

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 1, 2026

NEW ISSUE - BOOK ENTRY ONLY

RATINGS: (See "Ratings" herein)

In the opinion of Troutman Pepper Locke LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Series 2026 C Bonds (as defined herein) is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Series 2026 C Bonds will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Series 2026 C Bonds will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under existing law, the Series 2026 C Bonds, their transfer and the income from the Series 2026 C Bonds, including any profit made on the sale of the Series 2026 C Bonds, is free from taxation by the State of Rhode Island (the "State") and by the municipalities and all other political subdivisions of the State, although the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2026 C Bonds. See "TAX MATTERS" and "APPENDIX G" herein.



\$140,000,000*
**RHODE ISLAND HEALTH AND
EDUCATIONAL BUILDING CORPORATION
PUBLIC SCHOOLS REVENUE BOND FINANCING PROGRAM
REVENUE BONDS, SERIES 2026 C (CITY OF PROVIDENCE ISSUE)**



Dated: Date of Delivery

Due: May 15 of the years shown on the inside cover

The Rhode Island Health and Educational Building Corporation Public Schools Revenue Bond Financing Program Revenue Bonds, Series 2026 C (City of Providence Issue) (the "Series 2026 C Bonds") will be issued only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2026 C Bonds. Purchases of the Series 2026 C Bonds may be made only in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial ownership interest in the Series 2026 C Bonds (the "Beneficial Owners") will not receive certificates representing their beneficial interest in the Series 2026 C Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners. (See "THE SERIES 2026 C BONDS – Book-Entry Only System" herein.)

Interest on the Series 2026 C Bonds will be payable on May 15 and November 15 of each year, commencing May 15, 2027. Principal of, semiannual interest, sinking fund installments, if any and redemption price, if any, on the Series 2026 C Bonds will be paid by U.S. Bank Trust Company, National Association (the "Trustee") and as paying agent (the "Paying Agent"), to Cede & Co., as nominee of DTC in accordance with the maturity schedule herein. As long as DTC or its nominee, Cede & Co., is the Bondowner, such payments to the DTC Participants are the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as described herein. Interest is computed on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2026 C Bonds are subject to redemption prior to maturity as set forth in this Official Statement.

The Series 2026 C Bonds shall be special obligations of Rhode Island Health and Educational Building Corporation (the "Corporation") and, except to the extent payable from the proceeds received from the sale thereof or from other sources as described herein, will be payable solely from and secured by a pledge of payments to be made by the City of Providence (the "Borrower"), pursuant to a Financing Agreement between the Corporation and the Borrower, dated the date hereof (the "Financing Agreement") and all funds and accounts (except the Arbitrage Rebate Fund and the Administrative Fund) authorized under a Master Trust Indenture between the Corporation and the Trustee dated May 12, 2020 (the "Master Indenture") and a Series 2026 C Indenture between the Corporation and the Trustee dated October __, 2026 (the "Series 2026 C Indenture"), authorizing the Series 2026 C Bonds. None of the funds and accounts established under the Series 2026 C Indenture to secure the Series 2026 C Bonds shall secure any other Series of Bonds. There are no debt service reserve funds securing the Series 2026 C Bonds and no real property of the Borrower secures the Series 2026 C Bonds.

Pursuant to the Financing Agreement, the Corporation will make a loan (the "Loan") to the Borrower from proceeds of the Series 2026 C Bonds for the purpose of financing and refinancing certain school projects of the Borrower, as more particularly described herein. The Borrower is required under the Financing Agreement to deliver its general obligation bonds (the "Borrower Bonds") to the Corporation to evidence its obligation to repay the Loan. The principal and redemption price of and interest on the Borrower Bonds (the "Loan Repayments") are scheduled to be sufficient to repay, when due, the principal, sinking fund installments, if any, and redemption price of and interest on the Series 2026 C Bonds. The Borrower is also required under the Financing Agreement to pay such amounts as are required to be paid under the Financing Agreement, including the fees and expenses of the Corporation and the Trustee. To secure its payment of all amounts due under the Financing Agreement, the Borrower under the Financing Agreement has pledged its full faith and credit and taxing power (its "General Obligation Pledge").

The Corporation has assigned to the Trustee the Revenues with respect to the Series 2026 C Bonds, which include amounts payable by the Borrower under the Borrower Bonds, State Housing Aid and State Basic Education Aid (each, as defined herein), to the extent received by the Corporation with respect to the Series 2026 C Bonds. The Borrower has acknowledged that the State Housing Aid with respect to the Series 2026 C Bonds will be paid directly to the Corporation or its designee as provided in the School Aid Act (as defined herein) and that upon the occurrence of certain events of default under the Financing Agreement, State Housing Aid relating to other bonds, notes or other evidences of indebtedness of the Borrower and State Basic Education Aid of the Borrower will be paid to the Corporation or its designee, as provided in the Memorandum of Understanding by and among the Corporation, the General Treasurer of the State of Rhode Island ("General Treasurer") and the Controller of the State of Rhode Island (the "State Controller") and acknowledged by the Rhode Island Department of Elementary and Secondary Education dated June 27, 2006, as amended and restated on September 20, 2006 and further amended and restated on September 26, 2012 (the "MOU"). The Series 2026 C Bonds will be secured by the pledge and assignment to the Trustee of the payments to be made by the Borrower on the Borrower Bonds relating to the Series 2026 C Bonds and under the Financing Agreement relating to the Series 2026 C Bonds.

NEITHER THE STATE OF RHODE ISLAND NOR THE CORPORATION IS OBLIGATED TO PAY THE PRINCIPAL, SINKING FUND INSTALLMENTS, IF ANY, REDEMPTION PRICE, OR INTEREST ON THE SERIES 2026 C BONDS EXCEPT FROM THE REVENUES UNDER THE MASTER INDENTURE AND THE SERIES 2026 C INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF RHODE ISLAND IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL, SINKING FUND INSTALLMENTS, IF ANY, REDEMPTION PRICE, OR INTEREST ON THE SERIES 2026 C BONDS. THE CORPORATION DOES NOT HAVE TAXING POWER. THE STATE PROVIDES CONSTRUCTION AID TO MUNICIPALITIES AND SCHOOL DISTRICTS FOR THE COST OF BUILDING OR RENOVATING PUBLIC SCHOOLS ("STATE HOUSING AID") PURSUANT TO RHODE ISLAND GENERAL LAWS SECTIONS 16-7-35 TO 16-7-47, AS AMENDED (THE "SCHOOL AID ACT") AND STATE BASIC EDUCATION AID TO MUNICIPALITIES AND SCHOOL DISTRICTS FOR SCHOOL OPERATIONS ("STATE BASIC EDUCATION AID"), PURSUANT TO SECTIONS 16-7-15 THROUGH 16-7-34.3 OF THE RHODE ISLAND GENERAL LAWS, EACH OF WHICH MAY BE INTERCEPTED TO PAY AMOUNTS DUE UNDER THE FINANCING AGREEMENT. PAYMENTS OF STATE HOUSING AID AND STATE BASIC EDUCATION AID ARE SUBJECT TO ANNUAL APPROPRIATION BY THE RHODE ISLAND GENERAL ASSEMBLY AND DO NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE.

