RHODE ISLAND INFRASTRUCTURE BANK

A Component Unit of the State of Rhode Island

Basic Financial Report
June 30, 2022 and 2021

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Rhode Island Infrastructure Bank
Providence, Rhode Island

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Rhode Island Infrastructure Bank, a component unit of the State of Rhode Island, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Rhode Island Infrastructure Bank's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Rhode Island Infrastructure Bank, as of June 30, 2022 and 2021, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Rhode Island Infrastructure Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Rhode Island Infrastructure Bank'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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 Rhode Island Infrastructure Bank'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 Rhode Island Infrastructure Bank'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 on pages 4-9 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 an opinion on the financial statements that collectively comprise the Rhode Island Infrastructure Bank's basic financial statements. The accompanying combining schedules of net position, combining schedules of revenues, expenses, and changes in net position, and state supplementary schedules on pages 37-47 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Cranston, Rhode Island
September 24, 2022
(except for Note 11, as to which
The date is January 25, 2023)

INTRODUCTION

The following is Management's Discussion and Analysis of the financial condition and results of operations of Rhode Island Infrastructure Bank (the "Bank"). This commentary should be read in conjunction with the Bank's Financial Report including the companion Notes to financial statements for the fiscal years ending June 30, 2022 and June 30, 2021.

As outlined in greater detail in the financial statements, the Bank was established in 1989 as a quasi-public corporation. The Bank is governed by a Board of Directors consisting of five members, four of whom are members of the public appointed by the Governor, with the advice and consent of the State Senate. The Rhode Island State General Treasurer, or such officer's designee, who shall be a subordinate within the General Treasurer's department, serves as an ex-officio member.

Consistent with the Bank's mission of serving as Rhode Island's central hub for financing infrastructure improvements for municipalities, businesses, and homeowners, the Board and Management are focused on delivering innovative financing solutions for an array of infrastructure-based projects. In addition to the Clean Water and Drinking Water State Revolving Funds, the Bank also supports financing programs for municipal road and bridge, energy efficiency and renewable energy, brownfield remediation, water quality protection, and climate resilience. The latter program includes the Municipal Resilience Program (MRP) and the Stormwater Project Accelerator (SPA) program. MRP provides direct support to communities to identify projects and strategies to improve resilience to hazards related to a changing climate and severe weather events. SPA provides upfront capital for stormwater infrastructure projects that will ultimately be funded upon completion through other funding sources such as State, Local and Federal reimbursement grants.

OVERVIEW OF THE FINANCIAL STATEMENTS

As noted above, Management's Discussion and Analysis is intended to serve as an introduction to the Bank's financial statements. The Bank's three financial statements include:

1. Statement of Net Position: The statement of net position presents information on the Bank's assets (plus deferred outflows) and liabilities (plus deferred inflows), with the difference between the two amounts as net position. Over time, increases or decreases in the Bank's net position can serve as a broad indicator of whether the financial position of the Bank is improving or deteriorating.

2. Statement of Revenues, Expenses and Changes in Net Position: This statement presents the Bank's operating revenues and expenses, nonoperating revenues and expenses, and changes in net position for the fiscal year.

3. Statement of Cash Flows: The Bank's statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating activities, capital and related financing, non-capital financing activities, and investing activities.

All assets and liabilities and changes in net position are reported upon the occurrence of the underlying event giving rise to that asset or liability and the resulting change in net position regardless of the timing of when the cash is received or paid. This reporting is consistent with the economic resources measurement focus and the accrual basis of accounting for governmental agencies. Consequently, certain revenues and expenses reported in the Statement of Revenues, Expenses and Changes in Net Position will result in cash flow impacts in future periods.

FINANCIAL HIGHLIGHTS

Statement of Net Position – Condensed

	2022	2021	2020
Current assets	$ 463,239,751	$ 452,487,674	$ 454,980,989
Noncurrent assets	1,174,823,573	1,170,492,626	1,205,474,891
Total assets	1,638,063,324	1,622,980,300	1,660,455,880
Deferred outflows of resources (a)	6,798,938	5,219,372	5,975,498
Current liabilities	191,528,403	187,749,437	189,471,627
Noncurrent liabilities	595,569,829	661,123,351	724,908,764
Total liabilities	787,098,232	848,872,788	914,380,391
Deferred inflows of resources (a)	2,199,308	2,048,115	2,342,473
Net investment in capital assets	60,242	87,167	176,435
Restricted for program purposes	828,273,434	750,047,721	723,081,858
Unrestricted	27,231,046	27,143,881	26,450,221
Total net position	$ 855,564,722	$ 777,278,769	$ 749,708,514

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

Statement of Net Position – as of fiscal periods ending June 30, 2022 and June 30, 2021

- Total assets for the period ending June 30, 2022 amounted to $1.638 billion, an increase of $15.1 million, or 0.93%, from the previous year-end when total assets amounted to $1.622 billion.

- Total investments amounted to $21.6 million on June 30, 2022, down $8.1 million from $29.8 million at the end of the prior fiscal year. The decrease is attributed to fixed income maturities of debt service reserve investments in the fiscal year 2022 being rolled into an overnight government obligations fund to facilitate the redemption of debt.

- Loans outstanding amounted to $1.279 billion on June 30, 2022, an increase of 0.23% from $1.277 billion on June 30, 2021. Loan originations amounted to $114.5 million in fiscal year 2022, and principal repayments on existing loans equaled $96.5 million during the same period. Loan originations in 2022 were above the long-term trend and management's expectations.

- Net investment in capital assets decreased to $60,242 on June 30, 2022 from $87,167 at June 30, 2021. The decrease is attributable to depreciation as there were no new capital assets in 2022.

- Project costs payable (which are committed loan proceeds that have yet to be disbursed and shown in current liabilities) increased by $4.5 million in fiscal year 2022. Such liabilities amounted to $115.5 million and $110.9 million on June 30, 2022, and June 30, 2021, respectively. The increase is attributed to loan origination funds yet to be disbursed.

- Bonds payable amounted to $664.5 million at year-end 2022, a decrease of $65.4 million from $730.0 million at the prior year-end. The decrease is largely attributable to principal payments made on existing bonds outstanding of $65.4 million in fiscal year 2022 compared to $64.5 million in the prior year. On September 1, 2021, the Bank closed on a $127.6 million bond issuance Series 2021A. The issued bonds were the first series of master trust bonds, under a new combined indenture. These bonds advance refunded clean water and drinking water revenue bonds and funded upfront savings payments to borrowers that received loans from the Bank under the refunded bonds.

- During fiscal year 2022, the Bank's unrestricted net position increased $87,165 and amounted to $27.2 million on June 30, 2022. The Bank's unrestricted cash position amounted to $5.8 million at fiscal year-end 2022, down from $6.3 million on June 30, 2021. The decrease in unrestricted cash is directly correlated to awarding additional capital in the Municipal Resilience Program.

- Overall, the Bank's financial position improved in 2022. The total net position amounted to $855.6 million at fiscal year-end 2022 compared to $777.3 million on June 30, 2021, an increase of $78.3 million. In each of the years, increases were substantially related to non-operating grant income which is utilized to increase the capital of certain lending programs.

Statement of Net Position – as of fiscal periods ending June 30, 2021 and June 30, 2020

- Total assets for the period ending June 30, 2021 amounted to $1.623 billion, a decrease of $37.5 million from the previous year end when total assets amounted to $1.660 billion.

- The total net position amounted to $777.3 million on June 30, 2021 compared to $749.7 million on June 30, 2020, an increase of $27.6 million. As was the case in the year ended June 30, 2022, the increase was substantially related to non-operating grant income.

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

	2022	2021	2020
Interest income – loans	$ 21,253,614	$ 23,963,242	$ 23,981,078
Interest income – investments	(142,164)	(743,453)	6,253,156
Other operating income	6,343,546	6,283,859	6,051,766
Grant income – operating	100,000	246,707	1,371,633
Total operating revenues	27,554,996	29,750,355	37,657,633
Interest expense	14,025,779	17,136,574	21,334,595
Other operating expenses:			
Principal forgiveness	3,867,023	2,705,141	2,654,317
Consulting fees to partner agencies	3,261,078	2,991,780	3,817,475
General administrative	3,547,234	3,314,030	3,730,289
Professional fees	737,120	1,398,905	986,283
Total operating expenses	25,438,235	27,546,430	32,522,959
Operating income	2,116,761	2,203,926	5,134,674
Grant income – non-operating	76,169,192	25,366,329	54,236,815
Less; intergovernmental transactions	0	0	21,790,000
Change in net position	78,285,953	27,570,255	37,581,489
Net position, beginning of year	777,278,769	749,708,514	712,127,025
Net position, end of year	$ 855,564,722	$ 777,278,769	$ 749,708,514

Statement of Revenues, Expenses and Changes in Net Position – for the fiscal years ending June 30, 2022 and June 30, 2021

- The Bank's operating revenues amounted to $27.5 million in fiscal year 2022 compared to $29.8 million for fiscal year 2021, a decrease of $2.3 million or 7.7%. The decrease is attributed to interest income and investment income as discussed below.

- Interest income on loans fell to $21.3 million in fiscal year 2022 from approximately $24.0 million in fiscal year 2021. The interest income on loans caption also includes amortization of upfront payments made to borrowers emanating from refunding activities. Such amounts are capitalized and are being amortized over the average life of the new debt issued. Such amortization equaled $1.6 million in both fiscal year 2022 and 2021. The remaining decrease is attributed to lower market lending rates for new loan originations combined with the maturity of older loans with higher market interest rates.

- Interest income on the Bank's investments is comprised of investment income, gains and losses on investments and arbitrage rebate tax. Investment income increased $121,955 because of rising market rates. This increase is offset by the Bank's arbitrage rebate[1] liability of $264,119 in fiscal year 2022, resulting in negative income of $142,164 in fiscal year 2022 versus negative income of $743,453 in the prior fiscal year.

- Other operating income, which consists of loan origination and servicing fees was $6.3 million in fiscal year 2022 compared to $6.2 million a year earlier, an increase of $59,686. The increase is entirely attributable to loan origination fees which reflects an increase in loan originations in fiscal year 2022 compared to 2021. Such income increased by $250,000 in fiscal year 2022. Loan servicing fees fell by $282,134 and are attributed to lower loans outstanding and the impact of the reduction in the loan servicing fee from 50 basis points per annum on the unpaid principal balance to 30 basis points effective for loans originated after December 31, 2019.

