 2023.

Note 8 - **Commitments and Contingencies**

*Subsidy Program*

Under an Interest Rate Subsidy (the “Subsidy”) Program, discontinued in 2002, the Corporation pledged to subsidize 1% of the interest charges of certain institutions’ long-term debt. To fund this commitment, the Corporation reserved the estimated net present value of the Subsidy. All remaining subsidiaries were paid during the year ended June 30, 2023.

*School Housing Aid – Private-Purpose Trust Fund*

Pursuant to Rhode Island General Law 45-38.2-2, the Corporation transfers interest earned from the housing aid account to the School Building Authority Capital Fund.

# RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

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## Notes to the Financial Statements - Continued

**June 30, 2024 and 2023**

**Note 8 - Commitments and Contingencies - Continued**

*School Building Authority Capital Fund - Private-Purpose Trust Fund*

Grants awarded in fiscal year 2024 and cumulative unspent balances available for draw as of June 30, 2024 are as follows:

	Awarded in Fiscal 2024					Cumulative Balances Available							
	Total	Technical Assistance	Menu for Success	Outdoor Classroom Initiative	Styrofoam Mitigation Initiative	Total	Technical Assistance	Facility Equity Initiative	Arts Initiative	Technology & Equipment	Menu for Success	Outdoor Classroom Initiative	Styrofoam Mitigation Initiative
Beacon Charter School	\$ 23,198	\$ -	\$ -	\$ -	\$ 23,198	\$ 103,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,356	\$ 23,198
Blackstone Academy	38,300	-	-	-	38,300	38,300	-	-	-	-	-	-	38,300
Bristol-Warren RSD	288,037	-	-	200,000	88,037	288,037	-	-	-	-	-	200,000	88,037
Burrillville	72,195	-	-	-	72,195	155,195	-	-	-	-	-	83,000	72,195
Central Falls	381,500	-	-	-	381,500	2,712,860	-	-	-	-	-	400,000	381,500
Charette Charter	15,550	-	-	-	15,550	15,550	-	1,931,360	-	-	-	-	15,550
Charlho RSD	68,684	-	-	-	68,684	123,179	-	-	-	-	-	54,495	68,684
Compass School, The	22,398	-	-	-	22,398	41,037	-	-	-	-	-	18,639	22,398
Coventry	-	-	-	-	-	3,176,582	-	3,176,582	-	-	-	-	-
Cranston	-	-	-	-	-	1,934,358	-	1,934,358	-	-	-	-	-
Cumberland	23,015	-	-	-	23,015	23,015	-	-	-	-	-	-	23,015
E Greenwich	145,000	-	-	-	145,000	345,000	-	-	-	-	-	200,000	145,000
E Providence	-	-	-	-	-	1,706,092	-	1,561,092	-	-	-	145,000	-
Exeter-W Greenwich RSD	125,000	-	125,000	-	-	213,143	-	-	-	-	43,425	169,718	-
Foster	-	-	-	-	-	100,000	-	-	-	-	-	100,000	-
Foster-Glocester RSD	-	-	-	-	-	151,063	-	-	-	-	-	151,063	-
Glocester	-	-	-	-	-	42,133	-	-	-	-	-	42,133	-
Greene School, The	-	-	-	-	-	200,000	-	-	-	-	-	200,000	-
Highlander	-	-	-	-	-	100,000	-	-	-	-	-	100,000	-
International Charter School	-	-	-	-	-	100,000	-	-	-	-	-	100,000	-
Johnston	57,327	-	-	-	57,327	57,327	-	-	-	-	-	-	57,327
Kingston Hill Academy	-	-	-	-	-	100,000	-	-	-	-	-	100,000	-
Learning Community, The	-	-	-	-	-	73,288	-	-	-	-	-	73,288	-
Lincoln	446,216	-	-	-	446,216	531,216	-	-	-	-	-	85,000	446,216
Little Compton	75,950	-	-	-	75,950	75,950	-	-	-	-	-	-	75,950
Met Career and Tech Center, The	125,000	-	125,000	-	-	20,000	-	-	-	-	20,000	-	-
Middletown	100,380	-	-	-	100,380	100,380	-	-	-	-	-	-	100,380
N Kingstown	265,662	100,000	-	-	165,662	392,322	78,697	-	-	-	-	147,963	165,662
N Providence	74,000	-	-	-	74,000	74,000	-	-	-	-	-	-	74,000
Narragansett	13,536	-	-	-	13,536	13,536	-	-	-	-	-	-	13,536
New Shoreham	-	-	-	-	-	100,000	-	-	-	-	-	100,000	-
Newport	9,040	-	-	-	9,040	141,290	-	-	-	-	-	132,250	9,040
Nuestro Mundo Charter School	44,225	-	-	-	44,225	44,225	-	-	-	-	-	-	44,225
Pawtucket	-	-	-	-	-	3,384,911	-	1,928,876	-	1,356,835	-	99,200	-
Portsmouth	-	-	-	-	-	338	-	-	-	-	-	338	-
Providence	493,996	145,000	-	-	348,996	4,283,873	-	1,334,877	-	-	-	2,600,000	348,996
RI School for the Deaf	163,001	-	-	-	163,001	163,001	-	-	-	-	-	-	163,001
S Kingstown	7,654	-	-	-	7,654	298,654	-	-	-	-	-	291,000	7,654
Scituate	15,996	-	-	-	15,996	15,996	-	-	-	-	-	-	15,996
Segue Institute for Learning	-	-	-	-	-	141,500	-	-	-	-	-	141,500	-
Smithfield	167,040	-	-	-	167,040	308,040	-	-	-	-	-	141,000	167,040
Tiverton	85,230	-	-	-	85,230	85,230	-	-	-	-	-	-	85,230
W Warwick	-	-	-	-	-	672,109	-	572,109	-	-	-	100,000	-
Warwick	-	-	-	-	-	700,000	-	-	-	-	-	700,000	-
Westerly	9,663	-	-	-	9,663	54,663	-	-	-	-	45,000	-	9,663
Woonsocket	-	-	-	-	-	4,516,114	-	3,388,916	181,571	945,627	-	-	-
<b>Total</b>	<b>\$ 3,356,793</b>	<b>\$ 245,000</b>	<b>\$ 250,000</b>	<b>\$ 200,000</b>	<b>\$ 2,661,793</b>	<b>\$ 27,917,061</b>	<b>\$ 78,697</b>	<b>\$ 15,828,170</b>	<b>\$ 181,571</b>	<b>\$ 2,302,462</b>	<b>\$ 108,425</b>	<b>\$ 6,755,943</b>	<b>\$ 2,661,793</b>

# RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

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## Notes to the Financial Statements - Continued

June 30, 2024 and 2023

### Note 8 - Commitments and Contingencies - Continued

#### School Building Authority Capital Fund - Private-Purpose Trust Fund - Continued

Grants awarded in fiscal year 2023 and cumulative unspent balances available for draw as of June 30, 2023 are as follows:

	Awarded in Fiscal 2023					Cumulative Balances Available							
	Total	Technical Assistance	Facility Equity Initiative	Technology & Equipment	Menu for Success	Outdoor Classroom Initiative	Total	Technical Assistance	Facility Equity Initiative	Arts Initiative	Technology & Equipment	Menu for Success	Outdoor Classroom Initiative
Achievement First RI	\$ 156,228	\$ -	\$ -	\$ 156,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Barrington	241,457	-	-	241,457	-	-	257,462	-	-	16,005	241,457	-	-
Beacon Charter School	107,312	-	-	26,956	-	80,356	80,356	-	-	-	-	-	80,356
Blackstone Academy	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-
Blackstone Valley Prep	154,155	-	-	154,155	-	-	223,270	-	-	69,115	154,155	-	-
Bristol-Warren RSD	210,282	-	-	210,282	-	-	8,036	-	-	8,036	-	-	-
Burrillville	538,765	-	303,612	152,153	-	83,000	386,612	-	303,612	-	-	-	83,000
Central Falls	5,141,685	-	4,165,742	450,943	125,000	400,000	3,900,023	-	3,422,148	53,825	-	24,050	400,000
Charette Charter	25,000	-	-	25,000	-	-	25,000	-	-	-	25,000	-	-
Charho RSD	620,102	-	-	395,468	125,000	99,634	192,892	-	-	12,779	56,429	24,050	99,634
Compass School, The	125,000	-	-	25,000	-	100,000	100,000	-	-	-	-	-	100,000
Coventry	3,729,646	-	3,176,582	428,064	125,000	-	3,655,455	-	3,176,582	140,794	314,029	24,050	-
Cranston	2,906,843	-	1,934,358	847,485	125,000	-	1,982,673	-	1,934,358	-	24,265	-	24,050
Cumberland	337,768	-	-	337,768	-	-	106,780	-	-	106,780	-	-	-
Davies Career and Tech	267,940	-	-	142,940	125,000	-	144,452	-	-	8,760	57,942	77,750	-
E Greenwich	382,469	-	-	182,469	-	200,000	306,703	-	-	9,048	97,655	-	200,000
E Providence	3,002,090	-	2,247,992	484,098	125,000	145,000	2,899,803	-	2,247,992	121,470	361,291	24,050	145,000
Excel Academy	25,000	-	-	25,000	-	-	25,000	-	-	-	25,000	-	-
Exeter-W Greenwich RSD	282,117	-	-	112,399	-	169,718	332,511	-	-	50,394	112,399	-	169,718
Foster	125,000	-	-	25,000	-	100,000	100,000	-	-	10,000	-	-	100,000
Foster-Glocester RSD	399,814	-	-	99,814	-	300,000	300,000	-	-	-	-	-	300,000
Glocester	107,838	-	-	25,000	-	82,838	125,053	-	-	17,215	25,000	-	82,838
Greene School, The	225,000	-	-	25,000	-	200,000	200,000	-	-	-	-	-	200,000
Highlander	144,116	-	-	44,116	-	100,000	144,116	-	-	-	44,116	-	100,000
Hope Academy, The	25,000	-	-	25,000	-	-	35,000	-	-	10,000	25,000	-	-
International Charter School	126,241	-	-	26,241	-	100,000	100,000	-	-	-	-	-	100,000
Jamestown	131,746	-	-	31,746	-	100,000	114,526	-	-	-	14,526	-	100,000
Johnston	219,291	-	-	219,291	-	-	317,610	-	-	98,319	219,291	-	-