The Series 2026 C Bonds will be offered when, as and if issued by the Corporation, subject to prior sale, withdrawal or modification of the offer without notice, and the approval of legality and certain other matters by Troutman Pepper Locke LLP, Providence, Rhode Island, Bond Counsel, as well as certain other conditions. Certain legal matters will be passed upon for the Corporation by its counsel, Savage Law Partners, LLP, Providence, Rhode Island, and for the Underwriters by their counsel, Harrington Vitale & Bernardo, Ltd., Providence, Rhode Island. Acacia Financial Group, Inc. is serving as municipal advisor for the Corporation in this transaction. Hilltop Securities Inc. is serving as municipal advisor for the Borrower in this transaction. The Series 2026 C Bonds are expected to be available for delivery through the facilities of DTC in New York, New York on or about October __, 2026.

**Raymond James
Ramirez & Co., Inc.**

**Siebert Williams Shank
Huntington Capital Markets**

Dated: October __, 2026

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction. A definitive Official Statement with respect to these securities will be made available concurrently with their sale.

\$140,000,000*
RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
PUBLIC SCHOOLS REVENUE BOND FINANCING PROGRAM
REVENUE BONDS, SERIES 2026 C (CITY OF PROVIDENCE ISSUE)
MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND CUSIPS†

<i><u>Maturity</u></i> <i><u>(May 15)*</u></i>	<i><u>Principal</u></i> <i><u>Amount*</u></i>	<i><u>Interest Rate</u></i>	<i><u>Yield</u></i>	<i><u>Price</u></i>	<i><u>CUSIP</u></i> [†]
2030	\$5,255,000				
2031	5,535,000				
2032	5,825,000				
2033	6,130,000				
2034	6,450,000				
2035	6,790,000				
2036	7,145,000				
2037	7,520,000				
2038	7,915,000				
2039	8,350,000				
2040	8,810,000				
2041	9,295,000				
2042	9,805,000				
2043	10,345,000				
2044	10,940,000				
2045	11,595,000				
2046	12,295,000				

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright © 2026 CUSIP Global Services. All rights reserved. The CUSIP numbers have been assigned by an independent company not affiliated with the Corporation and are included solely for the convenience of the holders of the Series 2026 C Bonds. Neither the Underwriters, the Borrower nor the Corporation is responsible for the selection or uses of the CUSIP numbers, and no representation is made as to their correctness on the Series 2026 C Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 C Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026 C Bonds.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of Series 2026 C Bonds in any jurisdiction in which such an offer or solicitation is not authorized or in which it is unlawful to make such an offer or solicitation. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Corporation, the Borrower, Acacia Financial Group, Inc., the municipal advisor for the Corporation, or Hilltop Securities Inc., the municipal advisor for the Borrower.

The information set forth herein has been obtained from the Corporation, the Borrower and other sources all of which are believed to be reliable, but it is not guaranteed as to its accuracy or completeness and nothing contained in this Official Statement is or shall be relied upon as a promise or representation. The information and expressions of opinion set forth herein are made as of the date hereof and are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, in the circumstances, create any implication that there has been no change in the affairs of the Corporation or the Borrower or in any other matter since the date hereof.

The Borrower has agreed to enter into a Continuing Disclosure Certificate pursuant to which the Borrower will provide certain continuing disclosure to the extent required by law. See “CONTINUING DISCLOSURE” herein.

The municipal advisor for the Corporation has provided the following sentence for inclusion in this Official Statement. The municipal advisor for the Corporation has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Corporation and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the municipal advisor for the Corporation does not guarantee the accuracy or completeness of such information.

The municipal advisor for the Borrower has provided the following sentence for inclusion in this Official Statement. The municipal advisor for the Borrower has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Borrower and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the municipal advisor for the Borrower does not guarantee the accuracy or completeness of such information.

UPON ISSUANCE, THE SERIES 2026 C BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES LAW, AND NEITHER THE MASTER INDENTURE NOR THE SERIES 2026 C INDENTURE HAVE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS CONTAINED IN SUCH ACTS. THE SERIES 2026 C BONDS WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE AND NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY HEREOF.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement, which includes all appendices hereto, contains forward-looking statements that involve risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance (often, but not always, through the use

of the words or phrases such as “will result”, “expects to”, “will continue”, “anticipates”, “plans”, “intends”, “estimated”, “projects” and “outlook”) are not historical and may be forward-looking. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking statements are reasonable, they cannot guarantee future results, levels of activity, performance or achievements. Moreover, none of the Corporation, the Borrower or any other person assumes responsibility for the accuracy or completeness of these statements. Accordingly, investors should not rely on forward-looking statements in this Official Statement.

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OFFICIAL STATEMENT

Relating To

\$140,000,000*

**RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
PUBLIC SCHOOLS REVENUE BOND FINANCING PROGRAM
REVENUE BONDS, SERIES 2026 C (CITY OF PROVIDENCE ISSUE)**

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices, is to set forth certain information in connection with the issuance and sale by the Rhode Island Health and Educational Building Corporation (the “Corporation”), a public body corporate and agency of the State of Rhode Island (the “State”) of its Public Schools Revenue Bond Financing Program Revenue Bonds, Series 2026 C (City of Providence Issue) in the aggregate principal amount of \$140,000,000* (the “Series 2026 C Bonds”). The Corporation is authorized under Chapter 38.1 of Title 45 of the General Laws of Rhode Island (the “Act”), and pursuant to a resolution of the Corporation adopted on September 23, 2026 (the “Resolution”) to issue the Series 2026 C Bonds. The Series 2026 C Bonds will be issued and secured under a Master Trust Indenture dated as of May 12, 2020 (the “Master Indenture”) between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) and a Series 2026 C Indenture dated October ___, 2026 (the “Series 2026 C Indenture”) between the Corporation and the Trustee. The Trustee is also bond registrar and paying agent for the Series 2026 C Bonds.

The Corporation and the City of Providence, Rhode Island (the “Borrower” or the “City”) will enter into a Financing Agreement dated the date hereof (the “Financing Agreement”), pursuant to which the Corporation will make a loan (the “Loan”) to the Borrower from the proceeds of the Series 2026 C Bonds for the purpose of financing and refinancing certain school projects of the Borrower, as more particularly described herein. See “THE PROJECT” herein. The Borrower is required under the Financing Agreement to deliver its general obligation bonds (the “Borrower Bonds”) to the Corporation to evidence its obligation to repay the Loan.

The Master Indenture authorizes the issuance of multiple Series of Bonds. Each Series of Bonds is to be separately secured by (i) the funds and accounts established pursuant to the Applicable Series Indenture providing for the issuance of such Series of Bonds, (ii) certain payments to be made under the applicable financing agreement by the municipality or school district receiving a loan to be funded from the proceeds of such Series of Bonds (each, a “borrower”), and (iii) certain State Housing Aid and State Basic Education Aid (each, as defined herein) to the extent received by the Corporation.

All references in this Official Statement to “the Borrower” shall mean the City of Providence, Rhode Island. The Corporation has also previously issued revenue bonds under its Public Schools Revenue Bond Financing Program on behalf of various municipalities and school districts in the State, including two prior series of bonds issued on behalf of the City of Providence, of which \$218,125,000 was outstanding as of June 30, 2025, and multiple series of bonds issued on behalf of the Providence Public Buildings Authority (the “PPBA”), a body corporate and politic and an instrumentality and agency of the City of Providence, of which \$86,090,000 was outstanding as of June 30, 2025, as shown in Appendix F - “Rhode Island Health and Educational Building Corporation Schedule of Indebtedness” herein. Accordingly, the references to “Borrower” or “Borrowers” generally in this Official Statement shall mean any and all such municipalities

* Preliminary, subject to change.

and school districts under such prior bond issuances. For additional information regarding the Corporation's prior bond issuances specifically benefitting the Borrower, see "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS – Security for the Series 2026 C Bonds – *Payments Under the Financing Agreement and Borrower Bonds*" and "*– RIHEBC-PPBA Bonds*" below.