- Grant income – operating amounted to $100,000 in fiscal year 2022 compared to $246,707 in fiscal year 2021. In 2022 such income represented receipt of grant funds from the van Beuren Charitable Foundation to fund a pilot technical assistance program to test the concept of a regional resilience coordinator assisting the Aquidneck Island municipalities with executing climate resilience projects.

- Owing to the combined impact of previously refunded debt and lower average outstanding balances, interest expense, net of premium amortization, decreased $3.1 million and amounted to $14.0 million for fiscal year 2022 compared to $17.1 million in the year ago period.

- Principal forgiveness on customer loans increased $1.2 million as capitalization grants from EPA (which have a principal forgiveness component) have been trending higher in recent years and thus the required principal forgiveness component has increased as well.

- Consulting fees to partner agencies increased $555,937, or 17%, and amounted to $3.3 million compared to $3.0 million in 2021. The increase is largely attributable to operational increases to the clean water and drinking water programs. Partner agencies fees are offset by increases in non-operating grant income.

- The Bank's general administrative expenses increased by 7% and amounted to $3.5 million compared to $3.3 million in the prior fiscal year. Increases emanated from loan origination services, in line with increased loan originations and costs associated with issuance of a bond.

- Professional fees decreased $661,785 in the fiscal year ending June 30, 2022 and amounted to $737,120 compared to $1,4 million in the prior year. The decrease was driven by the property and infrastructure study on Aquidneck Island, which was a one time expense in the previous fiscal year. Other costs such as general legal, correspondent and trustee fees, audit services, and financial advisory fees were largely unchanged in fiscal year 2022 compared to the previous period.

- Grant income – non-operating amounted to $76.2 million in fiscal year 2022 compared to $25.4 million for the prior fiscal year. Capitalization grant drawdowns from EPA are recorded under this caption. This increase is a function of (i) assignment of capitalization grants to borrowers through loan originations and (ii) timing of borrower draw requests.

- There were no intergovernmental transactions in fiscal year 2022. In 2020 the Bank transferred $21.8 million which included $9.0 million of unrestricted operating capital and $12.8 million of capital from the MRB program. The total of all funds transferred to the state amounted to $29.3 million.

- The change in net position in fiscal year 2022 equaled $78.3 million which served to increase the net position on June 30, 2022 to $855.6 million.

Statement of Revenues, Expenses and Changes in Net Position – for the fiscal years ending June 30, 2021 and June 30, 2020

- The Bank's operating revenues amounted to $29.8 million in fiscal year 2021 versus $37.7 million for FY 2020, a decrease of $7.9 million.

- Interest expense and operating expenses amounted to $17.1 million and $27.5 million, respectively, for the 2021 fiscal year compared to $21.3 million and $32.5 million, respectively, in the 2020 fiscal year.

- Grant income amounted to $25.4 million and $54.2 million in fiscal year 2021 and 2020, respectively.

- After intergovernmental transactions, the change in net position amounted to $27.6 million in fiscal year 2021 compared to $37.6 million in fiscal year 2020.

- The net position on June 30, 2021 and June 30, 2020 amounted to $777.3 million and $749.7 million, respectively.

LENDING ACTIVITY

During fiscal year 2022 the Bank originated $114.5 million in new loans across all programs. At fiscal year-end 2022, total loans outstanding amounted to $1.279 billion.

Segment	2022	2021	2020
Clean Water	$ 71,117,300	$ 4,100,000	$ 5,162,500
Stormwater Project Accelerator	1,285,377	1,800,000	2,059,176
Drinking Water	19,445,062	50,705,125	11,680,000
Municipal Road and Bridge	16,800,000	-	32,500,000
Clean Energy*	5,856,413	47,229,579	60,619,045
Total	$ 114,504,152	$ 103,834,704	$ 112,020,721

*Included in the caption are Efficient Building Fund and C-PACE loans. C-Pace lending amounted to $3.5 million, $20.0 million, and $58.2 million in 2022, 2021, and 2020, respectively.

In addition to the above lending activities, the Bank also awarded $8 million in grants, including $4.3 million under the Municipal Resilience Program and $3.7 million under Clean and Drinking Water Programs.

Rhode Island municipalities accounted for 68% of loan and grant transactions, including 22 unique municipal borrowers. The Bank also worked with 14 new borrowers who had not previously taken advantage of the Bank's funding and financing programs. New borrowers consisted of municipalities, private businesses, large and small water utilities, non-profit organizations and a quasi-state agency.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Bank's financial activity. If you have questions about this report or need additional financial information, please contact us at: 235 Promenade Street, Suite 119, Providence, Rhode Island 02908, telephone number (401) 453-4430 or email us at info@riib.org.

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

Statements of Net Position – June 30, 2022 and 2021

		2022		2021
Assets				
Current assets:				
Unrestricted:				
Cash, cash equivalents and investments	$	5,858,421	$	6,291,929
Restricted:				
Cash and cash equivalents		297,920,805		298,898,445
Investments		21,633,169		29,782,277
Total restricted cash, cash equivalents and investments		319,553,974		328,680,722
Other current assets:				
Unrestricted:				
Prepaid expenses, other assets and other receivables		201,819		163,413
Restricted:				
Service fees receivable		1,700,814		1,786,834
Loans receivable		104,928,915		106,297,539
Intergovernmental receivable		21,915,120		
Accrued interest receivable:				
Loans		8,091,881		8,308,266
Investments		988,807		958,971
Total current assets		463,239,751		452,487,674
Noncurrent assets:				
Unrestricted:				
Loans receivable		64,647,005		65,731,715
Capital assets - property and equipment, net		60,242		87,167
Total unrestricted noncurrent assets		64,707,247		65,818,882
Restricted:				
Loans receivable		1,110,116,326		1,104,673,744
Total noncurrent assets		1,174,823,573		1,170,492,626
Total assets		1,638,063,324		1,622,980,300
Deferred Outflows of Resources		6,798,938		5,219,372
Liabilities				
Current liabilities:				
Project costs payable		115,459,835		110,920,770
Bonds payable		70,652,340		70,253,107
Accrued interest payable		4,891,556		6,113,390
Accounts payable and accrued expenses		524,672		462,170
Accrued arbitrage rebate		-		-
Total current liabilities		191,528,403		187,749,437
Noncurrent liabilities:				
Bonds payable		593,880,718		659,698,359
Accrued arbitrage rebate		1,689,111		1,424,992
Total noncurrent liabilities		595,569,829		661,123,351
Total liabilities		787,098,232		848,872,788
Deferred Inflows of Resources		2,199,308		2,048,115
Net position				
Net investments in capital assets		60,242		87,167
Restricted for program purposes		828,273,434		750,047,721
Unrestricted		27,231,046		27,143,881
Total net position	$	855,564,722	$	777,278,769

See notes to financial statements.

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

Statements of Revenues, Expenses, and Changes in Net Position – Years Ended June 30, 2022 and 2021

	2022	2021
Operating revenues:		
Interest income - loans	$21,253,614	$ 23,963,242
Interest income - Investments	(142,164)	(743,453)
Loan servicing fees	5,162,994	5,445,128
Loan origination fees	1,180,552	838,731
Grant income - program administration	100,000	246,707
Total operating revenues	27,554,996	29,750,355
Operating expenses:		
Interest expense, net of premium amortization	14,025,779	17,136,574
Program administration, partner agencies	3,261,078	2,991,780
Principal forgiveness	3,867,023	2,705,141
Compensation and benefits	2,217,570	2,234,275
Debt issuance	514,118	343,195
Professional services	265,030	780,197
Legal	158,219	177,459
Correspondent and trustee	141,870	260,289
Information technology	155,575	160,331
Marketing	148,229	118,079
Audit and accounting	64,000	62,460
Financial advisory	108,000	118,500
Loan origination service	208,624	127,500
Occupancy and office expense	191,089	175,033
Depreciation	26,925	89,268
Insurance	54,748	52,800
Business and travel	10,319	121
Dues and subscriptions	14,560	10,162
Seminars	5,479	3,265
Total operating expenses	25,438,235	27,546,429
Operating income	2,116,761	2,203,926
Non-operating revenue:		
Grant income and other contributed capital	76,169,192	25,366,329
Non-operating expenses:		
Intergovernmental transactions	-	-
Change in net position	78,285,953	27,570,255
Net position, beginning of the year	777,278,769	749,708,514
Net position, end of the year	$ 855,564,722	$ 777,278,769

See notes to financial statements.

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

Statements of Cash Flows – Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Loan repayments	$109,616,651	$ 97,338,045
Operating grants	100,000	246,707
Origination fees	1,180,552	838,731
Loan servicing fees	5,249,014	5,528,261
Investment income	(172,002)	842,787
Loan disbursements	(108,066,833)	(85,536,558)
Payments for goods and services	(15,661,844)	(5,007,946)
Bond issuance costs	(514,118)	(343,195)
Payments for personnel-related costs	(2,204,885)	(2,217,098)
Net cash provided by (used for) operating activities	(10,473,465)	11,689,734
Cash flows from capital and related financing activities:		
Purchases of property and equipment	-	-
Cash flows from noncapital financing activities:		
Proceeds from bond issuance	127,600,000	16,033,589
Repayment of bond principal	(172,406,500)	(64,528,866)
Refunding credits paid to borrowers	(6,440,513)	-
Non-operating grants	54,254,072	25,366,329
Interest paid on bonds	(22,355,199)	(25,411,696)
Net cash used for noncapital financing activities	(19,348,140)	(48,540,644)
Cash flows from investing activities:		
Interest income - loans	21,469,998	24,074,652
Arbitrage rebate paid to U.S. Treasury	-	(1,192,721)
Proceeds from (purchases of) investments, net	6,940,459	29,364,194
Net cash provided by investing activities	28,410,457	52,246,125
Cash and cash equivalents, beginning of the year	305,190,374	289,795,159
Cash and cash equivalents, end of the year	$ 303,779,226	$ 305,190,374

See notes to financial statements.

