

**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, 2025

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, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 audits 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The accompanying supplementary information as listed in the table of contents is 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 audits 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 October 6, 2025, 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".

October 6, 2025

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(A Component Unit of the State of Rhode Island)

Management's Discussion and Analysis

June 30, 2025 and 2024

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, 2025 and 2024. 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 Revenue, Expenses, 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, 2025 and 2024

FINANCIAL HIGHLIGHTS – FY 2025

- The Corporation transferred \$5M from restricted net position to unrestricted net position due to termination of a line of credit agreement that required a pledge \$5M as collateral.
- The Corporation completed 14 bond financings totaling \$855,791,000 as compared to 12 bond financings completed during the prior fiscal year totaling \$839,927,700.
- The Corporation transferred \$254,353 to the State of Rhode Island's general fund for the funding of limited personnel expenses of the Rhode Island Department of Education's School Building Authority.
- Total assets are \$12,370,667, an increase of \$1,163,250 or 10% over total assets for the prior fiscal year.
- Cash and investments are \$11,208,140, an increase of \$1,273,295 or 13% over cash and investments for the prior fiscal year.
- Operating revenues are \$3,087,925, an increase of \$416,992 or 16% over operating revenues for the prior fiscal year.
- Operating expenses are \$2,487,250, an increase of \$670,295 or 37% over operating expenses for the prior fiscal year.
- Change in net position is \$761,055, a decrease of \$269,734 or 26% 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, 2025 and 2024

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, 2025 and 2024

FINANCIAL ANALYSIS

Condensed Statements of Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Capital assets, net	\$ 127,409	\$ 210,801	\$ 314,265
Other assets	<u>12,243,258</u>	<u>10,996,616</u>	<u>9,460,209</u>
Total assets	12,370,667	11,207,417	9,774,474
Other liabilities	<u>1,253,828</u>	<u>851,633</u>	<u>449,479</u>
Total liabilities	<u>1,253,828</u>	<u>851,633</u>	<u>449,479</u>
Net investment in capital assets	22,157	(2,690)	(2,422)
Restricted	287,206	5,022,381	5,003,894
Unrestricted	<u>10,807,476</u>	<u>5,336,093</u>	<u>4,323,523</u>
Total net position	\$ 11,116,839	\$ 10,355,784	\$ 9,324,995

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(A Component Unit of the State of Rhode Island)

Management's Discussion and Analysis - Continued

June 30, 2025 and 2024

Capital Assets

Capital assets decreased during fiscal year 2025 due to recognition of depreciation in the amount of \$101,500 on the right-to-use lease asset. The Corporation also invested \$26,000 in capital assets during the fiscal year. 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.

More detail on the Corporation's capital assets can be found in the notes to the financial statements.

Total Assets

Total assets increased \$1.2M or 10% during fiscal year 2025. The Corporation's investment assets increased \$669,200 due to investment of over \$800,000 generated by administrative fee revenues and reinvestment of interest income generated by the investment asset. Due to the termination of a \$5M line of credit agreement, the Corporation was required to surrender \$500,000 to the bank as repayment for outstanding draws. Cash held in demand deposit accounts also increased \$339,200 due to administrative fee revenues. Cash restricted for payment to primary state government increased \$264,800 due to fees received from issuance of public school bonds increasing 102% over fiscal year 2024. The Corporation did not issue any new loans during the fiscal year. In comparison, total assets increased \$1.4M or 15% during fiscal year 2024. The Corporation's cash and equivalents increased \$1.1M through reinvestment of interest income and investing over \$700,000 of surplus cash into OSIP. The Corporation's loans receivable increased \$443,400 due to the issuance of two loans through the Corporation's loan program.

Total Liabilities

Total liabilities increased \$402,200 or 47% during fiscal year 2025. Grants payable increased \$993,600 due to the board awarding grants to 43 non-profits. No funds were paid to awardees before fiscal year-end. The Corporation's loans payable of \$500,000, representing draws on its line of credit, was repaid in full upon termination of the agreement during the fiscal year. The Corporation's lease liability for office space decreased \$108,200 during the fiscal year. In comparison, 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.

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

Management's Discussion and Analysis - Continued

June 30, 2025 and 2024

Total Net Position

Despite an increase in operating expenses of \$670,200, total net position increased \$761,100 for fiscal year 2025, due to an increase in operating revenues of \$417,000 for the fiscal year. In comparison, total net position increased \$1,030,800 for fiscal year 2024 due to both an increase in operating revenues of \$411,400 and a decrease in operating expenses of \$221,700 for the fiscal year.

During fiscal year 2023, the Corporation entered into a \$5M line of credit agreement with a financial institution in order to fund a new loan program. The agreement stipulated that the \$5M be held by the financial institution as collateral. Due to this agreement, \$5M of the Corporation's net position was classified as restricted. During fiscal year 2025, the Corporation terminated the line of credit agreement due to loan activity not meeting expectations. As a result, the Corporation is no longer required to record any portion of net position as restricted for this purpose. At fiscal year-end 2025, \$287,200 of the Corporation's net position was restricted for payments to primary state government. In comparison, \$22,400 of the Corporation's net position was restricted for payments to primary state government at fiscal year-end 2024.

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, 2025 and 2024

Condensed Statements of Revenue, Expenses, and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues:			
Administrative fees	\$ 3,047,909	\$ 2,649,912	\$ 2,247,206
Interest earned on loans receivable	<u>40,016</u>	<u>21,021</u>	<u>12,366</u>
Total operating revenues	<u>3,087,925</u>	<u>2,670,933</u>	<u>2,259,572</u>
Operating expenses:			
Administrative	1,384,247	1,460,187	1,207,911
Grants	993,605	248,240	721,565
Depreciation	<u>109,398</u>	<u>108,528</u>	<u>109,185</u>
Total operating expenses	<u>2,487,250</u>	<u>1,816,955</u>	<u>2,038,661</u>
Operating income	<u>600,675</u>	<u>853,978</u>	<u>220,911</u>
Non-operating revenues (expenses):			
Interest income	430,170	415,058	295,221
Other income	1,387	23,484	-
Interest expense	(16,824)	(19,240)	(12,102)
Payment to primary state government	<u>(254,353)</u>	<u>(242,491)</u>	<u>(255,752)</u>
Total non-operating revenues (expenses)	<u>160,380</u>	<u>176,811</u>	<u>27,367</u>
Increase in net position	761,055	1,030,789	248,278
Net position, beginning of year	<u>10,355,784</u>	<u>9,324,995</u>	<u>9,076,717</u>
Net position, end of year	\$ <u>11,116,839</u>	\$ <u>10,355,784</u>	\$ <u>9,324,995</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, 2025 and 2024

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 \$122,500 or 5% for fiscal year 2025 as the Corporation issued \$310.3M to finance new projects. Administrative fee revenues increased \$217,700 or 10% for fiscal year 2024 as the Corporation issued almost \$430M to finance new projects.

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 \$275,500 or 102% for fiscal year 2025 as the Corporation issued \$545.5M on behalf of ten school districts. Administrative fee revenues increased \$185,000 or 218% for fiscal year 2024 as the Corporation issued \$270M on behalf of five school districts.

Interest Income

As interest rates declined, the Corporation recorded investment income of \$430,200 for fiscal year 2025, an increase of \$15,100 or 4% over fiscal year 2024. Due to higher interest rates, the Corporation recorded investment income of \$415,000 for fiscal year 2024, an increase of \$119,800 or 41% over fiscal year 2023.