Pursuant to its Public Schools Revenue Bond Financing Program, the Corporation has issued, and may issue from time to time in the future, bonds on behalf of the PPBA, for the purpose of financing and refinancing school projects for the Borrower (the "RIHEBC-PPBA Bonds"). The Series 2026 C Bonds and future Series of Bonds issued by the Corporation for the Borrower under the Master Indenture will be secured on a parity basis with respect to the pledge of State Housing Aid and State Basic Education Aid for the Borrower with the RIHEBC-PPBA Bonds. For additional information regarding the RIHEBC-PPBA Bonds, see "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS - Security for the Series 2026 C Bonds" herein.

None of the funds and accounts established under any series indenture or the pledge of the Applicable Revenues to secure a Series of Bonds shall secure any other Series of Bonds. However, if more than one Series of Bonds has been issued to finance or refinance projects for a particular borrower, the State Housing Aid and the State Basic Education Aid for a particular borrower will secure all such Series of Bonds on a parity basis. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS – Issuance of Additional Bonds".

The Series 2026 C Bonds are special obligations of the Corporation payable solely from the payments due under the Financing Agreement, including the Borrower's payments of the principal and redemption price of and interest on the Borrower Bonds (the "Loan Repayments") and the State Housing Aid and State Basic Education Aid payable to the Corporation on account of the Borrower, to the extent received by the Corporation. The payments due under the Financing Agreement are scheduled to be sufficient to pay the principal, sinking fund installments, if any and redemption price of and interest on the Series 2026 C Bonds, from the proceeds of which the Borrower will receive the Loan. The Financing Agreement also requires the Borrower to pay fees and expenses of the Corporation and the Trustee. Pursuant to the Master Indenture, the payments and the Corporation's right to receive the same from the Financing Agreement in respect of the Series 2026 C Bonds have been pledged to the Trustee to secure solely such Series of Bonds and no other Series of Bonds.

No Borrower will be responsible for the payment obligations of any other Borrower nor will the General Obligation Pledge (hereinafter defined) of a Borrower be available to satisfy the obligation of another Borrower. A failure to pay an amount when due by the Borrower under the Financing Agreement in respect of the Borrower Bonds would result in an intercept of the State Housing Aid relating to other bonds, notes or other evidences of indebtedness of the Borrower and the State Basic Education Aid of the Borrower in an amount required to pay such deficiency. If a Borrower fails to pay amounts due under its financing agreement, the Corporation's sole recourse will be against the defaulting Borrower and no other Borrower. Further, upon the occurrence of such an event of default, none of the Corporation or the holders of the Bonds of such Series will have the right to accelerate the obligation of the defaulting Borrower under its financing agreement. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS – Payment of the Series 2026 C Bonds" herein.

The Series 2026 C Bonds will be secured by the pledge and assignment to the Trustee of the Loan Repayments and all funds and accounts authorized by the Master Indenture and established by the Series 2026 C Indenture (with the exception of the Arbitrage Rebate Fund and the Administrative Fund). The Borrower will deliver the Borrower Bonds to the Corporation to evidence its obligation to repay the Loan. The Borrower will pledge its full faith and credit to the payment of the principal of and interest on its Borrower Bonds and has the power and is required under the State statutes to levy and collect *ad valorem*

taxes on all its taxable property for such payment (the “General Obligation Pledge”). The Corporation, as the holder of such Borrower Bonds, will have the right to remedies provided for by the State Constitution and applicable statutes to the holder of general obligation bonds, including a statutory lien on *ad valorem* taxes and general fund revenues. See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS – Security for the Series 2026 C Bonds – *Statutory Lien Benefitting the Borrower Bonds*” herein.

To secure payment of all amounts due under the Financing Agreement, the Borrower has given its General Obligation Pledge to the Corporation. The Borrower, under the Financing Agreement, has directed and acknowledged that State Housing Aid with respect to the Series 2026 C Bonds is to be paid directly to the Corporation or its designee as provided in Rhode Island General Laws Sections 16-7-35 to 16-7-47, as amended (the “School Aid Act”) and that after the occurrence of an event of default resulting from the failure to pay the amounts due in support of the Series 2026 C Bonds under the Financing Agreement, State Housing Aid due to the Borrower relating to other bonds, notes and evidences of indebtedness of the Borrower and State Basic Education Aid of the Borrower may be intercepted and applied to the payment of the Series 2026 C Bonds, as provided in the Memorandum of Understanding by and among the Corporation, the General Treasurer and the State Controller and acknowledged by the Rhode Island Department of Elementary and Secondary Education dated June 27, 2006, as amended and restated on September 20, 2006 and further amended and restated on September 26, 2012 (the “MOU”). The School Aid Act authorizes an intercept mechanism under which the General Treasurer shall pay the State Housing Aid and State Basic Education Aid allocable to the Borrower directly to the Trustee pursuant to an assignment from the Corporation. See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS – Security for the Series 2026 C Bonds.”

The determination of the amount of State Housing Aid and State Basic Education Aid and the apportionment of such State Housing Aid and State Basic Education Aid are legislative acts and the General Assembly may amend or repeal the statutes relating to State Housing Aid and State Basic Education Aid and the formulas which determine the amount of State Housing Aid and State Basic Education Aid payable to the Borrower. Such amendments could result in the increase, decrease or elimination of the amount of the State Housing Aid and State Basic Education Aid available for the payment of debt service on the Series 2026 C Bonds. The financial condition of the State may affect the amount of State Housing Aid and State Basic Education Aid appropriated by the General Assembly.

NEITHER THE STATE OF RHODE ISLAND NOR THE CORPORATION IS OBLIGATED TO PAY THE PRINCIPAL, SINKING FUND INSTALLMENTS, IF ANY, REDEMPTION PRICE, OR INTEREST ON THE SERIES 2026 C BONDS EXCEPT FROM THE REVENUES UNDER THE MASTER INDENTURE AND THE SERIES 2026 C INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF RHODE ISLAND IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL, SINKING FUND INSTALLMENTS, IF ANY, REDEMPTION PRICE, OR INTEREST ON THE SERIES 2026 C BONDS. THE CORPORATION DOES NOT HAVE TAXING POWER.

The purchase of the Series 2026 C Bonds involves a degree of risk. Prospective purchasers should carefully consider the material under the “RISK FACTORS” herein.

The summaries contained herein are not comprehensive or definitive. All references to the Series 2026 C Bonds, the Master Indenture, the Series 2026 C Indenture, the Financing Agreement, the Borrower Bonds and the MOU are qualified in their entirety by the definitive forms thereof. Copies of the documents will be made available by Acacia Financial Group, Inc. to any prospective purchasers upon request.

Unless otherwise defined herein, capitalized terms used in this Official Statement shall have the meanings specified in APPENDIX C - “Definitions” attached hereto. Terms not otherwise defined in this Official Statement have the meanings provided in the specific documents.

Possible Bond Insurance

The Corporation and the Borrower have requested a commitment from one or more bond insurers (each an “Insurer”) to provide a bond insurance policy to insure all or any portion of the Series 2026 C Bonds. There is no assurance that the Corporation and the Borrower will elect to insure any of the Series 2026 C Bonds on the basis of any such commitment. For more information, see “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 C BONDS – Possible Bond Insurance” herein.

THE SERIES 2026 C BONDS

Description of the Series 2026 C Bonds

The Series 2026 C Bonds will be dated the date of delivery and will bear interest at the rates and mature at the times set forth on the inside cover page of this Official Statement.