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

Statements of Cash Flows – Years Ended June 30, 2022 and 2021 continued

	2022	2021
Operating Income	$ 2,116,761	$ 2,203,926
Adjustments		
Depreciation	26,925	89,268
Amortization of bond premiums and discounts, net	(16,964,876)	(8,223,944)
Increase in investments receivable	29,833	1,586,241
Interest income - loans	(24,750,875)	(23,963,242)
Interest expense	21,675,340	25,360,518
Loan principal forgiveness	3,867,023	2,705,141
Net disbursements of loans receivable	3,588,327	12,017,726
Increase in prepaid expenses	(38,404)	(52,264)
Increase in accounts payable	62,501	49,497
(Increase) decrease in accounts receivable	(86,020)	(83,133)
Net cash used by operating activities	$ (10,473,465)	$ 11,689,734
Supplementary cash flow information:		
Noncash transactions:		
Increase in loans receivable issued related to project costs payable	$ 22,261,166	$ 32,512,835
Increase (decrease) in fair value of investments	$ (1,208,649)	$ (872,938)
Noncash activity related to refunding bonds	$ -	$ -

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

The Bank's SRF programs are leveraged by issuing bonds to provide additional funds to finance program-eligible projects. Federal and state grants and other monies available to the Bank are pledged to secure the bonds by either funding reserves or financing loans pledged to the bonds. Earnings on these pledged assets are used to pay a portion of the debt service on the related bonds, thereby allowing for a reduction in the borrowers' loan repayment obligation. Generally, the Bank lends to borrowers at 67% and 75% of the

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Program	Summary
Brownfields Revolving Loan Fund (Brownfields RLF)	The Fund provides financing for the remediation of properties contaminated with hazardous substances. The Rhode Island Department of Environmental Management (DEM), in partnership with the Rhode Island Commerce Corporation (RICC), is responsible for producing a project priority list (PPL) of eligible sites for the Bank to provide financing. In June 2016, the Bank was awarded an initial grant of $820,000 from the EPA.
Clean Water and Stormwater Infrastructure Fund (CWSWIF)	The Fund provides financial assistance to eligible borrowers to develop water pollution control abatement projects. In addition, the CWSWIF provides upfront capital to municipalities and organizations who have received reimbursement grants for design and construction of green stormwater infrastructure projects.
Commercial – Property Assessed Clean Energy (C-PACE)	C-PACE provides financing for a broad array of energy efficiency and renewable energy projects (and related improvements) in commercial and industrial properties. As the Bank does not directly provide financing for C-PACE loans, property owners are free to arrange financing directly with one of the Bank's third-party capital providers. The program produced its first round of loans during the spring of 2017.
Community Septic System Loan Program (CSSLP)	Included in the CWSRF program, CSSLP provides discounted financing to communities to address nonpoint source pollution abatement issues with end loans being offered to residents with cesspools or substandard septic systems. The DEM is responsible for producing a PPL of eligible communities for the Bank to provide financing. Revolved capital from CWSRF provides funding for this program.
Efficient Buildings Fund (EBF)	The Fund provides financing to municipalities and quasi-public agencies for renewable energy and energy efficiency improvements. The Rhode Island Office of Energy Resources is responsible for producing a PPL of eligible projects for the Bank to provide financing. Bank capital is supplemented by allocated rate-payer funds and Regional Greenhouse Gas Initiative (RGGI) proceeds.

Note 1. Summary of Significant Accounting Policies (continued)

Program	Summary
Municipal Road and Bridge Revolving Fund (MRB)	The Fund provides financing to municipalities for transportation-based infrastructure projects. The Rhode Island Department of Transportation is responsible for producing a PPL of eligible projects for the Bank to provide financing. Funding for the program is provided by the State through legislative appropriations and premiums received on state bond issuances.
Rhode Island Water Pollution Control Revolving Fund (including the Facility Plan Loan Program (FPLP) and the Sewer Tie-In Loan Fund (STILF))	The Fund provides discounted financing for water pollution abatement projects that do not meet the requirements of the CWSRF. In addition, under the FPLP, the Fund also provides financing to municipalities for the completion of water pollution abatement project facility plans, and amendments or updates to such plans. The Fund also supports the STILF program which, like CSSLP, allows communities to borrow funds to address nonpoint source wastewater pollution abatement issues with end loans being offered to residents to connect to the local sewer systems. These programs are funded through capitalization grants from state general obligation bond issues.
Water Quality Protection Charge (WQPC) Fund	The WQPC Fund provides financing for the protection of watershed lands to help ensure water quality. This Fund accounts for water quality protection charges received from various Rhode Island water suppliers. The WQPC provides funding to water suppliers for watershed protection land acquisition, water pipe replacement, and other related projects.
Climate Resilience	Climate Resilience includes two programs: Municipal Resilience Program (MRP) and Stormwater Project Accelerator. MRP provides technical assistance and grants to communities for eligible projects that support climate resilience. The Stormwater Project Accelerator provides upfront capital for stormwater infrastructure projects that will eventually be funded through state and local reimbursement grants.

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

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

As more fully disclosed in Note 3 "Investments," the Bank's investments as of June 30, 2022 and 2021 consisted of U.S. Treasury obligations, U.S. agency obligations (e.g., FannieMae, FreddieMac, and the Federal Home Loan Bank), municipal bonds, and GICs. The Bank's various indentures or depository and administrative payment agreements (DAPAs) governing its outstanding bond issues restrict the Bank's ability to invest the proceeds of bonds issued. In addition to those listed above, permitted investments under either an indenture or DAPA, include, for example, repurchase agreements, certificates of deposit, money market funds, and commercial paper – each subject to specific ratings and/or other restrictions. Management actively manages its investment portfolio with a focus on asset allocation, diversification, and duration within the parameters of the permitted investments.

Note 1. Summary of Significant Accounting Policies (continued)

In accordance with Section 35-10.1-7 of the General Laws of the State, dealing with the collateralization of public deposits, all certificates of deposits with maturities of greater than 60 days and all deposits in institutions that do not meet its minimum capital standards as required by its Federal regulator must be collateralized. The Bank did not have any deposits in fiscal year 2022 and 2021 which required collateralization.

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

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

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

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

Allowance for loan losses: Management reviews loan receivable balances and borrowers on a continual basis for possible uncollectible amounts. In the event management determines a specific need for an allowance, provision for loss will then be provided. Should a borrower default on a loan, potential remedies are contained in the loan agreement which is backed by the full taxing power of the borrowing municipality in the form of a general obligation pledge or in the full revenue collecting ability of the Bank's revenue borrowers. Further, the Indenture of Trust (Indenture) as it relates to the Local Interest Subsidy Trust (LIST) serves as a debt service reserve fund. An allowance for loan losses has not been established at either June 30, 2022 or June 30, 2021 since historical collection experience has shown amounts to be fully collectible when due.

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

Based on calculations that were performed as of June 30, 2022 and 2021, the Bank had accrued arbitrage rebate liabilities totaling $1,689111 and $1,424,992, respectively. The rebate obligations are generally computed and adjusted, as applicable, on an annual basis in accordance with regulations promulgated by the Treasury. Required rebates are generally due and payable in five-year intervals during the life of debt issues, with rebates due no later than 60 days after the retirement of the debt issues. Actual calculation and payment dates may be accelerated because of refundings/defeasances. Arbitrage rebate expense is recorded as a reduction in interest income – investments.

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

Project costs payable: Project costs payable represents the liability of amounts loaned to borrowers that have not been requisitioned. On June 30, 2022 and 2021, undrawn funds amounted to $115,459,835 and $110,920,770 respectively.

Bond premium: Bond premiums, included in long-term debt, are amortized using the effective interest method over the respective life of the associated bond issues. Amortization of bond premiums, which are credited to interest expense, amounted to $16,964,876 and $8,223,943 for fiscal years 2022 and 2021, respectively.

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

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

Operating revenues and expenses: Substantially all revenues and expenses, including interest received on investments and loans and interest paid on bonds, are considered operating items since the Bank issues bonds to finance loans for specific projects. All other revenues and expenses not meeting these criteria are reported as nonoperating revenue and expenses. In accordance with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* federal EPA capitalization grants and state grants are shown below operating income (loss) on the statements of revenue, expenses and changes in net position.

Restricted assets: Restricted assets of the Bank consist of cash and cash equivalents, investments designated primarily for borrower construction drawdowns (and any interest earned on such investments), borrower interest rate subsidies, and arbitrage rebate liabilities. In each instance the preceding relates to the CWSRF, DWSRF, CWSWIF, Rhode Island Water Pollution Control Revolving Fund, EBF (including rate payer funds and RGGI proceeds), C-PACE, MRB, WQPC, and the Brownfields RLF programs. Certain loans receivable in the CWSRF and DWSRF provide security for the related bonds. Loan payments received are restricted for payment of bond debt service.

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

Note 1. Summary of Significant Accounting Policies (continued)

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

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

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement was established to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Bank adopted the requirements of the guidance effective July 1, 2021, it had no effect on the Bank's financial statements.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5−22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense on a basis consistent with governmental fund accounting principles. The requirements of this Statement became effective for reporting periods beginning after December 15, 2020 and had no impact on the Bank's financial statements.

In May 2020, GASB issued Statement No. 91 – *Conduit Debt Obligations.* Once effective, GASB 91 will improve existing standards for government issuers by eliminating diversity in practice associated by providing a single method to report conduit debt obligations and related commitments. The GASB's existing standards, Interpretation No. 2, *Disclosure of Conduit Debt Obligations*, which allowed government issuers either to recognize conduit debt obligations as their own debt or to disclose them, which adversely affects the comparability of financial statement information.

While with the adoption of Statement 91 government issuers will no longer report conduit debt obligations as liabilities, issuers will be required to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Certain issuers may need to recognize a liability related to commitments they make or voluntarily provide associated with conduit debt if qualitative factors indicate that it is more likely than not that it will support one or more debt service payments for a conduit debt obligation. Irrespective, the issuer is required to disclose the same general information as noted above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 and GASB encourages earlier application. Management is currently evaluating the impact this Statement will have on the Bank's financial statements.

Note 1. Summary of Significant Accounting Policies (continued)

In January of 2020, GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports;

- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan;

- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits;

- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements;

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition;

- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers;

- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and,

- Terminology used to refer to derivative instruments.

The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective for fiscal years beginning after June 15, 2021. The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021. The requirements of this Statement had no impact on the Bank's financial statements.

In March of 2020, GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. This statement addresses the issue raised about how the London Interbank Offered Rate (LIBOR) was determined and its expected cessation by the end of 2021. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022 (June 30, 2023 or December 31, 2023).