Expenses

Administrative

Administrative expenses decreased \$76,000 or 5% for fiscal year 2025. Salaries decreased \$141,200 or 20% for the fiscal year due to the expiration of a salary continuation agreement with a former employee. Legal fees decreased \$63,300 or 27%. Marketing and public relations increased \$70,200 or 247% as the Corporation increased efforts to raise awareness about its financial assistance programs. Travel and entertainment increased \$19,000 or 126%. Audit fees increased \$37,900 or 161% due to fees associated with the Corporation's transparency audit. All quasi-public entities in the state are required to undergo a transparency audit every five years. Administrative expenses increased \$252,300 or 21% for fiscal year 2024. Increases in both salaries and health insurance premiums increased personnel expenses by \$192,300 or 28%. Legal fees increased \$40,200 or 23% due to departure of employee covered under contract. Finally, government relations and lobbying expenses increased \$18,000 or 100% 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, 2025 and 2024

Grants

The Corporation's board of directors approved \$993,600 in grants to eligible organizations during fiscal year 2025. The Corporation did not pay any grant awards to recipients before the end of the fiscal year. The Corporation paid \$248,200 of grant awards to recipients during fiscal year 2024 for grants awarded during fiscal years 2021 and 2022. The fiscal year 2021 and 2022 grants have been paid in full.

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 \$254,400 and \$242,500 for fiscal years 2025 and 2024, respectively.

CONDUIT DEBT

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Bonds Payable	\$ <u>4,414,025,928</u>	\$ <u>3,877,151,327</u>	\$ <u>3,377,370,472</u>

The Corporation issued \$855,791,000 of conduit debt during fiscal year 2025. Of that amount, approximately \$849,376,000 was issued to finance new projects and \$6,415,000 was issued to refund prior bonds.

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.

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, 2025 and 2024

CONTACTING THE CORPORATION

This financial report is designed to provide Rhode Island citizens and taxpayers, and the Corporation's 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.

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

Statements of Net Position

June 30,

Assets

	<u>2025</u>	<u>2024</u>
Current Assets:		
Cash and equivalents	\$ 10,920,934	\$ 4,912,464
Restricted cash and equivalents	287,206	5,022,381
Current portion of loans receivable	100,576	464,972
Accounts receivable	116,228	53,123
Prepaid expenses	<u>104,045</u>	<u>102,036</u>
Total Current Assets	<u>11,528,989</u>	<u>10,554,976</u>
Non-Current Assets:		
Loans receivable, net of current portion	714,269	441,640
Capital assets, net	<u>127,409</u>	<u>210,801</u>
Total Non-Current Assets	<u>841,678</u>	<u>652,441</u>
Total Assets	<u>\$ 12,370,667</u>	<u>\$ 11,207,417</u>

Liabilities and Net Position

Current Liabilities:		
Accrued expenses	\$ 67,867	\$ 79,420
Current portion of lease liability	105,252	108,239
Due to primary state government	87,104	58,722
Grants payable	993,605	-
Line of credit	<u>-</u>	<u>500,000</u>
Total Current Liabilities	<u>1,253,828</u>	<u>746,381</u>
Non-Current Liability:		
Lease liability, net of current portion	-	105,252
Total Liabilities	<u>1,253,828</u>	<u>851,633</u>
Net Position:		
Net investment in capital assets	22,157	(2,690)
Restricted:		
Payments to primary state government	287,206	22,381
Agreement with financial institution	-	5,000,000
Unrestricted	<u>10,807,476</u>	<u>5,336,093</u>
Total Net Position	<u>11,116,839</u>	<u>10,355,784</u>
Total Liabilities and Net Position	<u>\$ 12,370,667</u>	<u>\$ 11,207,417</u>

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 Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30,

	<u>2025</u>	<u>2024</u>
Operating Revenues:		
Administrative fees	\$ 3,047,909.00	\$ 2,649,912.00
Interest earned on loans receivable	<u>40,016</u>	<u>21,021</u>
Total Operating Revenues	<u>3,087,925</u>	<u>2,670,933</u>
Operating Expenses:		
Administrative	1,384,247	1,460,187
Grants	993,605	248,240
Depreciation	<u>109,398</u>	<u>108,528</u>
Total Operating Expenses	<u>2,487,250</u>	<u>1,816,955</u>
Operating Income	600,675	853,978
Non-Operating Revenues (Expenses):		
Interest income	430,170	415,058
Other income	1,387	23,484
Interest expense	(16,824)	(19,240)
Payment to primary state government	<u>(254,353)</u>	<u>(242,491)</u>
Total Non-Operating Revenues	<u>160,380</u>	<u>176,811</u>
Increase in Net Position	761,055	1,030,789
Net Position, Beginning of Year	<u>10,355,784</u>	<u>9,324,995</u>
Net Position, End of Year	<u>\$ 11,116,839</u>	<u>\$ 10,355,784</u>

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>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Cash received from institutions for administrative fees	\$ 2,984,804	\$ 2,678,568
Cash received from collections on loans receivable	91,767	(443,415)
Cash received from interest earned on loans receivable	40,016	21,021
Cash received from other sources	1,387	23,484
Payment to grantees	-	(248,240)
Payment of employees for services	(603,182)	(747,572)
Payment to suppliers for goods and services	<u>(794,627)</u>	<u>(707,026)</u>
Net Cash Provided by Operating Activities	<u>1,720,165</u>	<u>576,820</u>
Cash Flow from Non-Capital Financing Activity:		
Payment to primary state government	<u>(225,971)</u>	<u>(252,515)</u>
Cash Flows from Capital and Related Financing Activities:		
Interest expense	(16,824)	(19,240)
Proceeds from line of credit	-	500,000
Payments on line of credit	(500,000)	-
Payments on lease obligations	(108,239)	(103,196)
Purchase of capital assets	<u>(26,006)</u>	<u>(5,064)</u>
Net Cash Provided by (Applied to) Capital and Related Financing Activities	<u>(651,069)</u>	<u>372,500</u>
Cash Flows from Investing Activity:		
Net investment income	<u>430,170</u>	<u>415,058</u>
Net Increase in Cash and Equivalents and Restricted Cash and Equivalents	1,273,295	1,111,863
Cash and Equivalents and Restricted Cash and Equivalents at Beginning of Year	<u>9,934,845</u>	<u>8,822,982</u>
Cash and Equivalents and Restricted Cash and Equivalents, at End of Year	<u>\$ 11,208,140</u>	<u>\$ 9,934,845</u>
Reconciliation of Operating Income to Net Cash Provided by		
Operating Activities:		
Operating income	\$ 600,675	\$ 853,978
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	109,398	108,528
Other income	1,387	23,484
Changes in assets and liabilities:		
Accounts receivable	(63,105)	28,656
Prepaid expenses	(2,009)	(9,785)
Loans receivable	91,767	(443,415)
Grants payable	993,605	-
Accrued expenses	<u>(11,553)</u>	<u>15,374</u>
Net Cash Provided by Operating Activities	<u>\$ 1,720,165</u>	<u>\$ 576,820</u>
Cash and equivalents and restricted cash and equivalents are comprised of the following:		
Cash and equivalents	\$ 10,920,934	\$ 4,912,464
Restricted cash and equivalents	<u>287,206</u>	<u>5,022,381</u>
	<u>\$ 11,208,140</u>	<u>\$ 9,934,845</u>

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,

Assets

	<u>2025</u>	<u>2024</u>
Assets:		
Cash and equivalents	\$ 35,304,503	\$ 69,765,972
Restricted cash	6,536,721	-
Loans receivable	251,393	468,617
Accrued interest receivable	<u>427</u>	<u>787</u>
Total Assets	<u>\$ 42,093,044</u>	<u>\$ 70,235,376</u>