The Series 2026 C Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2026 C Bonds will be registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2026 C Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2026 C Bonds, the Series 2026 C Bonds will be exchangeable for other fully registered Series 2026 C Bonds in any other authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Master Indenture. See “THE SERIES 2026 C BONDS - Book-Entry Only System” and APPENDIX E – “Summary of Certain Provisions of the Master Indenture and the Series 2026 C Indenture” herein.

Interest on the Series 2026 C Bonds will be payable by check or draft mailed to the registered owners thereof at the address thereof as it appears on the registration books held by the Trustee, or, at the option of a Holder of at least \$1,000,000 or more aggregate principal amount of the Series 2026 C Bonds by wire transfer to such Holder. Interest is payable to the registered owners who are such registered owners at the close of business on the fifteenth day preceding an interest payment date. The principal or redemption price of the Series 2026 C Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee and Paying Agent. As long as the Series 2026 C Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See “THE SERIES 2026 C BONDS - Book-Entry Only System” herein.

For a more complete description of the Series 2026 C Bonds, see APPENDIX E – “Summary of Certain Provisions of the Master Indenture and the Series 2026 C Indenture”.

Redemption Provisions*

The Series 2026 C Bonds are subject to redemption prior to maturity as described below.

Optional Redemption. The Series 2026 C Bonds maturing on or before May 15, 20__ are not subject to optional redemption prior to maturity. The Series 2026 C Bonds maturing on or after May 15,

* Preliminary, subject to change.

20__ are subject to redemption prior to maturity on or after May 15, 20__ in any order of maturity at the option of the Corporation, as a whole or in part at any time, at a redemption price equal to 100% of the principal amount of the Series 2026 C Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption. The Series 2026 C Bonds maturing on May 15, 20__ are also subject to redemption, in part in each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem the principal amount of Series 2026 C Bonds specified for each of the dates shown below:

<u>May 15</u>	<u>Principal Amount</u>
	\$

†

† Final Maturity

Notice of Redemption and Other Notices

So long as DTC or its nominee is the Bondowner, the Borrower, the Corporation and the Trustee will recognize DTC or its nominee as the Bondowner for all purposes, including notices and voting. Conveyance or notices and other communications by DTC to Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as maybe in effect from time to time.

Unless the Series 2026 C Bonds to be redeemed are Book-Entry Only Bonds, the Trustee shall give notice of redemption to the Holders of such Series 2026 C Bonds by first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date and otherwise comply with the Master Indenture notice requirements. The failure of any such Bondholder to receive such notice shall not affect the validity of the proceedings for the redemption of such Series 2026 C Bonds.

If the Series 2026 C Bonds to be redeemed are Book-Entry Only Bonds, the Trustee shall give notice of redemption to DTC not less than thirty-five (35) days prior to the redemption date and otherwise comply with the Master Indenture notice requirements. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner so affected, shall not affect the validity of the redemption. For a more complete description of the Series 2026 C Bonds and their notice provisions for redemption, see APPENDIX E – “Summary of Certain Provisions of the Master Indenture and the Series 2026 C Indenture.”

Book-Entry Only System

The information under this heading has been furnished by The Depository Trust Company (“DTC”), Brooklyn, New York. Neither the Corporation nor the Borrower make any representations as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Series 2026 C Bonds. The Series 2026 C Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond

certificate will be issued for each maturity of the Series 2026 C Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2026 C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 C Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 C Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 C Bonds, except in the event that use of the book-entry system for the Series 2026 C Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 C Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 C Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 C Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 C Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For

example, Beneficial Owners of Series 2026 C Bonds may wish to ascertain that the nominee holding the Series 2026 C Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 C Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 C Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, sinking fund installments, if any, and redemption price and interest on the Series 2026 C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit the Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CORPORATION BELIEVES TO BE RELIABLE, BUT THE CORPORATION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

THE CORPORATION, THE BORROWER, THE PAYING AGENT AND THE TRUSTEE WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2026 C BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2026 C BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2026 C BONDS.

None of the Corporation, the Borrower, the Trustee, or the Paying Agent shall have any responsibility or obligation with respect to: (i) the accuracy of the records of DTC or any Participant with respect to any beneficial ownership interest of the Series 2026 C Bonds; (ii) the delivery to any Participant, Beneficial Owner of the Series 2026 C Bonds or other person, other than DTC, of any notice with respect to the Series 2026 C Bonds; (iii) the payment to any Participant, Beneficial Owner of the Series 2026 C

Bonds or other person, other than DTC of any amount with respect to the principal of, sinking fund installments, if any, redemption price, if any, or interest on, the Series 2026 C Bonds; (iv) any consent given by DTC as registered owner; or (v) the selection by DTC or any Participant of any Beneficial Owners to receive payment if the Series 2026 C Bonds are redeemed in part.

Certificated Bonds

DTC may discontinue providing its services as securities depository with respect to the Series 2026 C Bonds at any time by giving reasonable notice to the Corporation and the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS

Set forth below is a narrative description of certain contractual and statutory provisions relating to the sources of payment and security for the Series 2026 C Bonds issued under the Master Indenture. These provisions have been summarized and this description does not purport to be complete. References should be made to the School Aid Act, the Master Indenture, the Series 2026 C Indenture, the Financing Agreement, the MOU and the Borrower Bonds for a more complete description of such provisions. Copies of the School Aid Act, the Master Indenture, the Series 2026 C Indenture, the Financing Agreement, the MOU and the Borrower Bonds are on file with the Corporation and/or the Trustee. See also APPENDIX D – “Summary of Certain Provisions of the Financing Agreement” and APPENDIX E – “Summary of Certain Provisions of the Master Indenture and the Series 2026 C Indenture” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2026 C Bonds

The Series 2026 C Bonds will be special obligations of the Corporation. The principal, sinking fund installments, if any, and redemption price of and interest on the Series 2026 C Bonds are payable solely from the Revenues pledged to the Series 2026 C Bonds. The Revenues with respect to the Series 2026 C Bonds consist of the Loan Repayments paid by the Borrower under the Financing Agreement, the State Housing Aid and the State Basic Education Aid to the extent received by the Corporation, the right to receive the same and the proceeds thereof. The Revenues with respect to the Series 2026 C Bonds and the right to receive them have been pledged by the Corporation to the Trustee for the payment of the Series 2026 C Bonds.

Loan Repayments in respect to the Series 2026 C Bonds are to be paid by the Borrower on the dates and in the amounts specified in the Financing Agreement and the Borrower Bonds, which dates are at least forty-five (45) days prior to the dates on which principal and interest are next due on the Series 2026 C Bonds and which amounts are scheduled to be sufficient to pay principal and interest on the Series 2026 C Bonds.

A failure to pay an amount when due by the Borrower under the Financing Agreement in respect to the Series 2026 C Bonds will result in an intercept under the MOU of the State Housing Aid due to the Borrower relating to other bonds, notes or evidences of indebtedness of the Borrower and State Basic Education Aid of the Borrower in an amount required to pay such deficiency. If the State Housing Aid and State Basic Education Aid which is available for payment is insufficient to make up such deficiency, then the General Treasurer will pay the amount of such deficiency at the time and to the extent that State Housing Aid or State Basic Education Aid subsequently becomes due and available to the Borrower until the amount

of the delinquency has been paid in full. If the Borrower fails to pay amounts due under the Financing Agreement, the Corporation's sole recourse will be against the defaulting Borrower. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS – Security for the Series 2026 C Bonds" herein.