In March of 2020, GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment

Note 1. Summary of Significant Accounting Policies (continued)

arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

In May of 2020, GASB issued Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

In May of 2020, GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This statement addresses cloud computing and other subscription-based forms of software applications and data storage. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

In June of 2020, GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. The requirements of this Statement had no impact on the Bank's financial statements.

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

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

Reclassification of prior year presentation: Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Note 2. Cash and Cash Equivalents

At June 30, 2022 and 2021, the carrying amount of the Bank's cash deposits was $57,714,185 and $36,686,948, respectively. The difference between the carrying amount and the depository balance is attributable to outstanding reconciling items (primarily outstanding checks) at year-end. Pursuant to GASB 79, Certain External Investment Pools and Pool Participants, the Bank's institutional money market accounts represent qualifying external investment pools that measure for financial reporting purposes all its investments at amortized cost.

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

Description	2022	2021
Deposits with financial institutions	$57,714,185	$ 36,686,948
Institutional money market accounts – government portfolio	246,065,041	268,503,426
Cash and cash equivalents	$ 303,779,226	$ 305,190,374

Description	2022	2021
Unrestricted:		
Deposits with financial institutions	$5,854,726	$ 6,289,704
Institutional money market accounts – government portfolio	3,695	2,225
Subtotal	5,858,421	6,291,929
Restricted:		
Deposits with financial institutions	51,859,459	30,397,244
Institutional money market accounts – government portfolio	246,061,346	268,501,201
Subtotal	297,920,805	298,898,445
Cash and cash equivalents	$ 303,779,226	$ 305,190,374

Unrestricted cash: Cash and cash equivalents of $5,858,421 and $6,291,929 as of June 30, 2022 and 2021, respectively are classified as unrestricted. While classified as unrestricted, those assets are subject to use only within the proper purpose of the Bank as established through its enabling legislation discussed in Note 1 and the directives and programs approved by the Board.

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

For fiscal year end 2022 and 2021, institutional money market accounts consisted of the following:

Issuer	2022	2021
First American Funds – Government Obligations	$ 230,685,263	$ 250,489,160
First American Funds – U.S. Treasury	15,379,778	18,014,266
Total	$ 246,065,041	$ 268,503,426

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

Note 3. Investments

The Bank's investments consisted of the following at June 30, 2022:

2022	Amount	Maturity Date(s)	Interest Rate(s)	Credit Ratings Moody's/S&P
US agency and Treasury securities:				
Federal National Mortgage Association	$ 523,871	2023	1.25% - 2.00%	AAA/AA+
Federal Home Loan Mortgage Corp	7,467,473	2020 – 2028	1.75% - 2.35%	AAA/AA+
Federal Home Loan Bank	1,537,246	2021 – 2023	4.75% - 5.63%	AAA/AA+
Treasury Bonds and Notes	355,000	2022	1.88%	AAA/AAA
Subtotal	9,883,590			
Municipal bonds:				
Oregon State	443,021	2023	5.44%	AA2/AA
Guaranteed investment contracts[1]:				
Mass Mutual Life Insurance Company	2,185,083	2024	4.71%	Aa3/AA+
Mass Mutual Life Insurance Company	2,884,182	2025	4.67%	Aa3/AA+
Mass Mutual Life Insurance Company	2,475,813	2027	4.79%	Aa3/AA+
Mass Mutual Life Insurance Company	3,761,480	2029	4.50%	Aa3/AA+
Subtotal	11,306,558			
Total investments	$ 21,633,169			

[1]Credit ratings reflect the rating of the issuer.

The Bank's investments consisted of the following at June 30, 2021:

US agency and Treasury securities:				
Federal National Mortgage Association	$ 541,394	2023 – 2026	1.25% - 2.00%	AAA/AA+
Federal Home Loan Mortgage Corp	8,501,324	2020 – 2028	1.75% - 2.35%	AAA/AA+
Federal Home Loan Bank	3,035,792	2021 – 2023	4.75% - 5.63%	AAA/AA+
Treasury Bonds and Notes	2,010,594	2020 – 2022	1.37% - 2.25%	AAA/AAA
Subtotal	14,089,104			
Municipal bonds:				
Oregon State	2,062,146	2021 – 2023	4.87% - 5.02%	AA2/AA
Guaranteed investment contracts[1]:				
FSA Capital Management[2]	2,868,684	2024	4.71%	A2/AA
FSA Capital Management[2]	4,114,385	2025	4.67%	A2/AA
FSA Capital Management[2]	2,886,478	2027	4.79%	A2/AA
Mass Mutual Life Insurance Company	3,761,480	2029	4.50%	Aa3/AA+
Subtotal	13,631,027			
Total investments	$ 29,782,277			

[1]Credit ratings reflect the rating of the issuer.
[2]Guaranteed by Assured Guaranty Municipal Corporation.

Note 3. Investments (continued)

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

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

The Bank has GICs with multiple providers who maintain the contributed investments. GIC providers must meet the following ratings from S&P and Moody's: domestic banks rated at least AA/Aa2; U.S. branches of foreign banks rated at least AA/Aa2; insurance companies (or corporations whose obligations are guaranteed by an insurance company, in the form of an insurance policy, or by an insurance holding company) rated AAA/Aaa. As discussed in Note 1, the GICs are reported at contract value. The providers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Bank. In accordance with GASB 72, the fair value of these investments is measured at such contract value outside of the fair value hierarchy. The Bank's GICs $11,306,557 and $13,631,028 as of June 30, 2022 and 2021, respectively. There are no reserves against contract value for credit risk of the provider or otherwise. The crediting interest rates are based on a formula agreed upon by each provider.

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

At June 30, 2022 and 2021, maturities of the Bank's investment by sector were as follows:

		Years			
Sector – 2021	Total Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. agency securities	$ 9,528,590	$ 2,667,133	$ 5,589,664	$ 1,271,794	$ -
U.S. Treasury securities	355,000	355,000	-	-	-
Municipal bonds	443,021	443,021	-	-	-
Guaranteed investment contracts	11,306,558	-	5,069,264	6,237,294	-
	$ 21,633,169	$ 3,465,154	$ 10,658,928	$ 7,509,088	$ -

		Years			
Sector – 2021	Total Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. agency securities	$ 12,078,510	$ 2,009,611	$ 7,775,144	$ 2,293,755	$ -
U.S. Treasury securities	2,010,594	1,647,884	362,710	-	-
Municipal bonds	2,062,146	1,587,952	474,194	-	-
Guaranteed investment contracts	13,631,028	-	6,983,069	6,647,959	-
	$ 29,782,278	$ 5,245,447	$ 15,595,117	$ 8,941,714	$ -

Note 3. Investments (continued)

Fair value measurement: The Bank's investments are recorded at fair value as of June 30, 2022 and 2021, pursuant to the provisions of GASB No. 31, *Certain Investments and External Investment Pools* (GASB 31), and GASB 72. GASB 31 established accounting and financial reporting standards for certain investments to be reported at fair value and for external investment pools. GASB No. 72 addresses accounting and financial reporting issues related to fair value measurements. The Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value.

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

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

The Bank's investments within the fair value hierarchy (which do not include the GICs) are summarized below as of June 30, 2022 and 2021:

2022 Investment Sector	Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value
U.S. agency securities	$ -	$ 9,528,590	$ 9,528,590
U.S. Treasury securities	355,000	-	355,000
Municipal bonds	-	443,021	443,021
Total investments	$ 355,000	$ 9,971,611	$ 10,326,611

2021 Investment Sector	Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value
U.S. agency securities	$ -	$ 12,078,510	$ 12,078,510
U.S. Treasury securities	2,010,594	-	2,010,594
Municipal bonds	-	2,062,146	2,062,146
Total investments	$ 2,010,594	$ 14,140,656	$ 16,151,250

The Bank had no investments that were categorized as Level 3 at either June 30, 2022 or June 30, 2021 and therefore that information is not presented in the above tables. Certain investments that are measured at fair value using the net asset value (NAV) per share as a practical expedient have not been classified in the fair value hierarchy.

Note 3. Investments (continued)

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

	Percentage of Total Investments	
Issuer	2022	2021
Treasury Bonds and Notes	2%	7%
FSA Capital Management	0%	33%
Federal Home Loan Mortgage Corp	35%	30%
Federal Home Loan Bank	10%	10%
Oregon State	2%	7%
Mass Mutual Life Insurance Company	51%	13%

Note 4. Loans Receivable

At June 30, 2022 and 2021, the Bank had loans outstanding of $1,279,692,246 and $1,276,702,998 respectively, including all unused outstanding loan commitments (project costs payable).

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

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

At June 30, 2022, the Bank's top three borrowers had loans receivable of $569,364,526 representing approximately 47% of total loans receivable, compared to $572,559,243 at June 30, 2021.

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

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

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

Capitalization Grant	Capitalization Grant Award	Principal Forgiveness Component	Principal Forgiveness Loans Issued as of FY2022
2009-2017	$104,976,600	$19,449,730	$19,449,730
2018	10,777,000	1,077,700	1,077,700
2019	10,669,000	1,066,900	1,066,900
2020	10,670,000	1,067,000	-
2021	10,669,000	1,066,900	1,827,300
	$147,761,600	$ 23,728,230	$ 23,421,630

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

Capitalization Grant	Capitalization Grant Award	Principal Forgiveness Component	Principal Forgiveness Loans Issued as of FY2022
2009-2017	$94,072,000	$26,963,500	$26,132,523
2018	11,107,000	2,221,400	2,221,400
2019	11,004,000	2,200,800	2,200,800
2020	11,011,000	2,202,200	28,009
2021	11,001,000	2,200,200	662,000
	$ 138,195,000	$ 35,788,100	$ 31,244,732

The Bank recognizes principal forgiveness expense as the related loans are repaid. The total amount forgiven under these programs in fiscal years 2022 and 2021 was $3,867,023 and $2,690,823, respectively. The amounts are included in loan principal forgiveness in the statements of revenues, expenses, and changes in net position.

In 2002, Congress approved the Small Business Liability Relief and Brownfields Revitalization Act which created financial assistance for brownfields revitalization, including grants to capitalize Brownfields RLF. In 2015, the General Assembly of the State enacted the Brownfields RLF. Under the Brownfields RLF, the DEM, in consultation with the RICC, is to develop project evaluation criteria used to rank eligible projects on a project priority list. After enactment of the Brownfields RLF, the Bank promulgated rules and regulations establishing the parameters under which project financing is provided through the program.