Kingston Hill Academy	125,000	-	-	25,000	-	100,000	100,000	-	-	-	-	-	100,000
Learning Community, The	141,613	-	-	41,613	-	100,000	100,000	-	-	-	-	-	100,000
Lincoln	442,519	-	-	232,519	125,000	85,000	431,768	-	-	104,249	232,519	10,000	85,000
Little Compton	25,000	-	-	25,000	-	-	35,000	-	-	10,000	25,000	-	-
Met Career and Tech Center, The	58,630	-	-	58,630	-	-	66,454	-	-	-	-	-	-
Middletown	148,220	-	-	148,220	-	-	150,085	-	-	2,122	-	-	147,963
N Kingstown	427,815	-	-	279,852	-	147,963	2,816,100	-	2,810,607	-	5,493	-	-
N Providence	3,076,340	-	2,828,663	247,677	-	-	-	-	-	-	-	-	-
N Smithfield	115,402	-	-	115,402	-	-	-	-	-	-	-	-	-
Narragansett	86,229	-	-	86,229	-	-	-	-	-	-	-	-	-
New England Laborers	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-
New Shoreham	125,000	-	-	25,000	-	100,000	100,000	-	-	-	-	-	100,000
Newport	468,638	-	-	211,388	125,000	132,250	241,224	-	-	63,313	21,611	24,050	132,250
Nuestro Mundo Charter School	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-
Paul Cuffee	58,344	-	-	58,344	-	-	6,112	-	-	6,112	-	-	-
Pawtucket	3,509,911	-	1,928,876	1,356,835	125,000	99,200	5,072,996	-	3,592,911	-	1,356,835	24,050	99,200
Parsmouth	166,971	-	-	160,661	-	-	6,310	-	-	-	-	-	6,310
Providence	11,838,527	250,000	5,107,619	3,755,908	125,000	2,600,000	15,854,577	-	9,560,621	54,350	3,615,556	24,050	2,600,000
PVD Prep	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-
RI Nurses Institute	25,000	-	-	25,000	-	-	1,900	-	-	-	1,900	-	-
RI School for the Deaf	25,000	-	-	25,000	-	-	6,638	-	-	-	6,638	-	-
RISE Prep Mayoral Academy	27,313	-	-	27,313	-	-	-	-	-	-	-	-	-
S Kingstown	477,473	-	-	186,473	-	291,000	497,561	-	-	20,088	186,473	-	291,000
Scituate	85,514	-	-	85,514	-	-	12,187	-	-	-	12,187	-	-
Segue Institute for Learning	166,500	-	-	25,000	-	141,500	141,500	-	-	-	-	-	141,500
Skip Nowell Leadership Academy	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-
Smithfield	312,029	-	-	171,029	-	141,000	312,029	-	-	-	171,029	-	141,000
SouthSide Charter School	25,000	-	-	25,000	-	-	4,200	-	-	4,200	-	-	-
Times <sup>2</sup> Academy	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-
Tiverton	119,978	-	-	119,978	-	-	-	-	-	-	-	-	-
Trinity Academy for Perf Arts	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-
Village Green Virtual	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-
W Warwick	1,266,799	-	572,109	594,690	-	100,000	797,490	-	580,357	114,187	2,946	-	100,000
Warwick	1,523,050	-	-	698,050	125,000	700,000	1,312,476	-	-	4,411	584,015	24,050	700,000
Westerly	295,028	-	-	170,028	125,000	-	324,009	-	-	76,231	170,028	-	77,750
Woonsocket	4,038,490	-	2,888,916	1,024,574	125,000	-	4,540,164	-	3,388,916	181,571	945,627	-	24,050
<b>Total</b>	<b>\$ 49,159,238</b>	<b>\$ 250,000</b>	<b>\$ 25,154,469</b>	<b>\$ 15,125,000</b>	<b>\$ 1,625,000</b>	<b>\$ 7,004,769</b>	<b>\$ 49,004,113</b>	<b>\$ -</b>	<b>\$ 31,018,104</b>	<b>\$ 1,439,828</b>	<b>\$ 9,135,412</b>	<b>\$ 406,000</b>	<b>\$ 7,004,769</b>