The Master Indenture and the MOU also provide that, to the extent that (i) the Corporation issues more than one Series of Bonds to finance loans to a particular Borrower, (ii) the Corporation does not receive sufficient payments from such Borrower to meet such Borrower's payment obligations with respect to all such Series of Bonds, and (iii) the State Housing Aid and State Basic Education Aid payable to such Borrower is insufficient to fully make up such deficiency, then the General Treasurer will direct a proportionate amount of said aid to the trustee for each such Series of Bonds in accordance with instructions provided by the Corporation pursuant to the MOU. The General Treasurer will pay the amount of such deficiency at the time and to the extent that State Housing Aid or State Basic Education Aid subsequently becomes due and available to such Borrower until the amount of the delinquency has been paid in full.

Security for the Series 2026 C Bonds

The Series 2026 C Bonds will be secured by the pledge and assignment to the Trustee of the Loan Repayments under the Financing Agreement, and all funds and accounts authorized by the Master Indenture and established by the Series 2026 C Indenture (with the exception of the Arbitrage Rebate Fund and the Administrative Fund), and the State Housing Aid and State Basic Education Aid to the extent received by the Corporation in respect of the Series 2026 C Bonds. There are no debt service reserve funds securing the Series 2026 C Bonds. Pursuant to the terms of the Master Indenture, the funds and accounts established by the Series 2026 C Indenture authorizing the Series 2026 C Bonds secure only such Series 2026 C Bonds and do not secure any other Series of Bonds issued under the Master Indenture. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS – Issuance of Additional Bonds" herein.

Payments under the Financing Agreement and Borrower Bonds. The Borrower will, pursuant to the Financing Agreement, deliver the Borrower Bonds to the Corporation to evidence its obligation to repay the Loan made by the Corporation to the Borrower. No Series 2026 C Bonds are secured by any interest in any real property of the Borrower. The Borrower Bonds are general obligations of the Borrower secured by the pledge of the Borrower's full faith and credit. State law provides a statutory lien on *ad valorem* taxes and general fund revenues of the Borrower to pay principal, interest on and redemption premium on the Borrower Bonds. The Borrower has the power and is required under State statutes to levy and collect *ad valorem* taxes on all taxable property of the Borrower for such payment. The Borrower's obligation to pay the amounts due under the Borrower Bonds is absolute and unconditional without any right of set-off, recoupment or counterclaim against the Corporation. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS – Security for the Series 2026 C Bonds – *Statutory Lien Benefitting the Borrower Bonds*" herein.

The Corporation has covenanted for the benefit of the Holders of the Series 2026 C Bonds that it will not create or cause to be created any lien or charge upon the Revenues specifically pledged to secure the Series 2026 C Bonds, the proceeds of the Series 2026 C Bonds or the funds or accounts established under the Series 2026 C Indenture, which is prior to the pledge made by the Master Indenture for such Series 2026 C Bonds, except for the pledge of State Housing Aid and State Basic Education Aid of the Borrower, for which the Corporation has issued more than one Series of Bonds to finance loans to the Borrower and the RIHEBC-PPBA Bonds, which will secure all such Series of Bonds and the RIHEBC-PPBA Bonds on a parity basis. The Corporation has previously issued revenue bonds under its Public Schools Revenue Bond Financing Program consisting of the Series 2021 D issue and the 2024 G issue for the benefit of the Borrower. The Series 2021 D issue was outstanding in the aggregate principal amount of

\$93,125,000 as of June 30, 2025. The Series 2024 G issue was outstanding in the aggregate principal amount of \$125,000,000 as of June 30, 2025. The Corporation may issue additional revenue bonds under its Public Schools Revenue Bond Financing Program for the benefit of the Borrower from time to time in the future.

RIHEBC-PPBA Bonds. Pursuant to its Providence Public Schools Revenue Bond Financing Program, the Corporation has issued the RIHEBC-PPBA Bonds and loaned the proceeds thereof to the PPBA. The RIHEBC-PPBA Bonds were outstanding in the aggregate principal amount of \$86,090,000 as of June 30, 2025. The Corporation may issue additional RIHEBC-PPBA Bonds from time to time in the future.

To evidence the Corporation's loan of the proceeds of the RIHEBC-PPBA Bonds to the PPBA, the PPBA issues its borrower bonds to the Corporation. The Corporation, in turn, uses the PPBA's borrower bond payments to repay the RIHEBC-PPBA Bonds. The RIHEBC-PPBA Bonds are issued under a separate document structure distinct from the Master Indenture. Under this structure, the PPBA leases certain of the school projects to the Borrower and the Borrower, in turn, makes rental payments to the PPBA, which serve as the source of repayment for the PPBA's borrower bonds and, ultimately, the RIHEBC-PPBA Bonds.

Unlike the Borrower Bonds, however, which are general obligations of the Borrower, the obligation of the Borrower to make rental payments to the PPBA in connection with the RIHEBC-PPBA Bonds is subject to and dependent upon the annual appropriation of such payments by the Borrower's City Council for such purpose. Those appropriations are made in connection with the City's annual budgetary process and are therefore dependent on the City's general financial resources and priorities and factors affecting such resources and priorities. Conversely, for the Borrower Bonds, the Borrower has pledged its full faith and credit, *ad valorem* taxes and general fund revenues to the repayment of the Borrower Bonds. See "*Statutory Lien Benefitting the Borrower Bonds*" below. As such, the Borrower's appropriation obligation to make rental payments to the PPBA and the Borrower's obligation to make debt service payments on the Borrower Bonds are not parity obligations of the Borrower. However, the Series 2024 G Bonds and future Series of Bonds issued by the Corporation for the Borrower under the Master Indenture will be secured on a parity basis with respect to the pledge of State Housing Aid and State Basic Education Aid for the Borrower with the RIHEBC-PPBA Bonds.

State Housing Aid and State Basic Education Aid. The Borrower under the Financing Agreement has acknowledged that State Housing Aid relating to the Borrower Bonds is to be paid directly to the Corporation or its designee as provided in the School Aid Act, and that, upon the occurrence of certain events of default under the Financing Agreement, State Housing Aid due to the Borrower relating to other bonds, notes and evidences of indebtedness of the Borrower and State Basic Education Aid of the Borrower may be intercepted and applied to the payment of the Series 2026 C Bonds, as provided in the MOU.

Pursuant to the School Aid Act, the State provides construction aid to Rhode Island municipalities and school districts for the cost of building or renovating public schools ("State Housing Aid"). All buildings constructed or renovated since July 1, 1949 are eligible for assistance to a minimum of 40% (for school housing projects completed after June 30, 2010 that received approval from the board of regents prior to June 30, 2012) or to a minimum of 35% (for school housing projects that received approval from the board of regents after June 30, 2012) of the full cost of such buildings. Such assistance level may be further increased by a formula, which takes into account the equalized assessed valuation and debt service burden of the particular municipality. Projects completed by June 30 of a fiscal year are eligible for reimbursement in the following fiscal year. The legislation authorizing State Housing Aid is subject to future change and all State aid is subject to annual appropriation by the Rhode Island General Assembly.

School housing project costs include the cost of interest on any bond issued after July 1, 1988. For projects approved by the voters after June 30, 2003, the cost of interest on any bond will be reimbursed as an eligible project cost only if the bonds for these projects are issued through the Corporation. The legislation authorizing State Housing Aid and State Basic Education Aid (defined below) is subject to future change and all State aid is subject to annual appropriation by the Rhode Island General Assembly. State aid reimbursement for school construction projects is based on the share ratio established for that year by the Rhode Island Department of Education (“RIDE”). This ratio can vary from year to year.