Liabilities and Net Position

Liabilities:		
Project costs payable	\$ 4,461,011	\$ 12,140,190
Funds held for others	<u>6,536,721</u>	<u>-</u>
Total Liabilities	<u>10,997,732</u>	<u>12,140,190</u>
Net Position:		
Restricted:		
Held for authorized projects	24,692,310	27,917,061
Available for future projects	<u>6,403,002</u>	<u>30,178,125</u>
Total Net Position	<u>31,095,312</u>	<u>58,095,186</u>
Total Liabilities and Net Position	<u>\$ 42,093,044</u>	<u>\$ 70,235,376</u>

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>2025</u>	<u>2024</u>
Additions:		
State appropriations	\$ 83,285,547	\$ 71,018,061
State bond proceeds appropriations	36,011,777	37,199,803
Interest earned on loans receivable	9,078	13,395
Investment earnings:		
Interest income	<u>3,392,357</u>	<u>4,616,671</u>
Total Additions	<u>122,698,759</u>	<u>112,847,930</u>
Deductions:		
Housing aid	82,869,027	69,232,807
Project cost grants	66,788,506	57,308,273
Administrative expenses	<u>41,100</u>	<u>74,298</u>
Total Deductions	<u>149,698,633</u>	<u>126,615,378</u>
Decrease in Fiduciary Net Position	(26,999,874)	(13,767,448)
Net Position, Beginning of Year	<u>58,095,186</u>	<u>71,862,634</u>
Net Position, End of Year	<u>\$ 31,095,312</u>	<u>\$ 58,095,186</u>

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, 2025 and 2024

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.

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.

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies - Continued

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. Budget legislation for 2023 authorized another \$250M Statewide School Construction Bond, which was approved by voters in the 2022 general 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’s 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, 2025 and 2024

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 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, 2025 and 2024

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, 2025 and 2024.

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.

Funds Held for Others - Fiduciary Funds

The fiduciary funds' funds held for others represent the liability for funding a construction project. The Corporation is responsible for the management and administration of these funds on behalf of the local government entity and reflects these funds in restricted cash and funds held for others on the statements of fiduciary net position.

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, 2025 and 2024

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

Compensated Absences

Employees earn the right to be compensated during absences for vacation and sick leave. Accrued vacation and sick leave are included in accrued expenses at June 30, 2025 and 2024. 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, 2025 and 2024, compensated absences totaled approximately \$14,400 and \$10,700, respectively.

Balance at June 30, 2024	Net Change	Balance at June 30, 2025
<u>\$ 10,700</u>	<u>\$ 3,700</u>	<u>\$ 14,400</u>
Balance at June 30, 2023	Net Change	Balance at June 30, 2024
<u>\$ 34,700</u>	<u>\$ (24,000)</u>	<u>\$ 10,700</u>

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, 2025 and 2024

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 and is therefore generally exempt from income taxes under Section 115 of the Internal Revenue Code.

Adopted Accounting Pronouncements

As of July 1, 2023, the Corporation adopted GASB Statement 101 - *Compensated Absences*. The objective of this statement is to enhance the recognition and measurement for compensated absences. The implementation of this standard did not have a material impact on the financial statements.

As of July 1, 2023, the Corporation adopted GASB Statement 102 - *Certain Risk Disclosures*. The objective of this statement is to update the required disclosure for risks that could negatively impact state and local governments. The implementation of this standard did not have a material impact on the financial statements.

Future Government Accounting Pronouncements

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.

GASB Statement 104 - *Disclosure of Certain Capital Assets* - is effective for reporting periods beginning after June 15, 2025. The requirements of this standard will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies – Continued

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

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, and accordingly, have not been reflected in the accompanying financial statements. At June 30, 2025 and 2024, the bond issues and leases outstanding are as follows:

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2025</u>	<u>Outstanding Principal at 06/30/2024</u>
International Institute of RI, Inc.	2003	08/01/2033	\$ 915,000	\$ 1,015,000
Brown University, Series B	2003	09/01/2043	36,645,000	37,290,000
Meeting Street Center	2005	06/01/2035	1,440,000	2,205,000
Brown University, Series A	2005	05/01/2035	85,500,000	85,500,000
Public Schools Revenue Bonds, Series A	2007	05/15/2027	70,000	105,000
NRI Community Services, Inc.	2007	06/01/2037	1,825,000	1,940,000
Public Schools Revenue Bonds, Series B	2007	05/15/2027	220,000	315,000
CVS-Highlander Charter School	2007	09/01/2037	2,420,000	2,560,000
Public Schools Revenue Bonds, Series D	2007	11/15/2027	990,000	1,300,000
Bryant University	2008	06/01/2035	33,865,000	36,130,000
Roger Williams University, Series A	2008	11/15/2024	-	1,765,000
New England Institute of Technology	2008	03/01/2034	4,015,000	4,670,000
Roger Williams University, Series B	2008	11/15/2038	24,405,000	25,660,000
Board of Governors, Series B	2008	09/15/2034	-	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
Board of Governors, Series A	2010	09/15/2040	16,565,000	16,885,000
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	1,068,208	1,274,958
Public Schools Revenue Bonds, Series C	2010	05/15/2026	405,000	780,000
Public Schools Revenue Bonds, Series D	2010	05/15/2025	-	270,000
Public Schools Revenue Bonds, Series E	2010	05/15/2025	-	530,000
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	6,818,788	7,279,213
Roger Williams University	2011	11/15/2027	4,531,266	5,958,916
The Compass School, Series A & C	2011	06/28/2027	290,001	435,001
Blackstone Valley Community Health Care, Inc., Series A	2011	08/01/2041	4,553,791	4,741,456
Roger Williams University, Series B	2011	12/15/2029	4,185,000	4,910,000
Salve Regina University	2011	06/15/2031	7,965,000	9,465,000

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - Conduit Debt - Continued

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2025</u>	<u>Outstanding Principal at 06/30/2024</u>
Immaculate Conception Catholic Regional School	2012	03/16/2032	\$ 2,193,750	\$ 2,518,750
Rhode Island School of Design, Series B	2012	08/15/2035	-	2,410,000
Public Schools Revenue Bonds, Series B	2012	05/15/2032	6,630,000	7,455,000
Providence College, Series B	2012	11/01/2024	-	4,670,000
Scandinavian Home	2013	04/01/2040	-	2,994,669
Public Schools Revenue Bonds, Series B	2013	05/15/2033	3,560,000	4,005,000
Board of Education, Series A - D	2013	09/15/2024	-	2,485,000
Public Schools Revenue Bonds, Series D	2013	05/15/2033	1,715,000	1,930,000
Public Schools Revenue Bonds, Series E	2013	05/15/2028	150,000	200,000
Public Schools Revenue Bonds, Series H	2013	05/15/2034	-	6,825,000
Public Schools Revenue Bonds, Series A	2014	05/15/2034	2,230,000	2,435,000
Public Schools Revenue Bonds, Series B	2014	05/15/2034	1,770,000	1,935,000
Roger Williams University	2014	10/15/2035	9,156,078	9,881,429
Newport Hospital	2014	07/01/2029	7,705,000	9,117,000
Public Schools Revenue Bonds, Series C	2014	05/15/2034	4,325,000	4,725,000
Salve Regina University, Series A - C	2015	05/01/2045	19,815,769	20,673,122
Providence Public Building Authority, Series A	2015	05/15/2028	42,310,000	56,575,000
Mercymount Country Day School	2015	05/01/2035	1,608,035	1,780,285
Providence College	2015	11/01/2045	27,065,000	29,555,000
South County Hospital Healthcare System	2015	09/15/2033	22,350,000	25,015,000
New England Institute of Technology	2015	09/01/2045	45,256,868	47,113,124
Public Schools Revenue Bonds, Series B	2015	05/15/2036	2,910,000	3,115,000
Saint Philomena School	2015	04/01/2035	1,076,386	1,161,194
Johnson & Wales University	2015	10/01/2030	12,593,781	14,534,118
Tamarisk, Inc.	2015	10/01/2040	6,584,865	6,913,007
Brown University	2015	09/01/2045	33,165,000	34,730,000
Providence Public Building Authority, Series B	2015	05/15/2035	6,085,000	6,580,000
Saint Elizabeth Home, East Greenwich	2015	12/01/2045	10,950,337	11,288,950
Public Schools Revenue Bonds, Series C & D	2015	05/15/2036	6,380,000	8,465,000