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 8 - **Commitments and Contingencies - Continued**

*School Construction Bond Program*

Project awards consist of capital grants awarded by the SBA utilizing proceeds from general obligation bonds issued by the State. The State provided funding to PayGo only as needed to meet current disbursement requirements.

During fiscal 2024, the SBA awarded \$122,915,933 of PayGo funds to 11 of the State's LEAs. For fiscal year 2024, PayGo reported transfers from the state of \$37,199,803 and related project cost expenses of \$32,360,071. This amount reflected LEA project costs incurred during fiscal 2024, as approved and reported by the SBA.

During fiscal 2023, the SBA awarded \$108,875,508 of PayGo funds to 8 of the State's LEAs. For fiscal year 2023, PayGo reported transfers from the state of \$86,329,440 and related project cost expenses of \$69,057,898. This amount reflected LEA project costs incurred during fiscal 2023, as approved and reported by the SBA.

Note 9 - **Net Position Designations**

The Board of Directors of the Corporation (the "Board") has designated certain unrestricted net position of the Corporation for the years ended June 30, 2024 and 2023 as follows:

*Self-Insurance*

This designation was established to provide for the deductible exclusion for existing Corporation insurance policies. The Board designated \$500,000 of net position for self-insurance at June 30, 2024 and 2023.

*Operating Reserves*

This designation was established to provide for expenditures incurred as a result of operating contingencies. The Board designated \$2,500,000 of net position for operating reserves at June 30, 2024 and 2023.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 9 - **Net Position Designations - Continued**

*Financial Assistance Program*

This designation was established to provide eligible institutions with a grant or a direct loan for the funding of qualified projects. The Board initially designated \$5,000,000 of net position for financial assistance for fiscal year 2023. During fiscal year 2023, these funds were then classified as restricted due to a requirement to pledge \$5,000,000 as collateral for a line of credit obtained to fund a new loan project. The Corporation did not designate funds in fiscal year 2024.