Prior to June 2012, the School Aid Act authorized an intercept mechanism under which the General Treasurer shall pay State Housing Aid for school housing projects directly to the Corporation or its designee. Pursuant to the School Aid Act and the MOU, if a borrower shall not have paid the scheduled loan payments, then the Corporation shall send a notice to the General Treasurer, the State Controller and the Rhode Island Department of Elementary and Secondary Education so stating, and requesting the General Treasurer to deduct from any of such borrower’s State Housing Aid an amount sufficient to pay such borrower’s loan payments and pay such amounts directly to the Corporation or the Corporation’s designee. In June 2012, the General Assembly amended Section 16-7-41 of the School Aid Act to provide that in the event that a borrower fails to pay amounts due to the Corporation, the General Treasurer shall also intercept state operations aid authorized pursuant to Sections 16-7-15 through 16-7-34.3 of the Rhode Island General Laws (“State Basic Education Aid”) to become due to such borrower in addition to State Housing Aid in an aggregate amount equal to the amount required to be paid by such borrower to the Corporation with respect to such Borrower’s allocable portion of a Series of Bonds.

The State Housing Aid reimbursement ratio for the Project (defined below) is at least 80.2%. The final reimbursement ratio will not be known until the Project is certified by RIDE upon completion. Moreover, 100% of the debt service on the Series 2026 C Bonds is eligible for payment from State Basic Education Aid if the Borrower fails to pay amounts due to the Corporation. See “THE PROJECT” herein.

There can be no assurance that the amount of the Borrower’s State Housing Aid and State Basic Education Aid will be sufficient to pay the amount of any deficiency in Loan Repayments payable by the Borrower.

The State Aid Act has various restrictions. Under current law, State Housing Aid only applies to those projects undertaken at school facilities under the care and control of a school committee and located on school property. In addition, facilities with combined school and municipal uses or facilities that are operated jointly with any other profit or non-profit agency do not qualify for State Housing Aid. Therefore, in the event that a facility (i) ceases to be under the care and control of a school committee, (ii) is located on property which ceases to be school property, (iii) becomes a facility with joined school and municipal uses, or (iv) becomes jointly operated with a profit or non-profit agency, a project will no longer qualify for State Housing Aid and payments of State Housing Aid in respect to such project shall be discontinued. See APPENDIX A – “Information Relating to the Borrower – State Aid.”

Statutory Lien Benefitting the Borrower Bonds. In July of 2011, the General Assembly enacted amendments to Section 45-12-1 of the Rhode Island General Laws to provide for a statutory lien on *ad valorem* taxes and general fund revenues for the benefit of general obligation debt of cities and towns and for giving a priority in a bankruptcy. The Borrower Bonds delivered to the Corporation are general obligation bonds of the Borrower. The validity and priority of the lien granted by Section 45-12-1 have not been adjudicated in any Chapter 9 proceeding. The amendments to Section 45-12-1 are summarized, in part, as follows:

The faith and credit and *ad valorem* taxes and general fund revenues of each city and town are pledged for the payment of principal of, premium and interest on all general obligation bonds and notes of

the city or town, whether or not the pledge is stated in the bonds and notes or in the proceedings authorizing their issue and the pledge constitutes a first lien on such *ad valorem* taxes and general fund revenues. In addition, annual appropriations for payment of financing leases and obligations securing bonds, notes or certificates ("other financing obligations"), have a first lien on *ad valorem* taxes and general fund revenues commencing on the date of each annual appropriation. Amounts appropriated or added to the tax levy to pay principal of, premium and interest on general obligation bonds or notes and payments of other financing obligations are applied to the payment of such obligations. Any municipal employee or official who intentionally violates such provisions of Section 45-12-1 is personally liable to the city or town for any amounts not expended in accordance with such appropriations. The superior court has jurisdiction to adjudicate claims brought by any city or town and to order such relief as the court may find appropriate to prevent further violations under such provisions of Section 45-12-1. Any municipal employee or official who violates such provisions of Section 45-12-1 is subject to removal.

Section 45-12-1 further provides, in part, that:

Notwithstanding any provision of any other law, including the Uniform Commercial Code, Title 6A of the Rhode Island General Laws: (1) the pledge of *ad valorem* taxes and general fund revenues to the payment of the principal, premium and interest on general obligation bonds and notes and payment of other financing obligations is valid and binding, and deemed continuously perfected from the time the bonds or notes or other financing obligations are issued; (2) no filing need be made under the Uniform Commercial Code or otherwise to perfect the first lien on general fund revenues; (3) the pledge of *ad valorem* taxes and general fund revenues is subject to the lien of the pledge without delivery or segregation, and the first lien on *ad valorem* taxes and general fund revenues is valid and binding against all parties having claims of contract or tort or otherwise against the city or town, whether or not the parties have notice thereof; and (4) the pledge shall be a statutory lien effective by operation of law and shall apply to all general obligation bonds and notes and financing obligations of cities, towns and districts and shall not require a security agreement to be effective.

The July 2011 amendments, described above, provide that *ad valorem* taxes and general fund revenues may be applied as required by the pledge without further appropriation except for financing obligations which are subject to annual appropriation of funds. *Enforceability of the Borrower Obligations.* Enforcement of a claim for payment of principal of or interest on a bond or note issued by the Borrower is subject to the applicable provisions of the federal bankruptcy laws and of statutes, if any, hereafter enacted by the federal government or the State of Rhode Island extending the time for payment of such obligations or imposing other constitutionally valid constraints upon such enforcement.

Rhode Island General Laws Section 45-15-5 permits any person who shall have any claim for money due from any city or town to present a demand for such claim to the city or town council and, if satisfaction of such claim is not made within forty (40) days, to commence an action against the city or town treasurer for recovery of the claim. If a judgment is obtained for such debt due and if the treasurer of the city or town does not have sufficient monies to pay the judgment, Rhode Island General Laws Section 45-15-6 authorizes the city or town treasurer to apply to any justice of the peace for an order requiring the city or town to hold a special meeting of the city or town council "for the speedy ordering and making a tax" to be collected for such purpose. If the city or town council shall fail to assess voluntarily a tax sufficient to satisfy judgment on a city or town debt, Rhode Island General Laws Section 45-15-7 authorizes the Superior Court to order the assessors of the town "to assess upon the ratable property thereof, and the collector to collect, a tax sufficient for the payment of the judgment, with all incidental costs and charges, and the expense of assessing and collecting the tax."

Judicial enforcement of statutes such as Rhode Island General Laws Sections 45-15-5 to 45-15-7, the statutory lien provided for in section 45-12-1 and state aid intercepts such as that provided for in Section

45-12-32 are within the discretion of a court. The status of these rights and remedies of owners of bonds and notes in a proceeding to restructure city or town debt under Chapter 9 of the Federal Bankruptcy Code, or pursuant to other subsequently enacted laws relating to creditors' rights has not been adjudicated.

Issuance of Additional Bonds

In addition to the Series 2026 C Bonds, the Master Indenture authorizes the issuance of other Series of Bonds for the Borrower and other borrowers and for specified purposes, including to refund Outstanding Bonds issued under the Master Indenture. Each Series of Bonds issued under the Master Indenture will be separately secured by the pledge and assignment of the Applicable Revenues, the Applicable State Housing Aid, the Applicable State Basic Education Aid, to the extent received by the Corporation, the proceeds from the sale of such Series of Bonds and all funds and accounts (with the exception of the Arbitrage Rebate Fund and the Administrative Fund) authorized by the Applicable Series Indenture.