The Bank received a capitalization grant from the EPA for the Brownfields RLF. This grant will be used to fund the Bank's brownfield-related lending activities. To obtain the Federal monies, the Bank must also obtain a commitment for state matching funds of 20% of the Federal award. The following is a table of the Federal awards to the Bank and the Bank capital for state matching funds as of June 30:

Capitalization Grant	Capitalization Grant Award	Bank Capital Matching funds
2016	$ 820,000	$ 164,000

Note 5. Bonds Payable

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

In addition, from time to time the Bank issues conduit bonds. The term conduit bonds refers to certain limited-obligation revenue bonds issued by the Bank for the express purpose of providing capital financing for a specific third party. Although conduit debt obligations bear the name of the Bank and are included in its financial statements, it has no obligation for the debt beyond the resources provided by a loan with the third party on whose behalf the conduit bonds are issued. As of June 30, 2022 and 2021, there were seven series of conduit bonds outstanding, with an aggregate principal amount payable of $47,690,000 and $55,310,000 respectively.

The Bank had the following revenue bonds outstanding at June 30, 2022:

Clean Water Program	2022	2021
2002 Series B Bonds, dated October 1, 2002, with serial bonds of $76,035,000 at rates varying from 2.0% to 5.0% due annually from October 1, 2004 through October 1, 2022. *On May 6, 2010, the Bank advance refunded $25,260,000 of the outstanding bonds.* Bond was partially redeemed on August 17, 2020.	1,535,000	6,350,000
2012 Series A Bonds, dated June 28, 2012, with serial bonds of $25,620,000 at rates varying from 2.00% to 5.00% due annually from October 1, 2014 through October 1, 2033. On December 18, 2019, and September 1, 2021 the Bank advance refunded $10,340,000,	1,620,000	6,605,000
2012 Series B Refunding Bonds, dated November 8, 2012, with serial bonds of $65,860,000 at rates varying from 2.00% to 5.00% due annually from October 1, 2013 through October 1, 2025. On September 1, 2021 the Bank advance refunded $11,315,000 of the outstanding bonds.	7,560,000	24,505,000
2013 Series A Bonds, dated June 6, 2013, with serial bonds of $52,070,000 at rates varying from 1.50% to 5.00% due annually from October 1, 2015 through October 1, 2034. On December 18, 2019, the Bank advance refunded $40,225,000 of the outstanding bonds.	2,245,000	4,315,000
2014 Series A Bonds, dated February 20, 2014, with serial bonds of $55,925,000 at rates varying from 2.00% to 5.00% due annually from October 1, 2015 through October 1, 2034. On December 18, 2019, and September 1, 2021 the Bank advance refunded $31,335,00	4,905,000	12,535,000
2015 Series A Bonds, dated July 30, 2015, with serial bonds of $56,275,000 at rates varying from 3.00% to 5.00% due annually from October 1, 2017 through October 1, 2044. On December 18, 2019, and September 1, 2021 the Bank advance refunded $2,880,000 and	5,980,000	46,815,000
2015 Series B Refunding Bonds, dated October 6, 2015, with serial bonds of $24,345,000 at rates varying from 2.00% to 5.00% due annually from October 1, 2016 through October 1, 2026. The Bank's defeasance of the 2005A resulted in economic present value sa	10,775,000	13,195,000
2015 Series C Refunding Bonds, dated October 6, 2015, with serial bonds of $23,355,000 at rates varying from 1.75% to 5.00% due annually from October 1, 2018 through October 1, 2027, respectively. The Bank's defeasance of the 2006A bonds resulted in econo	6,720,000	14,710,000
2016 Series A Refunding Bonds, dated June 2, 2016, with serial bonds of $49,060,000 at rates varying from 1.75% to 5.00% due annually from October 1, 2018 through October 1, 2030. The Bank's defeasance of the 2007A and 2009A bonds resulted in economic pre	30,715,000	42,170,000

Note 5. Bonds Payable (continued)

2016 Series B Bonds, dated June 2, 2016, with serial bonds of $18,790,000 at rates varying from 2.00% to 5.00% due annually from October 1, 2017 through October 1, 2037. On September 1, 2021 the Bank advance refunded $12,715,000 of the outstanding bonds.	3,250,000	16,685,000
2017 Series A Bonds, dated April 13, 2017, with serial bonds of $28,130,000 at rates varying from 3.00% to 5.00% due annually from October 1, 2018 through October 1, 2036.	19,550,000	21,690,000
2017 Series B Bonds, dated June 28, 2017, with serial bonds of $41,120,000 at rates varying from 3.00% to 5.00% due annually from October 1, 2021 through October 1, 2032. *The Bank's defeasance of the 2010B and 2011A bonds resulted in economic present valu*	37,665,000	41,120,000
2018 Series A Bonds, dated April 25, 2018, with serial bonds of $17,715,000 at rates varying from 3.00% to 4.00% due annually from October 1, 2025 through October 1, 2037.	17,715,000	17,715,000
2019 Series A Bonds, dated December 18, 2019, with serial bonds of $112,870,000 at rates varying from 4.00% to 5.00% due annually from October 1, 2020 through October 1, 2034. *The Bank's defeasance of the 1999A, 2010A, 2010B, 2012A, 2013A, 2014A, and 2015*	104,175,000	109,815,000
2021 Series A Bonds, dated August 17, 2021, with serial bonds of $103,380,000 at rates varying from .16% to 2.77% due annually from October 1, 2021 through October 1, 2044. *The Bank's defeasance of the 2012A, 2012B, 2014A, 2015A, 2015C, 2016A and 2016B bo*	100,965,000	-
Program Total	355,375,000	378,225,000

Drinking Water Program	2022	2021
2012 Series A Bonds, dated June 14, 2012, with serial bonds of $34,620,000 at rates varying from 0.55% to 5.00% due annually from October 1, 2014 through October 1, 2033. On December 18, 2019, the Bank advance refunded $18,975,000 of the outstanding bonds.	1,495,000	5,420,000
2013 Series A Bonds, dated May 14, 2013, with serial bonds of $35,780,000 at rates varying from 3.00% to 5.00% due annually from October 1, 2015 through October 1, 2034. On December 18, 2019, the Bank advance refunded $10,095,000 of the outstanding bonds.	4,745,000	18,505,000
2013 Series B Refunding Bonds, dated June 26, 2013, with serial bonds of $38,790,000 at rates varying from 3.00% to 5.00% due annually from October 1, 2015 through October 1, 2024.	13,845,000	18,170,000
2014 Series A Bonds, dated December 4, 2014, with serial bonds of $13,090,000 at rates varying from 2.00% to 5.00% due annually from October 1, 2016 through October 1, 2036 and term bonds of $1,085,000 at 3.50% due October 1, 2025 and term bonds of $3,350,000 at 5.00% due October 1, 2036. On December 18, 2019, the Bank advance refunded $3,350,000 of the outstanding term bonds due October 1, 2036.	5,890,000	7,525,000
2015 Series A Bonds, dated December 17, 2015, with serial bonds of $22,640,000 at rates varying from 2% to 5% due annually from October 1, 2017 through October 1, 2037.	13,120,000	18,790,000
2017 Series A Bonds, dated February 28, 2017, with serial bonds of $23,785,000 at rates varying from 2% to 5% due annually from October 1, 2018 through October 1, 2036. The Bank's defeasance of the 2008A bonds resulted in economic present value savings of $2,608,056 or 11%.	17,430,000	19,480,000

Note 5. Bonds Payable (continued)

2017 Series B Bonds, dated May 10, 2017, with serial bonds of $11,350,000 at rates varying from 2% to 5% due annually from October 1, 2019 through October 1, 2036.	10,025,000	10,485,000
2018 Series A Bonds, dated June 19, 2018, with serial bonds of $5,000,000 at a fixed rate of 2.76% due annually from October 1, 2018 through October 1, 2022.	1,055,012	2,081,533
2019 Series A Bonds, dated June 27, 2019, with serial bonds of $31,600,000 at rates of 4.00% and 5% due annually from October 1, 2023 through October 1, 2039.	31,600,000	31,600,000
2019 Series B Refunding Bonds, dated June 27, 2018, with serial bonds of $10,205,000 at rates varying from 2.07% to 2.76% due annually from October 1, 2019 through October 1, 2029. The Bank's defeasance of the 2005A and 2008A bonds resulted in economic present value savings of $1,127,646 or 12%.	8,885,000	9,315,000
2019 Series C Bonds, dated December 18, 2019, with serial bonds of $6,490,000 at a rate of 5% due annually from October 1, 2023 through October 1, 2030. The Bank's advanced refunding of the 2009A bonds resulted in economic present value savings of $1,370,822 or 17%.	6,490,000	6,490,000
2019 Series D Bonds, dated December 18, 2019, with serial bonds of $112,870,000 at rates varying from 1.73% to 2.88% due annually from October 1, 2020 through October 1, 2034. The Bank's defeasance of the 2012A, 2013A, 2014A bonds resulted in economic present value savings of $2,683,561 or 8%.	37,995,000	38,950,000
2021 Series A Bonds, dated September 1, 2021, with serial bonds of $24,220,000 at rates varying from .16% to 2.17% due annually from October 1, 2021 through October 1, 2035. The Bank's defeasance of the 2012A, 2013A, 2014A, and 2015A bonds resulted in economic present value savings of $1,438,458 or 9%.	23,845,000	-
Program Total	176,420,012	186,811,533

Municipal Road & Bridge	2022	2021
2018 Series A Bonds, dated June 20, 2018, with serial bonds of $13,965,000 at rates varying from 2% to 5% due annually from October 1, 2019 through October 1, 2037.	11,825,000	12,570,000
2019 Series A Bonds, dated May 2, 2019, with serial bonds of $15,440,000 at rates of 4% to 5% due annually from October 1, 2019 through October 1, 2035.	13,910,000	14,425,000
2020 Series A Bonds, dated April 16, 2020, with serial bonds of $12,765,000 at rates of 4% and 5% due annually from October 1, 2021 through October 1, 2031.	11,895,000	12,765,000
Program Total	37,630,000	39,760,000

Efficient Buildings Fund	2022	2021
2018 Series A Bonds, dated November 29, 2018, with serial bonds of $18,310,000 at rates varying from 3% to 5% due annually from October 1, 2019 through October 1, 2033.	14,900,000	16,110,000
2020 Series A Bonds, dated October 14, 2020, with serial bonds of $13,970,000 at a rate of 4% due annually from October 1, 2021 through October 1, 2040.	13,365,000	13,970,000
Program Total	28,265,000	30,080,000

Note 5. Bonds Payable (continued)

In addition, from time to time the Bank issues conduit bonds. The term conduit bonds refers to certain limited-obligation revenue bonds issued by the Bank for the express purpose of providing capital financing for a specific third party. Although conduit debt obligations bear the name of the Bank and are included in its financial statements, it has no obligation for the debt beyond the resources provided by a loan with the third party on whose behalf the conduit bonds are issued. As of June 30, 2022 and 2021, there were seven series of conduit bonds outstanding, with an aggregate principal amount payable of $47,690,000 and $55,310,000 respectively.