*School Building Authority*

As disclosed in Note 12, in accordance with Article 9 of the fiscal year 2019 Appropriation Act, the Corporation is required to pay certain limited personnel expenses of the School Building Authority. This designation was established for the purpose of funding differences between the fees generated from the issuance of school construction bonds and SBA personnel expenses. During fiscal year 2019, the Board originally designated \$3,000,000 for this purpose. At June 30, 2024 and 2023, the amounts designated were approximately \$400,000.

*Grants Payable*

The Corporation's Board of Directors has authorized the funding of grants to certain not-for-profit entities. The Board originally designated \$1,000,000 in 2021 for this purpose and designated approximately \$1,050,000 additional funds during 2022. The entire designation was awarded but approximately \$13,000 remains outstanding due to grantees not meeting eligibility requirements for nonexchange transactions as set forth in GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Note 10 - **Other Income**

Other income for the years ended June 30, 2024 and 2023 consists of unexpended funds for bond issue administrative expenses due to the refunding of conduit debt bonds.

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Notes to the Financial Statements - Continued**

**June 30, 2024 and 2023**

Note 11 - **Pension Plan**

The Corporation sponsors and contributes to the Rhode Island Health and Educational Building Corporation 403(b) Retirement Plan (the "Plan"), a defined contribution pension plan operated in accordance with Section 403(b) of the Internal Revenue Code and administered by the Vanguard Fiduciary Trust Company. The Board established the Plan and maintains the ability to amend the Plan's provisions, including employer contribution rates. All full-time employees of the Corporation enter the Plan after six months of service. The Corporation contributes 10% of participants' salaries and employee contributions are optional per the Plan documents. The defined contribution plan is not a fiduciary activity since the Corporation does not hold the assets nor has the ability to direct the use, exchange or deployment of the assets. The Corporation's contributions to the Plan totaled \$48,107 and \$48,222, respectively, for the fiscal years ended June 30, 2024 and 2023, respectively.

Note 12 - **Contributions to State**

In accordance with Rhode Island General Law Section 16-105-7, the Corporation was required to contribute \$242,491 and \$255,752 to the State of Rhode Island during the years ended June 30, 2024 and 2023, respectively, for limited personnel costs of the School Building Authority.

## **SUPPLEMENTARY INFORMATION**

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**

(a Component Unit of the State of Rhode Island)

**Combining Statements of Fiduciary Net Position  
Private-Purpose Trust Funds**

**June 30, 2024**

**Assets**

	<u>Housing Aid</u>	<u>SBACF</u>	<u>PayGo</u>	<u>Total</u>
<b>Assets:</b>				
Cash and equivalents	\$ -	\$ 49,080,821	\$ 20,685,151	\$ 69,765,972
Loans receivable	-	468,617	-	468,617
Accrued interest receivable	-	787	-	787
	<u>-</u>	<u>787</u>	<u>-</u>	<u>787</u>
<b>Total Assets</b>	<b><u>\$ -</u></b>	<b><u>\$ 49,550,225</u></b>	<b><u>\$ 20,685,151</u></b>	<b><u>\$ 70,235,376</u></b>

**Liability and Net Position**

<b>Liabilities:</b>				
Project costs payable	\$ -	\$ 7,131,907	\$ 5,008,283	\$ 12,140,190
	<u>-</u>	<u>7,131,907</u>	<u>5,008,283</u>	<u>12,140,190</u>
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>7,131,907</u></b>	<b><u>5,008,283</u></b>	<b><u>12,140,190</u></b>
<b>Net Position:</b>				
Restricted:				
Held for authorized projects	-	27,917,061	-	27,917,061
Available for future projects	-	14,501,257	15,676,868	30,178,125
	<u>-</u>	<u>14,501,257</u>	<u>15,676,868</u>	<u>30,178,125</u>
<b>Total Net Position</b>	<b><u>-</u></b>	<b><u>42,418,318</u></b>	<b><u>15,676,868</u></b>	<b><u>58,095,186</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ -</u></b>	<b><u>\$ 49,550,225</u></b>	<b><u>\$ 20,685,151</u></b>	<b><u>\$ 70,235,376</u></b>