The Master Indenture and the MOU also provide that, to the extent that (i) the Corporation issues more than one Series of Bonds to finance loans to a particular borrower, (ii) the Corporation does not receive sufficient payments from such borrower to meet such borrower's payment obligations with respect to all such Series of Bonds, and (iii) the State Housing Aid and State Basic Education Aid payable to such borrower is insufficient to fully make up such deficiency, then the General Treasurer will direct a proportionate amount of said aid to the trustee for each such Series of Bonds in accordance with instructions provided by the Corporation pursuant to the MOU. The General Treasurer will pay the amount of such deficiency at the time and to the extent that State Housing Aid or State Basic Education Aid subsequently becomes due and available to the Borrower until the amount of the delinquency has been paid in full.

General

The Series 2026 C Bonds will not be a debt of the State nor will the State be liable thereon. The Corporation has no taxing power. The Corporation has never defaulted in the timely payment of principal, sinking fund installments or interest on its bonds or notes. See "THE CORPORATION" herein.

Defaults and Remedies under the Financing Agreement

Among the events which would constitute an "event of default" under the Financing Agreement are: (i) the failure by the Borrower to pay the amounts due under the Financing Agreement as evidenced by the Borrower Bonds; (ii) the failure by the Borrower to pay any other amounts due under the Financing Agreement which continues for the applicable grace period, provided notice of such payment was given to the Borrower; or (iii) the failure by the Borrower to observe or perform any of the covenants, conditions or agreements contained in the Financing Agreement which continues for the applicable grace period after notice of such failure has been given to the Borrower. In the event any such event of default happens as a result of a failure to pay the amounts due under the Financing Agreement, the Corporation may direct payment to the Trustee pursuant to the State Housing Aid and State Basic Education Aid intercept mechanism authorized by the School Aid Act and implemented by the MOU of certain State Housing Aid and State Basic Education Aid payable by the State to the Borrower. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS" herein. The Corporation also may exercise a number of remedies, including such remedies as are available to the holder of the Borrower Bonds, and any other remedies available at law or in equity.

In no event may any "event of default" under the Financing Agreement cause an acceleration of the amounts due under the Financing Agreement.

Defaults and Remedies under the Master Indenture

“Events of Default” under the Master Indenture in respect of a Series of Bonds include: (i) the failure to pay principal, sinking fund installments, if any, or redemption price of, and interest on the Bonds of such Series when due; (ii) the failure to comply with the provisions of the Code applicable to such Series necessary to maintain the exclusion of interest thereon from gross income under Section 103 of the Code, with the result that interest on the Bonds of such Series is no longer excludable from the gross income of the Holders thereof; and (iii) a default by the Corporation in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Indenture or the Applicable Series Indenture or in the Bonds of such Series on the part of the Corporation to be performed and such default continues for thirty (30) days after written notice specifying such default and requiring same to be remedied is given to the Corporation by the Trustee, which may give such notice in its discretion and must give such notice at the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds of such Series, unless, if such default is not capable of being cured within thirty (30) days, the Corporation has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof.

In no event may any “event of default” cause an acceleration of any Series 2026 C Bonds. In the enforcement of any remedy under the Master Indenture and the Applicable Series Indenture, the Trustee may sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Corporation for principal or interest or otherwise under any of the provisions of the Master Indenture and the Applicable Series Indenture or of the Bonds of the applicable Series, with interest on overdue payments of the principal of or interest on the Bonds of such Series at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Master Indenture and the Applicable Series Indenture and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce a judgment or decree against the Corporation but solely as provided in the Master Indenture and the Applicable Series Indenture and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

Possible Bond Insurance

The Corporation and the Borrower have requested a commitment from one or more Insurers to provide a bond insurance policy to insure all or any portion of the debt service on the Series 2026 C Bonds. There is no assurance that the Corporation and the Borrower will elect to insure any of the Series 2026 C Bonds on the basis of such commitment. The decision whether to purchase a policy will be made at or about the time of the pricing of the 2026 C Bonds and will be based upon, among other things, market conditions at the time of such pricing. If the Corporation and the Borrower decide to purchase a policy, it will be a condition to the issuance of the insured 2026 C Bonds that such policy be issued concurrently with the issuance of such 2026 C Bonds. If a policy is purchased, the Corporation and the Borrower may agree to certain additional covenants and restrictions solely for the benefit of the Insurer, which covenants will be described in the final Official Statement and would be in addition to, and in certain cases could be more restrictive than, the covenants in the Master Indenture. Any such additional covenants may be subject to waiver, modification, or amendment by the Insurer in its sole discretion and without notice to or consent by the Trustee, the holders of any 2026 C Bonds, or any other person. The Insurer will be deemed the sole holder of the Series 2026 C Bonds insured by the policy, if any, for purposes of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of such Series 2026 C Bonds are entitled to take pursuant to the Series 2026 C Indenture, except that bondholder consent may also be required for any action requiring the unanimous consent of bondholders under the Master

Indenture. If a commitment is received and a policy is purchased, the final Official Statement for the Series 2026 C Bonds will contain applicable information with respect to the Insurer and the policy.

THE CORPORATION

Authorization

After having been initially organized in 1966 as a Rhode Island non-business corporation under the name of “Rhode Island Educational Building Corporation” (the “Corporation”), the Corporation was constituted as a public body corporate and agency of the State in 1967 with the passage of Chapter 38.1 of Title 45 of the General Laws by the General Assembly of the State (the “Act”). Under the Act, the Corporation was given broad powers to assist in providing financing for educational facilities to accommodate the projected increases in the college and university enrollment levels in the State. In 1968, by virtue of an amendment to the Act in Chapter 224 of the Rhode Island Public Laws of 1968, the Corporation’s name was changed to the Rhode Island Health and Educational Building Corporation and its powers were expanded to enable it to assist hospitals in the State in the financing of health care facilities.

Since 1968, the Corporation’s powers have been expanded many times under various amendments to the Act for the following purposes: to provide assistance to nonprofit health associations and cooperative hospital service organizations; to initiate a student loan program for institutions for higher education in the State (1982); to treat any nonprofit corporation, all of whose members are hospitals or parent corporations of hospitals, as a “hospital” for purposes of the Act (1988); to guaranty or insure loans to a participating hospital or institution for higher education and to pledge, encumber or advance funds of the Corporation in connection therewith (1989); to provide financial assistance to nonprofit visiting nurse associations (1990); to assist in financing a broad range of nonprofit health care providers (1991); to assist in financing nonprofit secondary schools and child day care centers and to finance facilities for nonprofit health care providers which, pursuant to state contracts, educate, counsel, or rehabilitate young people who have come subject to child welfare, juvenile justice, or mental health systems in the State (1992); to assist in financing the development of the site of the former Narragansett Brewery in the City of Cranston as a multi-purpose facility to be used as a center for economic development, biotechnology research, education, health care, governmental and other similar uses (1994); to enable it to assist in financing stand-alone nonprofit assisted living facilities and adult day care facilities (1998); to enable it to issue Revenue Anticipation Notes and Capital Notes; to enable it to assist local educational authorities within the State in financing school projects (2000); to refund any obligations issued by or for the benefit of a participating educational institution for a school project (2007); to enable it to assist in financing nonprofit clinical laboratories (2008); and to assist in the financing of structures suitable for use as a public library, gymnasium, recreational facility, park, playground, and maintenance, storage, or utility facility and other structures for municipalities (2022).

In 2011, the Corporation’s list of eligible borrowers (referred to herein as “participants”) was expanded to include not only educational institutions and health care providers but also various entities controlled by such educational institutions and health care providers, as well as those engaged in public-private partnership agreements with educational institutions and health care providers. In 2022, the Corporation’s list of eligible borrowers was further expanded to include municipalities, nonprofit museums, nonprofit performing arts centers, nonprofit social or human service providers, and nonprofit providers of temporary housing shelter, among others. In 2025, the Act was amended to clarify definitions regarding eligible borrowers and projects, and to make conforming changes throughout the statute.