Conduit Bonds	2022	2021
2008 Wastewater Revenue Bonds (City of Warwick), dated April 30, 2008, with serial bonds of $4,000,000 at 4.85% due annually from March 1, 2009 through March 1, 2028	1,610,000	1,835,000
2011 Series A Bonds, (City of Newport), dated March 31, 2011 with serial bonds of $10,345,000 at 4.30% due annually from September 1, 2011 through September 1, 2026	4,240,000	4,980,000
2011 Series A Bonds, (City of Newport), dated September 30, 2011 with serial bonds of $6,640,000 at 3.4% due annually from September 1, 2012 through September 1, 2027.	2,935,000	3,365,000
2012 Series A Bonds (City of Warwick), dated June 26, 2012, with serial bonds of $2,400,000 at 3.285% due annually from August 1, 2012 through August 1, 2022.	275,000	542,000
2015 Series Refunding Bonds (City of Pawtucket), dated December 18, 2015, with serial bonds of $24,265,000 at rates varying from 3.5% to 5% due annually from October 1, 2025 through October 1, 2035. The Bank's defeasance of the 2003A and 2003B bonds resulted in economic present value savings of $4,237,086 or 16%.	24,265,000	24,265,000
2017 Series Bonds (Cranston-Triton), dated January 31, 2017 with serial bonds of $27,705,000 at 4.30% due annually from September 1, 2018 through September 1, 2022. The Bank's defeasance of the 1997 bonds resulted in economic present value savings of $1,127,085 or 4%.	7,630,000	13,585,000
2018 Series A Refunding Revenue Bonds (Town of Coventry), dated August 30, 2018 with serial bonds of $6,740,000 at 4.250% due annually from September 1, 2018 through September 1, 2028.	6,735,000	6,738,000
Program Total	47,690,000	55,310,000
Subtotal	645,380,012	690,186,533
Bond premium, net of amortization	29,948,546	46,899,421
Refunding credits, net of amortization	(10,795,500)	(7,134,488)
Total bonds payable	$ 664,533,058	$ 729,951,466

Note 5. Bonds Payable (continued)

Long-term liability activity for the year ended June 30, was as follows:

2022	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Long term debt:					
Revenue bonds	$690,186,533	$127,600,000	$172,406,521	$645,380,012	$68,926,011
Plus bond premium, net of amortization	46,899,421	14,001	16,964,876	29,948,546	4,802,341
Less refunding credits, net of amortization	7,134,488	6,440,512	2,779,500	10,795,500	3,076,012
Total long-term debt	$ 729,951,466	$ 121,173,489	$ 186,591,897	$ 664,533,058	$ 70,652,340

2021	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Long term debt:					
Revenue bonds	$ 748,354,399	$ 13,970,000	$ 72,137,866	$ 690,186,533	$ 63,032,500
Plus bond premium, net of amortization	53,059,776	2,063,589	8,223,944	46,899,421	8,052,013
Less refunding credits, net of amortization	7,971,204	-	836,716	7,134,488	831,406
Total long-term debt	$ 793,442,971	$ 16,033,589	$ 79,525,094	$ 729,951,466	$ 70,253,107

Annual principal and interest requirements are as follows for the year ending June 30, 2022:

Years	Principal	Interest	Total
2023	$ 59,120,012	$ 18,381,446	$ 77,501,458
2024	53,770,000	16,287,184	70,057,184
2025	53,540,000	14,457,573	67,997,573
2026	47,400,000	12,776,115	60,176,115
2027	45,125,000	11,257,780	56,382,780
2028 - 2029	87,345,000	18,038,954	105,383,954
2030 - 2034	174,535,000	23,859,732	198,394,732
2035 - 2039	64,290,000	5,663,111	69,953,111
2040 - 2045	12,565,000	888,748	13,453,748
Subtotal	597,690,012	121,610,643	719,300,655
Conduit Bonds	47,690,000	11,707,985	59,397,985
Total	$ 645,380,012	$ 133,318,628	$ 778,698,640

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

In prior years, the Bank defeased certain bonds in the same manner as described above. At June 30, 2022 and 2021, the Bank had $106,405,000 and $117,200,000 of bonds outstanding, respectively, that are defeased.

Note 5. Bonds Payable (continued)

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

The deferred outflows were as follows at June 30:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Ending balance – June 30, 2020	$ 5,975,498	$ 2,342,473
Additions	-	-
Reductions	(756,126)	(294,358)
Ending balance – June 30, 2021	5,219,372	2,048,115
Additions	2,919,650	752,216
Reductions	(1,340,084)	(601,023)
Ending Balance - June 30, 2022	$6,798,938	$2,199,308

Note 6. Deferred Compensation

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

The Bank implemented the Governmental Accounting Standards Board, Statement No. 32*, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As a result, deferred compensation investments and the respective liability are not included in the Bank's financial statements for the years ended June 30, 2022 and 2021. The Bank currently remits to the Plan administrator an amount equal to 10% of eligible employees' compensation (gross) monthly. The Board establish the contribution percentage on an annual basis. Employees immediately vest in the employer contributions, therefore, there are no employee forfeitures. The Bank's contribution totaled $153,857 and $159,022 for the years ended June 30, 2022 and 2021, respectively. Employees can make contributions to the Plan up to, but not exceeding, the lesser of 33 and 1/3% of their individual compensation or $18,000 ($24,000 if age 50 or older). There is no additional obligation incurred by the Bank.

Note 7. Property and Equipment

The summary of changes in property and equipment are summarized below:

	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022
Cost:				
Computer equipment and software	$410,265	$ -	$ -	$ 410,265
Furniture and fixtures	95,187	-	-	95,187
Equipment	35,538	-	-	35,538
Leasehold improvements	90,415	-	-	90,415
Total cost	631,405	-	-	631,405
Accumulated depreciation:				
Computer equipment and software	(406,162)	(4,762)	-	(410,924)
Furniture and fixtures	(55,369)	(17,642)	-	(73,011)
Equipment	(35,538)	-	-	(35,538)
Leasehold improvements	(47,169)	(4,521)	-	(51,690)
Total accumulated depreciation	(544,238)	(26,925)	-	(571,163)
Net capital assets	$ 87,167	$ (26,925)	$ -	$ 60,242

	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021
Cost:				
Computer equipment and software	$410,265	$ -	$ -	$ 410,265
Furniture and fixtures	95,187	-	-	95,187
Equipment	35,538	-	-	35,538
Leasehold improvements	90,415	-	-	90,415
Total cost	631,405	-	-	631,405
Accumulated depreciation:				
Computer equipment and software	(343,902)	(62,260)	-	(406,162)
Furniture and fixtures	(35,777)	(19,592)	-	(55,369)
Equipment	(32,643)	(2,895)	-	(35,538)
Leasehold improvements	(42,648)	(4,521)	-	(47,169)
Total accumulated depreciation	(454,970)	(89,268)	-	(544,238)
Net capital assets	$ 176,435	$ (89,268)	$ -	$ 87,167

Note 8. Commitments and Contingencies

The Bank receives grants from the EPA and the State to fund its loan program activities. These amounts are subject to audit and adjustment by the Federal government. Any disallowed claims, including amounts already collected may constitute a liability of the Bank. The EPA conducts annual fiscal and regulatory compliance reviews to determine that Bank activities follow EPA regulations. As of June 30, 2022 and 2021, no expenditures of the Bank have been disallowed. Management does not believe that any future disallowance of expenditures would be material. Like other areas of the country, some Rhode Island communities continue to experience budget challenges. The impact of these economic conditions on the Bank's borrowers and their ability to continue to make timely loan repayments is difficult to determine; however, the loans are secured predominantly by revenues from essential water and sewer services. Some communities, particularly smaller communities, may generally be more vulnerable to the effects of downturns in the economy. The Bank continues to monitor the financial status of its borrowers as part of an overall loan portfolio monitoring process.

Note 9. Risk Management

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

Note 10. Intergovernmental Transactions

While there were no intergovernmental transactions in fiscal year 2022, in response to a revised appropriations act in support of the state's FY 2020 enacted budget, the Bank was required to transfer to the state $21,790,000 at June 30, 2020. Of this amount, $8,990,000 was transferred from the Bank ($4,000,000 of which was transferred on March 24, 2020) while $12,800,000 was from the MRB fund. Normally capital contributions from the state for the MRB would be restricted when received; however, the appropriations act removed the restriction. The total of all funds transferred to the state amounted to $29.3 million.

Note 11. Reissuance

Subsequent to the original report date, it was determined that the Bank should have recorded revenue and an intergovernmental receivable related to state matching funds that were appropriated by the State of Rhode Island in their budget for the fiscal year ending June 30, 2022. The financial statements have been reissued to reflect a $21,915,120 intergovernmental receivable and to increase nonoperating revenue by $21,915,120.