*See independent auditor's report on supplementation information.*

# RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

## Combining Statements of Fiduciary Net Position Private-Purpose Trust Funds

June 30, 2023

### Assets

	<u>Housing Aid</u>	<u>SBACF</u>	<u>PayGo</u>	<u>Total</u>
<b>Assets:</b>				
Cash and equivalents	\$ -	\$ 68,720,500	\$ 16,430,895	\$ 85,151,395
Loans receivable	-	685,840	-	685,840
Due from other funds	-	24,000	-	24,000
Accrued interest receivable	-	1,147	-	1,147
	<u>-</u>	<u>69,431,487</u>	<u>16,430,895</u>	<u>85,862,382</u>
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 69,431,487</u>	<u>\$ 16,430,895</u>	<u>\$ 85,862,382</u>

### Liabilities and Net Position

<b>Current Liabilities:</b>				
Project costs payable	\$ -	\$ 7,386,568	\$ 6,589,180	\$ 13,975,748
Due to other funds	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>24,000</u>
<b>Total Liabilities</b>	<u>24,000</u>	<u>7,386,568</u>	<u>6,589,180</u>	<u>13,999,748</u>
<b>Net Position:</b>				
Restricted:				
Held for authorized projects	-	49,004,113	-	49,004,113
Available for future projects	<u>(24,000)</u>	<u>13,040,806</u>	<u>9,841,715</u>	<u>22,858,521</u>
<b>Total Net Position</b>	<u>(24,000)</u>	<u>62,044,919</u>	<u>9,841,715</u>	<u>71,862,634</u>
<b>Total Liabilities and Net Position</b>	<u>\$ -</u>	<u>\$ 69,431,487</u>	<u>\$ 16,430,895</u>	<u>\$ 85,862,382</u>

*See independent auditor's report on supplementation information.*

# RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

## Combining Statements of Changes in Fiduciary Net Position Private-Purpose Trust Funds

For the Year Ended June 30, 2024

	<u>Housing Aid</u>	<u>SBACF</u>	<u>PayGo</u>	<u>Total</u>
<b>Additions:</b>				
State appropriations	\$ 69,256,806	\$ 1,761,255	\$ -	\$ 71,018,061
State bond proceeds appropriations	-	-	37,199,803	37,199,803
Interest earned on loans receivable	-	13,395	-	13,395
Investment earnings:				
Interest income	763,638	2,857,612	995,421	4,616,671
Transfer from (to) other program	<u>(763,637)</u>	<u>763,637</u>	<u>-</u>	<u>-</u>
<b>Total Additions</b>	<b>69,256,807</b>	<b>5,395,899</b>	<b>38,195,224</b>	<b>112,847,930</b>
<b>Deductions:</b>				
Housing aid	69,232,807	-	-	69,232,807
Project cost grants	-	24,948,202	32,360,071	57,308,273
Administrative expenses	<u>-</u>	<u>74,298</u>	<u>-</u>	<u>74,298</u>
<b>Total Deductions</b>	<b><u>69,232,807</u></b>	<b><u>25,022,500</u></b>	<b><u>32,360,071</u></b>	<b><u>126,615,378</u></b>
<b>Increase (Decrease) in Fiduciary Net Position</b>	<b>24,000</b>	<b>(19,626,601)</b>	<b>5,835,153</b>	<b>(13,767,448)</b>
Net Position, at Beginning of Year	<u>(24,000)</u>	<u>62,044,919</u>	<u>9,841,715</u>	<u>71,862,634</u>
<b>Net Position, at End of Year</b>	<b><u>\$ -</u></b>	<b><u>\$ 42,418,318</u></b>	<b><u>\$ 15,676,868</u></b>	<b><u>\$ 58,095,186</u></b>

*See independent auditor's report on supplementation information.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**

(a Component Unit of the State of Rhode Island)