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - Conduit Debt - Continued

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2025</u>	<u>Outstanding Principal at 06/30/2024</u>
Immaculate Conception Catholic Regional School	2012	03/16/2032	\$ 2,193,750	\$ 2,518,750
Rhode Island School of Design, Series B	2012	08/15/2035	-	2,410,000
Public Schools Revenue Bonds, Series B	2012	05/15/2032	6,630,000	7,455,000
Providence College, Series B	2012	11/01/2024	-	4,670,000
Scandinavian Home	2013	04/01/2040	-	2,994,669
Public Schools Revenue Bonds, Series B	2013	05/15/2033	3,560,000	4,005,000
Board of Education, Series A - D	2013	09/15/2024	-	2,485,000
Public Schools Revenue Bonds, Series D	2013	05/15/2033	1,715,000	1,930,000
Public Schools Revenue Bonds, Series E	2013	05/15/2028	150,000	200,000
Public Schools Revenue Bonds, Series H	2013	05/15/2034	-	6,825,000
Public Schools Revenue Bonds, Series A	2014	05/15/2034	2,230,000	2,435,000
Public Schools Revenue Bonds, Series B	2014	05/15/2034	1,770,000	1,935,000
Roger Williams University	2014	10/15/2035	9,156,078	9,881,429
Newport Hospital	2014	07/01/2029	7,705,000	9,117,000
Public Schools Revenue Bonds, Series C	2014	05/15/2034	4,325,000	4,725,000
Salve Regina University, Series A - C	2015	05/01/2045	19,815,769	20,673,122
Providence Public Building Authority, Series A	2015	05/15/2028	42,310,000	56,575,000
Mercymount Country Day School	2015	05/01/2035	1,608,035	1,780,285
Providence College	2015	11/01/2045	27,065,000	29,555,000
South County Hospital Healthcare System	2015	09/15/2033	22,350,000	25,015,000
New England Institute of Technology	2015	09/01/2045	45,256,868	47,113,124
Public Schools Revenue Bonds, Series B	2015	05/15/2036	2,910,000	3,115,000
Saint Philomena School	2015	04/01/2035	1,076,386	1,161,194
Johnson & Wales University	2015	10/01/2030	12,593,781	14,534,118
Tamarisk, Inc.	2015	10/01/2040	6,584,865	6,913,007
Brown University	2015	09/01/2045	33,165,000	34,730,000
Providence Public Building Authority, Series B	2015	05/15/2035	6,085,000	6,580,000
Saint Elizabeth Home, East Greenwich	2015	12/01/2045	10,950,337	11,288,950
Public Schools Revenue Bonds, Series C & D	2015	05/15/2036	6,380,000	8,465,000

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - Conduit Debt - Continued

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2025</u>	<u>Outstanding Principal at 6/30/2024</u>
Moses Brown School, Series A & B	2016	06/01/2046	\$ 16,375,294	\$ 16,970,139
Public Schools Revenue Bonds, Series A	2016	05/15/2029	28,765,000	37,685,000
Lifespan Obligated Group	2016	05/15/2039	133,625,000	150,880,000
Public Schools Revenue Bonds, Series B & C	2016	05/15/2036	3,410,000	3,960,000
Care New England, Series B	2016	09/01/2036	101,505,000	108,020,000
The Frassati Residence	2016	11/01/2029	2,527,419	3,041,322
Council on Postsecondary Education, Series A - C	2016	09/15/2036	62,945,000	66,925,000
Roger Williams University, Series A & B	2016	11/15/2031	3,595,120	4,112,995
New England Institute of Technology	2017	03/01/2040	26,345,194	27,716,147
Public Schools Revenue Bonds, Series A	2017	05/15/2034	39,385,000	42,840,000
Providence College	2017	11/01/2047	46,415,000	46,415,000
Public Schools Revenue Bonds, Series B	2017	05/15/2027	6,505,000	7,955,000
Public Schools Revenue Bonds, Series C	2017	05/15/2027	50,130,000	52,130,000
Public Schools Revenue Bonds, Series D	2017	05/15/2037	6,575,000	7,010,000
Public Schools Revenue Bonds, Series E	2017	05/15/2037	14,055,000	15,555,000
Public Schools Revenue Bonds, Series F	2017	05/15/2038	12,975,000	14,150,000
Brown University, Series A	2017	09/01/2047	135,785,000	138,865,000
Public Schools Revenue Bonds, Series G	2017	05/15/2042	27,400,000	28,435,000
Public Schools Revenue Bonds, Series H	2017	05/15/2038	3,740,000	3,945,000
Council on Postsecondary Education, Series A - D	2017	09/15/2047	113,225,000	116,180,000
Public Schools Revenue Bonds, Series I & J	2017	05/15/2032	7,895,000	9,385,000
Meeting Street, Series A	2017	12/01/2047	13,361,256	13,747,684
Public Schools Revenue Bonds, Series A	2018	05/15/2038	3,495,000	3,695,000
Public Schools Revenue Bonds, Series B	2018	05/15/2038	14,330,000	15,140,000
Rhode Island School of Design	2018	08/15/2048	51,830,000	52,920,000
Ocean State Assisted Living	2018	11/01/2031	5,704,176	6,131,000
St. Andrew's School, Series A & B	2018	07/01/2048	18,151,924	18,606,571
Council on Postsecondary Education, Series A & B	2018	09/15/2038	15,675,000	16,440,000
South County Hospital Healthcare System	2018	12/01/2028	4,418,750	5,681,250
Meeting Street	2018	12/01/2047	4,352,552	4,491,982
Public Schools Revenue Bonds, Series A	2019	05/15/2042	34,825,000	36,190,000

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - Conduit Debt - Continued

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2025</u>	<u>Outstanding Principal at 06/30/2024</u>
Blackstone Valley Prep	2019	05/01/2049	\$ 14,175,653	\$ 14,510,509
Mount Saint Charles Academy	2019	05/01/2040	3,036,646	3,178,943
Public Schools Revenue Bonds, Series B	2019	05/15/2039	14,575,000	15,310,000
Providence Public Building Authority, Series A	2019	05/15/2039	15,750,000	16,520,000
Brown University, Series A	2019	09/01/2029	54,560,000	54,560,000
Kingston Hill Academy	2019	08/01/2051	5,782,046	5,897,820
Public Schools Revenue Bonds, Series C	2019	05/15/2041	4,050,000	4,305,000
Public Schools Revenue Bonds, Series D	2019	05/15/2039	4,560,000	4,795,000
The Compass School	2019	10/01/2049	3,287,920	3,423,040
HopeHealth Hospice & Palliative Care	2019	11/01/2049	9,643,652	9,903,966
Roger Williams University	2019	11/15/2028	5,909,031	7,541,801
Bryant University	2019	12/06/2031	9,880,664	11,290,787
Public Schools Revenue Bonds, Series A	2020	05/15/2040	2,905,000	3,100,000
Portsmouth Abbey School, Series A - D	2020	06/01/2050	13,843,999	14,908,892
Public Schools Revenue Bonds, Series B	2020	05/15/2040	48,995,000	51,235,000
Public Schools Revenue Bonds, Series C	2020	05/15/2040	5,395,000	5,660,000
Public Schools Revenue Bonds, Series D	2020	05/15/2037	21,940,000	23,590,000
Rhode Island School of Design	2020	08/15/2035	49,990,000	51,350,000
Blackstone Valley Prep, Series A & B	2021	03/01/2051	14,541,895	14,893,344
Public Schools Revenue Bonds, Series A & B	2021	05/15/2042	10,190,000	11,040,000
Public Schools Revenue Bonds, Series C	2021	05/15/2033	12,545,000	14,275,000
Public Schools Revenue Bonds, Series D	2021	05/15/2041	93,125,000	97,000,000
Providence College, Series A	2021	11/01/2050	19,585,000	19,585,000
Public Schools Revenue Bonds, Series F	2021	05/15/2041	110,690,000	115,465,000
Public Schools Revenue Bonds, Series E	2021	05/15/2031	6,565,000	7,705,000
Providence College, Series B	2021	11/01/2041	22,820,000	23,680,000
Public Schools Revenue Bonds, Series G	2021	05/15/2043	8,330,000	8,660,000
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	66,617,000	69,484,000
Public Schools Revenue Bonds, Series H	2021	05/15/2042	32,355,000	33,625,000
Public Schools Revenue Bonds, Series A	2022	05/15/2042	30,235,000	30,235,000