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS)
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2022

	Bank	Clean Water	RIWPCRF	DWSRF	MRBRF	WQPCF	EBF	Total
Assets								
Current assets:								
Cash, cash equivalents and investments								
Unrestricted:								
Cash and cash equivalents	$ 5,858,421	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,858,421
Restricted:								
Cash and cash equivalents	-	138,975,570	38,489,308	49,343,768	54,590,739	4,849,959	11,671,461	297,920,805
Investments	-	12,369,647	-	8,908,522	355,000	-	-	21,633,169
Total restricted cash, cash equivalents and investments	-	151,345,217	38,489,308	58,252,290	54,945,739	4,849,959	11,671,461	319,553,974
Other current assets:								
Unrestricted:								
Prepaid expenses, other assets and other receivables	200,819	-	-	-	1,000	-	-	201,819
Restricted:								
Service fees receivable	1,564,311	-	-	-	136,503	-		1,700,814
Loans receivable	1,234,000	60,151,129	947,739	31,847,942	6,637,105	-	4,111,000	104,928,915
Intergovernmental receivable		10,957,560		10,957,560		-		21,915,120
Accrued interest receivable:								
Loans	167,244	4,053,312	42,724	2,930,925	605,767	-	291,909	8,091,881
Investments	-	484,278	26,017	361,296	102,698	1,241	13,277	988,807
Prepaid expenses, other assets and other receivables	-	19,054,463	(19,054,463)	-	-	-	-	-
Total current assets	9,024,795	246,045,959	20,451,325	104,350,013	62,428,812	4,851,200	16,087,647	463,239,751
Noncurrent assets:								
Unrestricted:								
Loans receivable	64,647,005	-	-	-	-	-	-	64,647,005
Capital assets - property and equipment, net	60,242	-	-	-	-	-	-	60,242
Total unrestricted noncurrent assets	64,707,247	-	-	-	-	-	-	64,707,247
Restricted:								
Loans receivable	-	582,027,150	16,148,068	363,953,636	98,580,515	-	49,406,957	1,110,116,326
Total noncurrent assets	64,707,247	582,027,150	16,148,068	363,953,636	98,580,515	-	49,406,957	1,174,823,573
Total assets	**73,732,042**	**828,073,109**	**36,599,393**	**468,303,649**	**161,009,327**	**4,851,200**	**65,494,604**	**1,638,063,324**
Deferred Outflows of Resources	**-**	**5,130,115**	**-**	**1,668,823**	**-**	**-**	**-**	**6,798,938**
Liabilities								
Current liabilities								
Project costs payable	-	35,754,646	4,830,557	37,299,071	33,570,648	-	4,004,913	115,459,835
Bonds payable	9,805,000	41,892,329	-	14,600,011	2,460,000	-	1,895,000	70,652,340
Accrued interest payable	-	2,699,875	-	1,466,240	428,041	-	297,400	4,891,556
Accounts payable and accrued expenses	463,167	26,063	-	30,952	4,490	-	-	524,672
Accrued arbitrage rebate	-	-	-	-	-	-	-	-
Total current liabilities	10,268,167	80,372,913	4,830,557	53,396,274	36,463,179	-	6,197,313	191,528,403
Noncurrent liabilities:								
Bonds payable	37,885,000	328,354,788	-	161,857,631	36,854,612	-	28,928,687	593,880,718
Accrued arbitrage rebate	-	1,513,395	-	175,716	-	-	-	1,689,111
Total noncurrent liabilities	37,885,000	329,868,183	-	162,033,347	36,854,612	-	28,928,687	595,569,829
Total liabilities	**48,153,167**	**410,241,096**	**4,830,557**	**215,429,621**	**73,317,791**	**-**	**35,126,000**	**787,098,232**
Deferred Inflows of Resources	**-**	**1,678,723**	**-**	**520,585**	**-**	**-**	**-**	**2,199,308**
Net Position								
Net investments in capital assets	60,242	-	-	-	-	-	-	60,242
Restricted for program purposes	-	426,902,449	31,768,835	248,724,827	85,821,521	4,851,200	30,204,602	828,273,434
Unrestricted	27,231,046	-	-	-	-	-	-	27,231,046
Total net position	**$ 27,291,288**	**$ 426,902,449**	**$ 31,768,835**	**$ 248,724,827**	**$ 85,821,521**	**$ 4,851,200**	**$ 30,204,602**	**$ 855,564,722**

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS)
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021

	Bank	Clean Water	RIWPCRF	DWSRF	MRBRF	WQPCF	EBF	Total
Operating revenues:								
Interest income - loans	$ 530,682	$ 12,528,969	$ 215,685	$ 8,434,520	$ 1,458,194	$ -	$ 795,192	$ 23,963,242
Interest income - Investments	90	(989,743)	(16,769)	217,538	32,758	1,290	11,383	(743,453)
Loan servicing fees	5,103,129	-	-	-	341,999	-	-	5,445,128
Loan origination fees	263,246	27,000	-	276,485	-	-	272,000	838,731
Grant income - program administration	246,707	-	-	-	-	-	-	246,707
Total operating revenues	6,143,854	11,566,226	198,916	8,928,543	1,832,951	1,290	1,078,575	29,750,355
Operating expenses:								
Interest expense, net	-	10,383,972	-	5,023,037	1,054,488	-	675,077	17,136,574
Program administration, partner agencies	-	550,397	-	2,441,383	-	-	-	2,991,780
Principal forgiveness	-	1,084,147	-	1,620,994	-	-	-	2,705,141
Personnel	2,234,275	-	-	-	-	-	-	2,234,275
Debt issuance	3,200	-	-	36,695	50,276	-	253,024	343,195
Professional services	740,870	-	-	24,100	-	-	15,227	780,197
Legal	177,459	-	-	-	-	-	-	177,459
Correspondent and trustee	256,307	-	3,952	-	30	-	-	260,289
Information technology	160,331	-	-	-	-	-	-	160,331
Marketing	117,602	-	-	477	-	-	-	118,079
Audit and accounting	62,460	-	-	-	-	-	-	62,460
Financial advisory	115,000	-	3,500	-	-	-	-	118,500
Loan origination expense	112,500	-	-	15,000	-	-	-	127,500
Office expense	175,033	-	-	-	-	-	-	175,033
Depreciation	89,268	-	-	-	-	-	-	89,268
Insurance	52,800	-	-	-	-	-	-	52,800
Business and travel	121	-	-	-	-	-	-	121
Dues and subscriptions	10,162	-	-	-	-	-	-	10,162
Seminars	3,265	-	-	-	-	-	-	3,265
Total operating expenses	4,310,653	12,018,516	7,452	9,161,686	1,104,794	-	943,328	27,546,429
Operating income	1,833,201	(452,290)	191,464	(233,143)	728,157	1,290	135,247	2,203,926
Non-operating revenue:								
Grant Income and other contributed capital	-	3,882,576	131,549	6,887,118	8,837,350	411,070	5,216,666	25,366,329
Non-operating expenses:								
Intergovernmental transactions	-	-	-	-	-			-
Change in net position	1,833,201	3,430,286	323,013	6,653,975	9,565,507	412,360	5,351,913	27,570,255
Transfer from (to) other funds	(1,066,835)	(5,615,184)	(2,520,077)	9,202,133	-	1	(38)	-
Net position, beginning of the year	26,625,407	378,378,024	34,763,711	208,038,643	72,165,588	4,446,287	25,290,854	749,708,514
Net position, end of the year	$ 27,391,773	$ 376,193,126	$ 32,566,647	$ 223,894,751	$ 81,731,095	$ 4,858,648	$ 30,642,729	$ 777,278,769

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS)
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

	Bank	Clean Water	RIWPCRF	DWSRF	MRBRF	WQPCF	EBF	Total
Operating revenues:								
Interest income - loans	$ 505,945	$ 10,153,292	$ 138,983	$ 7,855,272	$ 1,730,163	$ -	$ 869,959	$ 21,253,614
Interest income - Investments	557	(528,070)	110,323	176,246	77,064	2,880	18,836	(142,164)
Loan servicing fees	4,769,673	-	-	-	393,321	-	-	5,162,994
Loan origination fees	1,110,552	-	-	-	70,000	-	-	1,180,552
Grant income - program administration	100,000	-	-	-	-	-	-	100,000
Total operating revenues	6,486,727	9,625,222	249,306	8,031,518	2,270,548	2,880	888,795	27,554,996
Operating expenses:								
Interest expense, net	-	7,955,354	-	4,338,854	1,009,332	-	722,239	14,025,779
Program administration, partner agencies	-	279,828	-	2,981,250	-	-	-	3,261,078
Principal forgiveness	-	1,138,660	-	2,728,363	-	-	-	3,867,023
Personnel	2,217,570	-	-	-	-	-	-	2,217,570
Debt issuance	800	256,659	-	256,659	-	-	-	514,118
Professional services	186,009	-	-	21,976	-	-	57,045	265,030
Legal	158,219	-	-	-	-	-	-	158,219
Correspondent and trustee	139,788	-	2,062	20	-	-	-	141,870
Information technology	155,575	-	-	-	-	-	-	155,575
Marketing	148,229	-	-	-	-	-	-	148,229
Audit and accounting	64,000	-	-	-	-	-	-	64,000
Financial advisory	108,000	-	-	-	-	-	-	108,000
Loan origination expense	179,624	-	-	-	29,000	-	-	208,624
Office expense	191,089	-	-	-	-	-	-	191,089
Depreciation	26,925	-	-	-	-	-	-	26,925
Insurance	54,748	-	-	-	-	-	-	54,748
Business and travel	10,319	-	-	-	-	-	-	10,319
Dues and subscriptions	14,560	-	-	-	-	-	-	14,560
Seminars	5,479	-	-	-	-	-	-	5,479
Total operating expenses	3,660,934	9,630,501	2,062	10,327,122	1,038,332	-	779,284	25,438,235
Operating income	2,825,793	(5,279)	247,244	(2,295,604)	1,232,216	2,880	109,511	2,116,761
Non-operating revenue:								
Grant Income and other contributed capital	-	40,172,541	10,655,349	22,685,326	2,760,210	(104,234)	-	76,169,192
Non-operating expenses:								
Intergovernmental transactions	-	-	-	-	-			-
Change in net position	2,825,793	40,167,262	10,902,593	20,389,722	3,992,426	(101,354)	109,511	78,285,953
Transfer from (to) other funds	(2,926,278)	10,542,061	(11,700,405)	4,440,354	98,000	93,906	(547,638)	-
Net position, beginning of the year	27,391,773	376,193,126	32,566,647	223,894,751	81,731,095	4,858,648	30,642,729	777,278,769
Net position, end of the year	$ 27,291,288	$ 426,902,449	$ 31,768,835	$ 248,724,827	$ 85,821,521	$ 4,851,200	$ 30,204,602	$ 855,564,722

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS)
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021