**Combining Statements of Changes in Fiduciary Net Position  
Private-Purpose Trust Funds**

**For the Year Ended June 30, 2023**

	<u>Housing Aid</u>	<u>SBACF</u>	<u>PayGo</u>	<u>Total</u>
<b>Additions:</b>				
State appropriations	\$ 65,818,017	\$ 53,810,282	\$ -	\$ 119,628,299
State bond proceeds appropriations	-	-	86,329,440	86,329,440
Interest earned on loans receivable	-	17,714	-	17,714
Investment earnings:				
Interest income	655,852	1,275,264	300,631	2,231,747
Transfer from (to) other program	<u>(679,852)</u>	<u>8,410,310</u>	<u>(7,730,458)</u>	<u>-</u>
<b>Total Additions</b>	<u>65,794,017</u>	<u>63,513,570</u>	<u>78,899,613</u>	<u>208,207,200</u>
<b>Deductions:</b>				
Housing aid	65,818,017	-	-	65,818,017
Project cost grants	-	16,590,577	69,057,898	85,648,475
Administrative expenses	<u>-</u>	<u>15,750</u>	<u>-</u>	<u>15,750</u>
<b>Total Deductions</b>	<u>65,818,017</u>	<u>16,606,327</u>	<u>69,057,898</u>	<u>151,482,242</u>
<b>Increase (Decrease) in Fiduciary Net Position</b>	(24,000)	46,907,243	9,841,715	56,724,958
Net Position, at Beginning of Year	<u>-</u>	<u>15,137,676</u>	<u>-</u>	<u>15,137,676</u>
<b>Net Position, at End of Year</b>	<u>\$ (24,000)</u>	<u>\$ 62,044,919</u>	<u>\$ 9,841,715</u>	<u>\$ 71,862,634</u>

*See independent auditor's report on supplementation information.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Schedule of Travel, Entertainment and Educational Expenses**

**For the Year Ended June 30, 2024**

<b>Employee(s)</b>	<b>Purpose</b>	<b>Location</b>	<b>Dates</b>	<b>Amount</b>
Scott O'Malley	Greater Providence Chamber of Commerce: 2023 Economic Outlook Forum	Providence RI	September 26, 2023	\$80.00
	RIHEBC Year-End Event - Waterman Grille	Providence RI	December 18, 2023	\$7,219.25
Scott O'Malley; Jenn Almeida	Providence Business News: 2024 Economic Trends Summit	Providence RI	January 24, 2024	\$135.35
Staff; RIHEBC Board	Greater Providence Chamber of Commerce: 2024 RI Legislative Leadership Luncheon	Providence RI	February 15, 2024	\$970.00
Dylan Zelazo; Channavy Chhay	Lifespan Closing Dinner - Waterman Gri	Providence RI	February 21, 2024	\$266.93
Dylan Zelazo	Thundermist Annual Breakfast Event	Warwick RI	March 4, 2024	\$50.00
Dylan Zelazo; Scott O'Malley; Jenn Almeida; Dina Munroe	RI League of Cities & Towns: 2024 Annual Convention	Warwick RI	March 21, 2024	\$240.00
Dylan Zelazo; Jenn Almeida	NAHEFFA Spring Conference	New Orleans LA	April 8, 2024 - April 10, 2024	\$4,376.84
Dylan Zelazo; Scott O'Malley; Jenn Almeida; Dina Munroe	Greater Providence Chamber of Commerce: TopGolf Networking Event	Cranston RI	May 9, 2024	\$100.00
Scott O'Malley	Greater Providence Chamber of Commerce: 2024 Congressional Breakfast	Warwick RI	June 10, 2024	\$60.00
Scott O'Malley	RI Office of the Auditor General: Governmental Training Event	Warwick RI	June 26, 2024 - June 27, 2024	\$290.00
Jenn Almeida	mileage, in-state		July 1, 2023 - June 30, 2024	\$384.04
Kim Mooers	mileage, in-state		July 1, 2023 - November 31, 2024	\$102.83

*See independent auditor's report on supplementary information.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**Schedule of Travel, Entertainment and Educational Expenses - Continued**  
**For the Year Ended June 30, 2024**

Employee(s)	Purpose	Location	Dates	Amount
Dina Munroe	mileage, in-state		July 1, 2023 - June 30, 2024	\$55.62
Dylan Zelazo	mileage, in-state		April 1, 2024 - June 30, 2024	\$8.91
Kim Mooers	business lunches		July 1, 2023 - November 31, 2024	\$322.79
Dylan Zelazo	business lunches		May 1, 2024 - June 30, 2024	\$296.68
	miscellaneous		July 1, 2023 - June 30, 2024	\$54.35
				<u>\$15,013.59</u>