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - Conduit Debt – Continued

<u>Institution</u>	<u>Year</u>	<u>Maturity Date</u>	<u>Outstanding Principal at 06/30/2025</u>	<u>Outstanding Principal at 06/30/2024</u>
Public Schools Revenue Bonds, Series B	2022	05/15/2041	\$ 21,455,000	\$ 22,345,000
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	69,268,907	56,575,677
Public Schools Revenue Bonds, Series D	2022	05/15/2038	5,065,000	5,450,000
Public Schools Revenue Bonds, Series E	2022	05/15/2045	19,510,000	19,510,000
Brown University, Series A	2022	09/01/2033	85,410,000	86,340,000
Public Schools Revenue Bonds, Series F	2022	05/15/2052	85,000,000	85,000,000
Blackstone Valley Prep	2022	10/01/2052	12,297,599	12,488,197
Paul Cuffee School	2022	11/01/2042	2,964,000	2,941,276
Providence College	2023	11/01/2053	112,435,000	112,435,000
The Learning Community Charter School	2023	02/01/2038	2,395,824	2,584,968
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	74,125,000
Brown University	2023	09/01/2043	92,560,000	96,535,000
Central Falls Public School Projects	2023	05/15/2043	86,690,000	89,630,000
Public Schools Revenue Bonds, Series B	2023	05/15/2039	4,040,000	5,540,000
Public Schools Revenue Bonds, Series C	2023	05/15/2043	19,345,000	20,000,000
RI Nurses Institute Middle College Charter High School	2024	01/01/2054	18,687,962	18,972,965
Lifespan Obligated Group	2024	05/15/2054	300,000,000	300,000,000
Child & Family Services of Newport County	2024	03/01/2054	3,504,320	3,556,328
Public Schools Revenue Bonds, Series A	2024	05/15/2049	76,805,000	76,805,000
Portsmouth Abbey School	2024	03/01/2040	8,000,000	8,000,000
Bryant University	2024	06/01/2048	131,475,000	132,795,000
Trinity Academy for the Performing Arts	2024	06/15/2056	9,438,452	104,532
Public Schools Revenue Bonds, Series B	2024	05/15/2050	43,160,000	-
Public Schools Revenue Bonds, Series C	2024	05/15/2045	87,805,000	-
Blackstone Valley Community Health Care, Inc.	2024	03/01/2039	6,916,750	-
Public Schools Revenue Bonds, Series D	2024	05/15/2049	50,065,000	-
Public Schools Revenue Bonds, Series E	2024	05/15/2044	43,180,000	-
Public Schools Revenue Bonds, Series F	2024	05/15/2054	84,640,000	-
Public Schools Revenue Bonds, Series G	2024	05/15/2044	125,000,000	-
Segue Institute for Learning	2024	11/01/2039	20,000,000	-
Brown University	2024	09/01/2036	47,005,000	-
Public Schools Revenue Bonds, Series H & I	2024	05/15/2045	9,310,000	-
Public Schools Revenue Bonds, Series A	2025	05/15/2044	25,000,000	-
Brown University (Commercial Paper)	2025	02/13/2055	43,794,000	-
Salve Regina University	2025	05/01/2055	36,000,000	-
Public Schools Revenue Bonds, Series B	2025	05/15/2053	76,150,000	-
			<u>\$ 4,414,025,928</u>	<u>\$ 3,877,151,327</u>

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

June 30, 2025 and 2024

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, 2025 pursuant to this statutory provision.

At June 30, 2025 and 2024, the carrying amounts of the Corporation's cash and equivalents were approximately \$11,208,000 and \$9,935,000, respectively, and bank balances were approximately \$11,210,000 and \$10,188,000, 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 \$11,208,000 and \$9,935,000, respectively, approximately \$10,103,000 and \$4,423,000 at June 30, 2025 and 2024, 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 BUILDING CORPORATION

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 3 - Cash and Equivalents - Continued

In addition to federal depository insurance, 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, 2025 and 2024, approximately \$715,000 and \$482,000 were covered by federal depository insurance and other specific deposit insurance. The remaining amount of approximately \$10,495,000 and \$9,706,000 were uninsured and uncollateralized at June 30, 2025 and 2024, respectively.

Fiduciary Activities

At June 30, 2025 and 2024, the carrying amounts and bank balances of the fiduciary funds' cash and equivalents were approximately \$41,841,000 and \$69,766,000, 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, 2025 and 2024, \$0 was covered by federal depository insurance.

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

2025			
Money market mutual funds	Maturity in Days	Credit Ratings	Fair Value
First American US Treasury Money Market Class V (#3702)	49	Aaa-mf	<u>\$ 41,841,224</u>
2024			
Money market mutual funds	Maturity in Days	Credit Ratings	Fair Value
First American US Treasury Money Market Class V (#3702)	46	Aaa-mf	<u>\$ 69,765,972</u>

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

June 30, 2025 and 2024

Note 4 - Loans Receivable

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

	<u>2025</u>	<u>2024</u>
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. In March 2025, the loan was refinanced for \$373,205. The agreement stipulates monthly payments of \$4,854, inclusive of interest at 2.50% until maturity in June 2032.	\$ 373,205	\$ 416,812
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.	220,785	239,800
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.	<u>220,855</u>	<u>250,000</u>
Total Loans Receivable	814,845	906,612
Less: Current Portion	<u>100,576</u>	<u>464,972</u>
Non-Current Loans Receivable	<u>\$714,269</u>	<u>\$ 441,640</u>

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

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

As discussed in Note 1, the Corporation is the 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 repairing and improving 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 June 30, are as follows:

	<u>2025</u>	<u>2024</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.	\$ 183,053	\$ 366,107
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>68,340</u>	<u>102,510</u>
Total SBACF Loans Receivable	251,393	468,617
Less: Current Portion	<u>217,223</u>	<u>217,224</u>
Non-Current SBACF Loans Receivable	<u>\$ 34,170</u>	<u>\$ 251,393</u>

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

June 30, 2025 and 2024

Note 6 - Capital Assets

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

	Estimated Lives (in years)	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets:					
Computer Equipment	5-7	\$ 49,689	\$ 26,006	\$ 6,639	\$ 69,056
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>637,314</u>	<u>26,006</u>	<u>6,639</u>	<u>656,681</u>
Less: Accumulated Depreciation					
Computer Equipment		35,731	7,468	6,639	36,560
Furniture and Fixtures		77,754	408	-	78,162
Leased Building		<u>313,028</u>	<u>101,522</u>	<u>-</u>	<u>414,550</u>
Total Accumulated Depreciation		<u>426,513</u>	<u>109,398</u>	<u>6,639</u>	<u>529,272</u>
Capital Assets, Net		<u>\$210,801</u>	<u>\$ (83,392)</u>	<u>\$ -</u>	<u>\$127,409</u>