	Bank	Clean Water	RIWPCRF	DWSRF	MRBRF	WQPCF	EBF	Total
Operating revenues:								
Interest income - loans	$ 530,682	$ 12,528,969	$ 215,685	$ 8,434,520	$ 1,458,194	$ -	$ 795,192	$ 23,963,242
Interest income - Investments	90	(989,743)	(16,769)	217,538	32,758	1,290	11,383	(743,453)
Loan servicing fees	5,103,129	-	-	-	341,999	-	-	5,445,128
Loan origination fees	263,246	27,000	-	276,485	-	-	272,000	838,731
Grant income - program administration	246,707	-	-	-	-	-	-	246,707
Total operating revenues	6,143,854	11,566,226	198,916	8,928,543	1,832,951	1,290	1,078,575	29,750,355
Operating expenses:								
Interest expense, net	-	10,383,972	-	5,023,037	1,054,488	-	675,077	17,136,574
Program administration, partner agencies	-	550,397	-	2,441,383	-	-	-	2,991,780
Principal forgiveness	-	1,084,147	-	1,620,994	-	-	-	2,705,141
Personnel	2,234,275	-	-	-	-	-	-	2,234,275
Debt issuance	3,200	-	-	36,695	50,276	-	253,024	343,195
Professional services	740,870	-	-	24,100	-	-	15,227	780,197
Legal	177,459	-	-	-	-	-	-	177,459
Correspondent and trustee	256,307	-	3,952	-	30	-	-	260,289
Information technology	160,331	-	-	-	-	-	-	160,331
Marketing	117,602	-	-	477	-	-	-	118,079
Audit and accounting	62,460	-	-	-	-	-	-	62,460
Financial advisory	115,000	-	3,500	-	-	-	-	118,500
Loan origination expense	112,500	-	-	15,000	-	-	-	127,500
Office expense	175,033	-	-	-	-	-	-	175,033
Depreciation	89,268	-	-	-	-	-	-	89,268
Insurance	52,800	-	-	-	-	-	-	52,800
Business and travel	121	-	-	-	-	-	-	121
Dues and subscriptions	10,162	-	-	-	-	-	-	10,162
Seminars	3,265	-	-	-	-	-	-	3,265
Total operating expenses	4,310,653	12,018,516	7,452	9,161,686	1,104,794	-	943,328	27,546,429
Operating income	1,833,201	(452,290)	191,464	(233,143)	728,157	1,290	135,247	2,203,926
Non-operating revenue:								
Grant Income and other contributed capital	-	3,882,576	131,549	6,887,118	8,837,350	411,070	5,216,666	25,366,329
Non-operating expenses:								
Intergovernmental transactions	-	-	-	-	-			-
Change in net position	1,833,201	3,430,286	323,013	6,653,975	9,565,507	412,360	5,351,913	27,570,255
Transfer from (to) other funds	(1,066,835)	(5,615,184)	(2,520,077)	9,202,133	-	1	(38)	-
Net position, beginning of the year	26,625,407	378,378,024	34,763,711	208,038,643	72,165,588	4,446,287	25,290,854	749,708,514
Net position, end of the year	$ 27,391,773	$ 376,193,126	$ 32,566,647	$ 223,894,751	$ 81,731,095	$ 4,858,648	$ 30,642,729	$ 777,278,769

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS)
STATE REQUIRED STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	$ 5,858,421	$ 6,291,929
Receivables (net)	10,781,502	11,054,071
Restricted assets:		
Cash and cash equivalents	297,920,805	298,898,445
Investments	21,633,169	29,782,277
Receivables (net)	104,928,915	106,297,539
Other assets	201,819	163,413
Due from primary government	21,915,120	-
Due from other component units	-	-
Due from other governments	-	-
Inventories	-	-
Other assets	-	-
Total current assets	463,239,751	452,487,674
Noncurrent assets:		
Investments	-	-
Receivables (net)	64,647,005	65,731,715
Restricted assets:		
Cash and cash equivalents	-	-
Investments	-	-
Receivables (net)	1,110,116,326	1,104,673,744
Other assets	-	-
Due from other component units	-	-
Capital assets - nondepreciable	-	-
Capital assets - depreciable (net)	60,242	87,167
Other assets, net of amortization	-	-
Total noncurrent assets	1,174,823,573	1,170,492,626
Total assets	1,638,063,324	1,622,980,300
Deferred Outflows of Resources		
Hedging instruments	-	-
Deferred loss on refunding of debt	6,798,938	5,219,372
Deferred pension amounts	-	-
Other deferred outflows of resources	-	-
Total deferred outflows of resources	6,798,938	5,219,372

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS)
STATE REQUIRED STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2022 AND 2021

	2022	2021
Liabilities		
Current liabilities:		
Cash overdraft	$ -	$ -
Accounts payable	524,672	462,170
Due to primary government	-	-
Due to other component units	-	-
Due to other governments	-	-
Unearned revenue	-	-
Other current liabilities	120,351,391	117,034,160
Current portion of long-term debt	70,652,340	70,253,107
Total current liabilities	191,528,403	187,749,437
Noncurrent liabilities:		
Due to primary government	-	-
Due to other component units	-	-
Due to other governments	-	-
Net pension liability	-	-
Net OPEB obligation	-	-
Unearned revenue	-	-
Notes payable	-	-
Loans payable	-	-
Obligations under capital leases	-	-
Compensated absences	-	-
Bonds payable	593,880,718	659,698,359
Other liabilities	1,689,111	1,424,992
Total noncurrent liabilities	595,569,829	661,123,351
Total liabilities	787,098,232	848,872,788
Deferred Inflows of Resources		
Deferred gain on refunding of debt	2,199,308	2,048,115
Deferred pension amounts	-	-
Total deferred inflows of resources	2,199,308	2,048,115
Net Position		
Net investment in capital assets	60,242	87,167
Restricted for:		
Debt	-	-
Other	828,273,434	748,448,187
Unrestricted	27,231,046	28,743,415
Total net position	$ 855,564,722	$ 777,278,769

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS)
STATE REQUIRED STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Expenses	$ 25,438,235	$ 27,546,429
Program Revenues		
Charges for services	6,343,546	6,283,859
Operating grants and contributions	100,000	246,707
Capital grants and contributions	76,169,192	25,366,329
Total program revenues	82,612,738	31,896,895
Net (expenses) revenues	57,174,503	4,350,466
General Revenues		
Interest and investment earnings	21,111,450	23,219,789
Miscellaneous revenue	-	-
Total general revenues	21,111,450	23,219,789
Special items	-	-
Extraordinary items	-	-
Change in net position	78,285,953	27,570,255
Total net position - beginning	777,278,769	749,708,514
Total net position - ending	$ 855,564,722	$ 777,278,769

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

Fiscal Year Ending 30-Jun	Long-Term Debt Principal	Long-Term Debt Interest
2023	$ 68,926,011	$ 20,075,670
2024	55,757,001	17,832,532
2025	55,606,000	15,918,507
2026	51,306,000	14,105,981
2027	49,210,000	12,406,687
2028-2029	93,260,000	19,853,385
2030-2034	189,225,000	26,364,111
2035-2039	69,525,000	5,873,007
2040-2045	12,565,000	888,748
	$ 645,380,012	$ 133,318,628

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS)
STATE REQUIRED SCHEDULE OF CHANGES IN LONG-TERM DEBT
YEAR ENDED JUNE 30, 2022

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due Thereafter
Bonds and leases payable, restricted	$ 690,186,533	$ 127,600,000	$ 172,406,521	$ 645,380,012	$ 68,926,011	$ 576,454,001
Net unamortized premium / discount	46,899,421	14,001	16,964,876	29,948,546	4,802,341	25,146,205
Refunding credits	(7,134,488)	(6,440,512)	(2,779,500)	(10,795,500)	(3,076,012)	(7,719,488)
Bonds payable	729,951,466	121,173,489	186,591,897	664,533,058	70,652,340	593,880,718
Notes payable	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
Net pension obligation	-	-	-	-	-	-
Due to primary government	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-
Due to other governments and agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
Reported as other liabilities						
Arbitrage rebate	1,424,992	264,119	-	1,689,111	-	1,689,111
Pollution remediation	-	-	-	-	-	-
Items not listed above	-	-	-	-	-	-
Other liabilities	1,424,992	264,119	-	1,689,111	-	1,689,111
	$ 731,376,458	$ 121,437,608	$ 186,591,897	$ 666,222,169	$ 70,652,340	$ 595,569,829

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS)
STATE REQUIRED SCHEDULE OF CHANGES IN LONG-TERM DEBT
YEAR ENDED JUNE 30, 2021

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due Thereafter
Bonds and leases payable, restricted	$ 748,354,399	$ 13,970,000	$ 72,137,866	$ 690,186,533	$ 63,032,500	$ 627,154,033
Net unamortized premium / discount	53,059,776	2,063,589	8,223,944	46,899,421	8,057,323	38,842,098
Refunding credits	(7,971,204)	-	(836,716)	(7,134,488)	(836,716)	(6,297,772)
Bonds payable	793,442,971	16,033,589	79,525,094	729,951,466	70,253,107	659,698,359
Notes payable	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
Net pension obligation	-	-	-	-	-	-
Due to primary government	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-
Due to other governments and agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
Reported as other liabilities						
Arbitrage rebate	1,496,724	-	71,732	1,424,992	-	1,424,992
Pollution remediation	-	-	-	-	-	-
Items not listed above	-	-	-	-	-	-
Other liabilities	1,496,724	-	71,732	1,424,992	-	1,424,992
	$ 794,939,695	$ 16,033,589	$ 79,596,826	$ 731,376,458	$ 70,253,107	$ 661,123,351

RHODE ISLAND INFRASTRUCTURE BANK
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS)
STATE REQUIRED SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2022

Traveler(s)	Date(s)	Location	Amount	Purpose
Jeffrey Diehl	9/13 -9/15/21	Dallas	$ 2,149.08	IP3 Conference
Dave Birkins	10/3-10/7/21	Salt Lake	1,500.00	CIFA Conference
Jeffrey Diehl	10/3-10/7/21	Salt Lake	1,648.20	CIFA Conference
Jeffrey Diehl	10/7-12/16/21	RI	133.60	Miles for in state meetings
Kimberly Korioth	12/1-12/31/21	RI	137.42	Miles for in state meetings
Jeffrey Diehl	4/19-4/22/22	DC	3,435.64	CIFA Conference
Jeffrey Diehl	12/16/21-6/30/22	RI	156.39	Miles for in state meetings
Paige Myatt	3/1-6/30/22	RI	284.60	Miles for in state meetings
Kimberly Korioth	6/1-6/30/22	DC	309.81	Pew event
Shaun O'Rourke	4/1-6/30/22	DC	1,116.40	Pew event
			10,871.14	
Other incidental travel and entertainment			-	
Total			$ 10,871.14	