*See independent auditor's report on supplementary information.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**STATE OF RHODE ISLAND REQUIRED FORMAT**

**Schedule of Net Position - Attachment B**

**June 30, 2024**

**Assets:**

Current Assets:	
Cash and equivalents	\$ 4,912,464
Receivables	518,095
Restricted assets:	
Cash and equivalents	5,022,381
Other assets	<u>102,036</u>
Total Current Assets	<u>10,554,976</u>
Noncurrent Assets:	
Investments	
Receivables (net)	441,640
Capital assets - depreciable (net)	<u>210,801</u>
Total Noncurrent Assets	<u>652,441</u>
Total Assets	<u>11,207,417</u>

**Liabilities:**

Current Liabilities:	
Due to primary government	58,722
Accrued expenses	79,420
Line of credit	500,000
Current portion of lease liability	<u>108,239</u>
Total Current Liabilities	<u>746,381</u>
Non-Current Liabilities:	
Lease liability, net of current portion	<u>105,252</u>
Total Non-Current Liabilities	<u>105,252</u>
Total Liabilities	<u>851,633</u>

**Net Position:**

Net invested in capital assets	(2,690)
Restricted for:	
Other	5,022,381
Unrestricted	<u>5,336,093</u>
<b>Total Net Position</b>	<b><u>\$ 10,355,784</u></b>

*See independent auditor's report on supplementary information.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**

**(a Component Unit of the State of Rhode Island)**

**STATE OF RHODE ISLAND REQUIRED FORMAT**

**Schedule of Activities - Attachment C**

**For the Year Ended June 30, 2024**

<b>Expenses</b>	<u>\$ 1,816,955</u>
<b>Program Revenues:</b>	
Charges for services	<u>2,670,933</u>
<b>Net (Expenses) Revenues</b>	853,978
<b>General Revenues:</b>	
Interest and investment earnings	415,058
Miscellaneous revenue	<u>23,484</u>
<b>Total General Revenue</b>	<u>438,542</u>
Interest Expense	(19,240)
Payments to Primary Government	<u>(242,491)</u>
 Change in Net Position	 <u>1,030,789</u>
 Total Net Position, Beginning of Year	 <u>9,324,995</u>
Total Net Position, End of Year	<u><u>\$ 10,355,784</u></u>

*See independent auditor's report on supplementary information.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**  
(a Component Unit of the State of Rhode Island)

**STATE OF RHODE ISLAND REQUIRED FORMAT**

**Schedule of Debt Service to Maturity - Attachment D**

**June 30, 2024**

**Lease Liability**

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Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 108,239	\$ 5,340
2026	<u>105,252</u>	<u>1,718</u>
	<u>\$ 213,491</u>	<u>\$ 7,058</u>

*See independent auditor's report on supplementary information.*

**RHODE ISLAND HEALTH AND EDUCATIONAL  
BUILDING CORPORATION**

(a Component Unit of the State of Rhode Island)

**STATE OF RHODE ISLAND REQUIRED FORMAT**

**Schedule of Changes in Long-Term Debt - Attachment E**

**June 30, 2024**

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Thereafter
Lease liability	<u>\$ 316,687</u>	<u>\$ -</u>	<u>\$ 103,196</u>	<u>\$ 213,491</u>	<u>\$ 108,239</u>	<u>\$ 105,252</u>
	<u><u>\$ 316,687</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 103,196</u></u>	<u><u>\$ 213,491</u></u>	<u><u>\$ 108,239</u></u>	<u><u>\$ 105,252</u></u>

*See independent auditor's report on supplementary information.*

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

# REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Rhode Island Health Education Building Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activity and the aggregate remaining fund information of Rhode Island Health and Educational Building Corporation (the "Corporation") (a component unit of the state of Rhode Island), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 25, 2024.

### Report on Internal Control over Financial Reporting

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

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

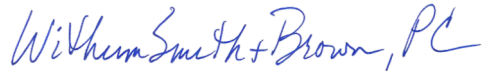
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC". The signature is written in a cursive, flowing style.

September 25, 2024