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

June 30, 2025 and 2024

Note 6 - Capital Assets - Continued

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 BUILDING CORPORATION

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 7 - Debt Obligations

Long-term liabilities for the Corporation for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</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	<u>\$ 213,491</u>	<u>\$ -</u>	<u>\$ 108,239</u>	<u>\$ 105,252</u>	<u>\$ 105,252</u>	<u>\$ -</u>

	<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	<u>\$ 316,687</u>	<u>\$ -</u>	<u>\$ 103,196</u>	<u>\$ 213,491</u>	<u>\$ 108,239</u>	<u>\$ 105,252</u>

Lease Liability

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

<u>Description</u>	<u>Date</u>	<u>Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>6/30/2025 Lease Liability</u>	<u>FY 2025 Additional Outflows</u>
33 Broad Street	6/1/2021	60 months	variable	3.50%	\$ 105,252	\$ -

<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	\$ -

On June 1, 2021, the Corporation entered into a five-year lease agreement for office space. The lease can be renewed for an additional five 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, 2025 and 2024

Note 7 - **Debt Obligations - Continued**

Lease Liability - continued

Annual requirements to amortize the lease liability and related interest subsequent to June 30, 2025 are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 105,252	\$ 1,718
	<u>\$ 105,252</u>	<u>\$ 1,718</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 was based on the Secured Overnight Financing Rate (SOFR) (4.45% and 5.33% at June 30, 2025 and 2024, respectively) plus .60%. The line of credit was secured by \$5,000,000 deposited into a reserve account with the lending financial institution. The \$5,000,000 of reserves was 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. During fiscal year 2025, the Corporation closed this account.

Note 8 - **Commitments and Contingencies**

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, 2025 and 2024

Note 8 - Commitments and Contingencies - Continued

School Building Authority Capital Fund - Private-Purpose Trust Fund

Grants awarded in fiscal year 2025 and cumulative unspent balances available for draw as of June 30, 2025 are as follows:

	Awarded in Fiscal 2025						Cumulative Balances Available						
Local Education Authority	Total	Facility Equity Initiative	Arts Initiative	Menu for Success	WELL Initiative	Technology & Equipment	Total	Facility Equity Initiative	Arts Initiative	Menu for Success	Technology & Equipment	Outdoor Classroom Initiative	Styrofoam Mitigation Initiative
Achievement First	\$ 100,888	\$ -	\$ 100,888	\$ -	\$ -	\$ -	\$ 100,888	\$ -	\$ 100,888	\$ -	\$ -	\$ -	\$ -
Apprenticeship Exploration Scho	60,000	-	10,000	-	-	50,000	50,000	-	-	-	50,000	-	-
Barrington	157,261	-	117,301	-	-	39,960	157,261	-	117,301	-	39,960	-	-
Beacon Charter School	-	-	-	-	-	-	86,964	-	-	-	-	63,766	23,198
Blackstone Academy	142,230	-	12,230	-	-	130,000	148,290	-	623	-	130,000	-	17,667
Bristol-Warren RSD	223,044	-	99,044	-	-	124,000	485,539	-	95,565	-	124,000	185,987	79,987
Burrillville	217,210	-	72,210	-	-	145,000	153,443	-	-	-	145,000	1,200	7,243
Central Falls	3,395,682	3,000,000	122,782	7,900	-	265,000	3,642,471	2,473,189	122,782	-	265,000	400,000	381,500
Charette Charter School	-	-	-	-	-	-	15,550	-	-	-	-	-	15,550
Charlo RSD	166,966	-	106,631	10,335	-	50,000	170,169	-	93,096	-	50,000	3,271	23,802
Compass School, The	-	-	-	-	-	-	22,398	-	-	-	-	-	22,398
Coventry	-	-	-	-	-	-	3,176,582	3,176,582	-	-	-	-	-
Cranston	458,956	-	358,956	-	-	100,000	2,393,314	1,934,358	358,956	-	100,000	-	-
Cumberland	322,566	-	172,566	-	-	150,000	345,581	-	172,566	-	150,000	-	23,015
E Greenwich	139,367	-	89,367	-	-	50,000	227,924	-	37,878	-	50,000	20,455	119,591
E Providence	206,395	-	188,376	-	-	18,019	270,738	171,487	64,294	-	18,019	16,938	-
Excel Academy RI	10,000	-	10,000	-	-	-	6,716	-	6,716	-	-	-	-
Exeter-W Greenwich RSD	55,938	-	55,938	-	-	-	55,938	-	55,938	-	-	-	-
Foster	10,000	-	10,000	-	-	-	110,000	-	10,000	-	-	100,000	-
Foster-Glocester RSD	47,183	-	47,183	-	-	-	173,170	-	47,183	-	-	125,987	-
Glocester	19,497	-	19,497	-	-	-	37,384	-	19,497	-	-	17,887	-
Green School, The	142,289	-	10,000	-	-	132,289	333,289	-	10,000	-	132,289	191,000	-
Highlander Charter School	-	-	-	-	-	-	100,000	-	-	-	-	100,000	-
Hope Academy, The	38,656	-	11,308	-	-	27,348	38,656	-	11,308	-	27,348	-	-
International Charter School	-	-	-	-	-	-	100,000	-	-	-	-	100,000	-
Jamestown	88,117	-	14,605	-	-	73,512	88,117	-	14,605	-	73,512	-	-
Johnston	112,444	-	112,444	-	-	-	112,444	-	112,444	-	-	-	-
Kingston Hill Academy	10,000	-	10,000	-	-	-	100,000	-	-	-	-	100,000	-
Learning Community, The	-	-	-	-	-	-	1,405	-	-	-	-	1,405	-
Lincoln	153,120	-	118,400	-	-	34,720	627,482	-	118,400	-	34,720	28,146	446,216
Little Compton	60,000	-	10,000	-	-	50,000	135,950	-	10,000	-	50,000	-	75,950
Met Career and Tech Center, The	28,111	-	28,111	-	-	-	28,111	-	28,111	-	-	-	-
Middletown	250,540	-	69,515	-	79,625	101,400	268,769	-	66,989	-	101,400	-	100,380
N Kingstown	184,033	-	134,033	-	-	50,000	375,428	-	40,620	-	50,000	138,472	146,336
N Providence	125,596	-	125,596	-	-	-	178,923	-	116,673	-	-	-	62,250
N Smithfield	58,987	-	58,987	-	-	-	-	-	-	-	-	-	-
Narragansett	168,001	-	38,001	-	-	130,000	163,621	-	20,085	-	130,000	-	13,536
New Shoreham	10,000	-	10,000	-	-	-	110,000	-	10,000	-	-	100,000	-
Newport	206,640	-	65,793	10,335	-	130,512	328,582	-	65,793	-	130,512	132,250	27
Norwell Academy	101,000	-	10,000	-	-	91,000	91,000	-	-	-	91,000	-	-
Nuestro Mundo Charter School	-	-	-	-	-	-	44,225	-	-	-	-	-	44,225
Paul Cuffee School	103,962	-	28,962	-	-	75,000	103,962	-	28,962	-	75,000	-	-
Pawtucket	531,404	-	381,404	-	-	150,000	630,604	-	381,404	-	150,000	99,200	-
Portsmouth	76,605	-	76,605	-	-	-	1,929	-	1,917	-	-	12	-
Providence	1,228,985	-	928,985	-	-	300,000	4,034,413	-	926,790	-	300,000	2,600,000	207,623
Providence Prep Charter School	204,500	-	10,000	-	-	194,500	194,500	-	-	-	194,500	-	-
RI Nurses Institute	65,367	-	15,172	-	-	50,195	65,367	-	15,172	-	50,195	-	-
RI School for the Deaf	10,000	-	10,000	-	-	-	125,680	-	-	-	-	-	125,680
RISE Prep	100,436	-	16,909	-	-	83,527	100,436	-	16,909	-	83,527	-	-
S Kingstown	83,234	-	83,234	-	-	-	381,888	-	83,234	-	-	291,000	7,654
Scituate	232,794	-	41,653	-	-	191,141	244,486	-	41,653	-	191,141	-	11,692
Segue Institute for Learning	62,691	-	12,691	-	-	50,000	62,691	-	12,691	-	50,000	-	-
Smithfield	285,148	-	85,148	125,000	-	75,000	452,188	-	85,148	125,000	75,000	-	167,040
Trinity Academy	125,000	-	10,000	-	-	115,000	115,000	-	-	-	115,000	-	-
Times2 Inc.	112,153	-	24,353	-	-	87,800	88,738	-	938	-	87,800	-	-
Tiverton	75,584	-	55,371	-	-	20,213	105,443	-	-	-	20,213	-	85,230
Village Green Virtual	10,000	-	10,000	-	-	-	4,358	-	4,358	-	-	-	-
W Warwick	414,098	-	172,253	-	-	241,845	879,964	572,109	49,974	-	241,845	16,036	-
Warwick	490,878	-	280,543	10,335	-	200,000	1,180,543	-	280,543	-	200,000	700,000	-
Westerly	108,038	-	78,519	-	-	29,519	29,519	-	-	-	29,519	-	-
Woonsocket	463,050	-	269,550	-	-	193,500	834,279	371,229	269,550	-	193,500	-	-
	\$ 12,254,644	\$ 3,000,000	\$ 5,011,114	\$ 163,905	\$ 79,625	\$ 4,000,000	\$ 24,692,310	\$ 8,698,954	\$ 4,127,554	\$ 125,000	\$ 4,000,000	\$ 5,533,012	\$ 2,207,790

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(a Component Unit of the State of Rhode Island)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 8 - Commitments and Contingencies - Continued

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

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

Local Education Authority	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
Beacon Charter School	\$ 23,198	\$ -	\$ -	\$ -	\$ 23,198	\$ 103,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,356
Blackstone Academy	38,300	-	-	-	38,300	38,300	-	-	-	-	-	-
Bristol-Warren RSD	288,037	-	-	200,000	88,037	288,037	-	-	-	-	-	200,000
Burrillville	72,195	-	-	-	72,195	155,195	-	-	-	-	-	83,000
Central Falls	381,500	-	-	-	381,500	2,712,860	-	1,931,360	-	-	-	400,000
Charette Charter School	15,550	-	-	-	15,550	15,550	-	-	-	-	-	-
Chariho RSD	68,684	-	-	-	68,684	123,179	-	-	-	-	-	54,495
Compass School, The	22,398	-	-	-	22,398	41,037	-	-	-	-	-	18,639
Coventry	-	-	-	-	-	3,176,582	-	3,176,582	-	-	-	-
Cranston	-	-	-	-	-	1,934,358	-	1,934,358	-	-	-	-
Cumberland	23,015	-	-	-	23,015	23,015	-	-	-	-	-	-
E Greenwich	145,000	-	-	-	145,000	345,000	-	-	-	-	-	200,000
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 Charter School	-	-	-	-	-	100,000	-	-	-	-	-	100,000
International Charter School	-	-	-	-	-	100,000	-	-	-	-	-	100,000
Johnston	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
Little Compton	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	-	-	-	-	-	-
N Kingstown	265,662	100,000	-	-	165,662	392,322	78,697	-	-	-	-	147,963
N Providence	74,000	-	-	-	74,000	74,000	-	-	-	-	-	-
Narragansett	13,536	-	-	-	13,536	13,536	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	100,000	-	-	-	-	-	100,000
Newport	9,040	-	-	-	9,040	141,290	-	-	-	-	-	132,250
Nuestro Mundo Charter School	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
RI School for the Deaf	163,001	-	-	-	163,001	163,001	-	-	-	-	-	-
S Kingstown	7,654	-	-	-	7,654	298,654	-	-	-	-	-	291,000
Scituate	15,996	-	-	-	15,996	15,996	-	-	-	-	-	-
Segue Institute for Learning	-	-	-	-	-	141,500	-	-	-	-	-	141,500
Smithfield	167,040	-	-	-	167,040	308,040	-	-	-	-	-	141,000
Tiverton	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	-
Woonsocket	-	-	-	-	-	4,516,114	-	3,388,916	181,571	945,627	-	-
	<u>\$ 3,356,793</u>	<u>\$ 245,000</u>	<u>\$ 250,000</u>	<u>\$ 200,000</u>	<u>\$ 2,661,793</u>	<u>\$ 27,917,061</u>	<u>\$ 78,697</u>	<u>\$ 15,828,170</u>	<u>\$ 181,571</u>	<u>\$ 2,302,462</u>	<u>\$ 108,425</u>	<u>\$ 6,755,943</u>

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

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

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 year 2025, the SBA awarded \$2,500,000 of PayGo funds to two of the State's LEAs. For fiscal year 2025, PayGo reported transfers from the State of \$36,011,777 and related project cost expenses of \$46,930,475. This amount reflected LEA project costs incurred during fiscal year 2025, as approved and reported by the SBA.

During fiscal year 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 year 2024, 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, 2025 and 2024 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, 2025 and 2024.

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, 2025 and 2024.

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

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

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 \$500,000 of net position for financial assistance at June 30, 2025. The Board did not designate funds for 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 SBA. 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, 2025 and 2024, the amounts designated were approximately \$400,000.

Note 10 - **Other Income**

Other income for the years ended June 30, 2025 and 2024 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, 2025 and 2024

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 \$52,916 and \$48,107, respectively, for the fiscal years ended June 30, 2025 and 2024, respectively.

Note 12 - Contributions to the State

In accordance with Rhode Island General Law Section 16-105-7, the Corporation was required to contribute \$254,353 and \$242,491 to the State during the years ended June 30, 2025 and 2024, respectively, for limited personnel costs of the SBA.

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, 2025

Assets

	<u>Housing Aid</u>	<u>SBACF</u>	<u>PayGo</u>	<u>Total</u>
Assets:				
Cash and equivalents	\$ -	\$ 26,222,331	\$ 9,082,172	\$ 35,304,503
Restricted cash	-	-	6,536,721	6,536,721
Loans receivable	-	251,393	-	251,393
Accrued interest receivable	-	427	-	427
Total Assets	<u>\$ -</u>	<u>\$ 26,474,151</u>	<u>\$ 15,618,893</u>	<u>\$ 42,093,044</u>

Liability and Net Position

Liabilities:				
Project costs payable	\$ -	\$ 974,680	\$ 3,486,331	\$ 4,461,011
Funds held for others	-	-	6,536,721	6,536,721
Total Liabilities	<u>-</u>	<u>974,680</u>	<u>10,023,052</u>	<u>10,997,732</u>
Net Position:				
Restricted:				
Held for authorized projects	-	24,692,310	-	24,692,310
Available for future projects	-	807,161	5,595,841	6,403,002
Total Net Position	<u>-</u>	<u>25,499,471</u>	<u>5,595,841</u>	<u>31,095,312</u>
Total Liabilities and Net Position	<u>\$ -</u>	<u>\$ 26,474,151</u>	<u>\$ 15,618,893</u>	<u>\$ 42,093,044</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)

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

Liabilities and Net Position

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

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

For the Year Ended June 30, 2025

	<u>Housing Aid</u>	<u>SBACF</u>	<u>PayGo</u>	<u>Total</u>
Additions:				
State appropriations	\$ 82,869,020	\$ 416,527	\$ -	\$ 83,285,547
State bond proceeds appropriations	-	-	36,011,777	36,011,777
Interest earned on loans receivable	-	9,078	-	9,078
Investment earnings:				
Interest income	864,372	1,690,314	837,671	3,392,357
Transfer from (to) other program	<u>(864,365)</u>	<u>864,365</u>	<u>-</u>	<u>-</u>
Total Additions	<u>82,869,027</u>	<u>1,900,204</u>	<u>36,849,448</u>	<u>121,618,679</u>
Deductions:				
Housing aid	82,869,027	-	-	82,869,027
Project cost grants	-	19,858,031	46,930,475	66,788,506
Administrative expenses	<u>-</u>	<u>41,100</u>	<u>-</u>	<u>41,100</u>
Total Deductions	<u>82,869,027</u>	<u>19,899,131</u>	<u>46,930,475</u>	<u>149,698,633</u>
Decrease in Fiduciary Net Position	-	(16,918,847)	(10,081,027)	(26,999,874)
Net Position, Beginning of Year	<u>-</u>	<u>42,418,318</u>	<u>15,676,868</u>	<u>58,095,186</u>
Net Position, End of Year	<u>\$ -</u>	<u>\$ 25,499,471</u>	<u>\$ 5,595,841</u>	<u>\$ 31,095,312</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)

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>
Additions:				
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>
Total Additions	<u>69,256,807</u>	<u>5,395,899</u>	<u>38,195,224</u>	<u>112,847,930</u>
Deductions:				
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>
Total Deductions	<u>69,232,807</u>	<u>25,022,500</u>	<u>32,360,071</u>	<u>126,615,378</u>
Increase (Decrease) in Fiduciary Net Position	24,000	(19,626,601)	5,835,153	(13,767,448)
Net Position, Beginning of Year	<u>(24,000)</u>	<u>62,044,919</u>	<u>9,841,715</u>	<u>71,862,634</u>
Net Position, End of Year	<u>\$ -</u>	<u>\$ 42,418,318</u>	<u>\$ 15,676,868</u>	<u>\$ 58,095,186</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)

Schedule of Travel and Entertainment Expenses

For the Year Ended June 30, 2025

Attendees	Purpose	Location	Dates	Amount
RIHEBC Staff & Board Members	Providence Business News: 2024 40 Under Forty Awards Program	Warwick RI	July 18, 2024	\$1,250.00
Scott O'Malley Dylan Zelazo	Greater Providence Chamber of Commerce: Fall 2024 Economic Outlook Forum	Providence RI	September 16, 2024	\$160.00
Jenn Almeida Dina Munroe	NAHEFFA Fall Conference	Coeur d'Alene ID	October 6 - 9, 2024	\$5,761.93
RIHEBC Staff & Board Members	Italo American Club of RI: Annual Awards Dinner	Providence RI	October 19, 2024	\$750.00
RIHEBC Staff & Board Members	Providence Business News: Fall 2024 Health Care Summit	Warwick RI	October 24, 2024	\$650.00
RIHEBC Staff & Board Members	Rhode Island College: Inaugural Celebration & Gala	Providence RI	November 15, 2024	\$750.00
RIHEBC Staff & Board Members	Greater Providence Chamber of Commerce: 2024 Annual Meeting	Providence RI	November 25, 2024	\$1,750.00
	RIHEBC Year-End Event - Res American Bistro	Providence RI	December 11, 2024	\$7,595.34
Scott O'Malley	Providence Business News: 2025 Economic Trends Summit	Providence RI	January 30, 2025	\$70.00
Dylan Zelazo	Providence Business News: 2025 Business of Cannabis Summit	Providence RI	March 6, 2025	\$70.00
RIHEBC Staff Channavy Chhay David Almonte	Greater Providence Chamber of Commerce: 2025 RI Legislative Leadership Luncheon	Providence RI	March 12, 2025	\$1,000.00
Dylan Zelazo; Scott O'Malley; Jenn Almeida; Dina Munroe	RI League of Cities & Towns: 2025 Annual Convention	Warwick RI	March 20, 2025	\$200.00

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 and Entertainment Expenses - Continued
For the Year Ended June 30, 2025

Attendees	Purpose	Location	Dates	Amount
RIHEBC Staff & Board Members	Providence Business News: 2025 Health Care Summit	Providence RI	April 2, 2025	\$850.00
Dylan Zelazo Jenn Almeida	NAHEFFA Spring Conference	Alexandria VA	April 6 - 9, 2025	\$3,835.78
Scott O'Malley; Jenn Almeida; Dina Munroe	Greater Providence YMCA: Y Heroes Event	Warwick RI	May 13, 2025	\$500.00
Scott O'Malley	RI Office of the Auditor General: Governmental Training Event	Warwick RI	May 22-23, 2025	\$290.00
Dylan Zelazo; Scott O'Malley; Jenn Almeida; Dina Munroe	Operation Stand Down RI: Fore the Vets Charity Golf Tournament	N Kingstown RI	June 9, 2025	\$1,240.00
Jenn Almeida	mileage, in-state			\$168.16
Dina Munroe	mileage, in-state			\$13.93
Dylan Zelazo	business lunches			\$230.21
	miscellaneous			\$350.12
				<u>\$27,485.47</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, 2025

Assets:

Current Assets:

Cash and equivalents	\$ 10,920,934
Receivables	216,804
Restricted assets:	
Cash and equivalents	287,206
Other assets	<u>104,045</u>
Total Current Assets	<u>11,528,989</u>

Non-Current Assets:

Investments	
Receivables (net)	714,269
Capital assets - depreciable (net)	<u>127,409</u>
Total Non-Current Assets	<u>841,678</u>
Total Assets	<u>12,370,667</u>

Liabilities:

Current Liabilities:

Due to primary government	87,104
Accrued expenses	67,867
Grants payable	993,605
Current portion of lease liability	<u>105,252</u>
Total Current Liabilities	<u>1,253,828</u>

Non-Current Liabilities:

Lease liability, net of current portion	<u>-</u>
Total Non-Current Liabilities	<u>-</u>
Total Liabilities	<u>1,253,828</u>

Net Position:

Net invested in capital assets	22,157
Restricted for:	
Other	287,206
Unrestricted	<u>10,807,476</u>
Total Net Position	<u><u>\$ 11,116,839</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 Activities - Attachment C

For the Year Ended June 30, 2025

Expenses	\$ <u>2,487,250</u>
Program Revenues:	
Charges for services	<u>3,087,925</u>
Net (Expenses) Revenues	600,675
General Revenues:	
Interest and investment earnings	430,170
Miscellaneous revenue	<u>1,387</u>
Total General Revenue	<u>431,557</u>
Interest expense	(16,824)
Payments to primary government	<u>(254,353)</u>
 Change in Net Position	 761,055
 Total Net Position, Beginning of Year	 <u>10,355,784</u>
Total Net Position, End of Year	<u><u>\$ 11,116,839</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, 2025

Lease Liability

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	<u>\$ 105,252</u>	<u>\$ 1,718</u>
	<u><u>\$ 105,252</u></u>	<u><u>\$ 1,718</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 Changes in Long-Term Debt - Attachment E

June 30, 2025

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due Thereafter</u>
Lease liability	\$ 213,491	\$ -	\$ 108,239	\$ 105,252	\$ 105,252	\$ -
	<u>\$ 213,491</u>	<u>\$ -</u>	<u>\$ 108,239</u>	<u>\$ 105,252</u>	<u>\$ 105,252</u>	<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, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated October 6, 2025.

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'.

October 6, 2025