In 2015, the Rhode Island legislature established the School Building Authority Capital Fund to provide upfront funding to public elementary and secondary schools for high priority building repairs. The School Building Authority is part of the Rhode Island Department of Education’s Office of Statewide Efficiencies. The School Building Authority oversees the school construction process to ensure that

districts comply with school construction regulations. The Corporation has the statutory authority to administer the School Building Authority Capital Fund. Pursuant to Section 16-105-7 of the Rhode Island General Laws, as amended in 2019, in order to provide for one-time or limited expenses of the School Building Authority, the Corporation is required to provide funding from the School Building Authority Capital Fund, fees generated from the origination of bonds and other financing vehicles used for school construction, and its own reserves.

Under the Act, the Corporation is authorized and empowered, among other things, directly or by and through an eligible borrower, as its agent, (i) to acquire real and personal property as it may deem necessary or convenient for the construction or operation of a project and to take title thereto in its own name or in the name of a participating institution as its agent; (ii) to construct, reconstruct, renovate, replace, maintain, repair, operate, lease, as lessor or lessee, and regulate any project and to designate a participant to do the same; (iii) to enter into contracts for any or all of such purposes or for the management and operation of a project and to designate a participant to do the same; (iv) to issue bonds, bond anticipation notes and other obligations and to fund or refund the same; (v) to fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished by a project or any portion thereof and to enter into contracts in respect thereof; (vi) to establish rules and regulations for the use of a project or any portion thereof and to designate a participant to do the same; (vii) to receive and accept from any public agency loans or grants for or in aid of the construction of a project or any portion thereof; (viii) to mortgage any project and the site thereof for the benefit of the holders of bonds issued to finance such project; (ix) to make loans to any participant for the cost of a project or to refund outstanding obligations, mortgages, advances issued, made or given by such participant for the cost of a project; (x) to charge to and equitably apportion among participants its administrative costs and expenses incurred; (xi) to accept gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality thereof or from the State or any agency or instrumentality thereof or from any other source; (xii) to make loans to participating institutions for higher education for the purpose of funding student loan programs; (xiii) to make gifts or grants of funds for construction of or development of any project; (xiv) to assist local educational authorities within the State in financing school projects; and (xv) to do all things necessary or convenient to carry out the purpose of the Act.

ANY NOTES OR BONDS ISSUED BY THE CORPORATION FOR THESE PURPOSES DO NOT AND CANNOT CONSTITUTE A DEBT OF THE STATE. NEITHER THE STATE NOR THE CORPORATION SHALL BE OBLIGATED TO PAY THE PRINCIPAL, SINKING FUND INSTALLMENTS, IF ANY, REDEMPTION PRICE, OR INTEREST ON THE SERIES 2026 C BONDS, EXCEPT FROM REVENUES UNDER THE MASTER INDENTURE AND THE SERIES 2026 C INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL, SINKING FUND INSTALLMENTS, IF ANY, REDEMPTION PRICE, OR INTEREST ON THE SERIES 2026 C BONDS. THE CORPORATION DOES NOT HAVE TAXING POWER.

Under the Act, the Corporation is required to report annually to the Governor of the State on its activities. Such report must include financial statements reported on by independent certified public accountants.

Board of Directors

The Act provides that all of the powers of the Corporation shall be vested in its Board of Directors, the five members of which are appointed by the Governor of the State to serve for five years. The Board of Directors is required by the Act to elect a Chair and Vice Chair from its membership and a Secretary and

Treasurer who need not be members of the Board of Directors. Each such officer is elected at the annual meeting to serve for a term of one year.

The members of the Corporation's Board of Directors and its officers are as follows:

Ms. Channavy Chhay, Chair. Term as a member expires June 30, 2027. Ms. Chhay is a resident of Cranston, Rhode Island, and is the Executive Director of the Center for Southeast Asians ("CSEA"), a community-rooted nonprofit organization serving the needs of low-income refugees and immigrant groups, catering specifically to Southeast Asian refugees. CSEA offers assistance with navigating Rhode Island's governmental, healthcare, human services, legal, and financial services system. CSEA is also a main hub of Southeast Asians' cultural affairs in Rhode Island.

Mr. William S. Murray, Vice Chair. Term as a member expired June 30, 2026*. Mr. Murray, a resident of Cumberland, Rhode Island for 56 years, was Mayor of Cumberland from 2015 to 2019. He is currently working for Best Practice Energy in Wakefield as an energy advisor and consultant.

Ms. Lisa Andoscia, Secretary. Term as a member expired June 30, 2025*. Ms. Andoscia is a resident of North Providence, Rhode Island, and a business consultant. In 2002, Ms. Andoscia founded Rosewood Consulting Inc., a consulting firm specializing in government affairs, strategic marketing, public relations and grants management to municipalities, private sector and non-profit organizations. She also serves as a member of the Board of Commissioners of the Narragansett Bay Commission.

Mr. David Almonte, Treasurer. Term as a member expires June 30, 2029. Mr. Almonte is a resident of Exeter, Rhode Island. He is a certified public accountant and is employed as a Senior Manager/Financial Reporting and Analysis for Amica Mutual Insurance Company. Mr. Almonte is a co-founder of FountainHead RI, a 501(c)(3) non-profit organization, whose mission is to bring together and connect diverse, like-minded individuals who share a similar passion, vision, and ambition for moving local and global communities forward. Mr. Almonte is also a graduate of the Rhode Island State Police Academy and a graduate of the FBI Citizen's Academy.

Mr. Constantinos Perdikakis, Director. Term as a member expires June 30, 2028. Mr. Perdikakis is a resident of Cranston, Rhode Island. He has over 40 years of experience designing and developing real estate as well as owning and managing several businesses throughout Rhode Island.

*Members serve until a successor is appointed and duly qualified.

Staff, Advisors and Other Officers

The staff, advisors and other officers of the Corporation other than the directors are as follows:

Mr. Dylan Zelazo, Executive Director and Assistant Secretary. Mr. Zelazo's office of the Executive Director is located at 33 Broad Street, Suite 200, Providence, Rhode Island 02903. The telephone number is (401) 831-3770.

Mr. Scott O'Malley, Chief Financial Officer and Assistant Treasurer. Mr. O'Malley's office of the Chief Financial Officer and Assistant Treasurer is located at 33 Broad Street, Suite 200, Providence, Rhode Island 02903. The telephone number is (401) 831-3770.

Acacia Financial Group, Inc., a financial and investment advisory firm located in Mount Laurel, New Jersey serves as municipal advisor to the Corporation in connection with the issuance of the Series 2026 C Bonds and certain other financial matters.

Hilltop Securities Inc., a financial and investment advisory firm located in Lincoln, Rhode Island serves as municipal advisor to the Borrower in connection with the issuance of the Series 2026 C Bonds.

Troutman Pepper Locke LLP, of Providence, Rhode Island, is serving as Bond Counsel and will submit its approving opinion with regard to the legality of the Series 2026 C Bonds in substantially the form attached hereto as APPENDIX G - “Form of Approving Opinion of Bond Counsel.”

Savage Law Partners, LLP, of Providence, Rhode Island is serving as Counsel to the Corporation with respect to the issuance of the Series 2026 C Bonds.

Withum Smith & Brown, PC, of Braintree, Massachusetts, served as independent certified public accountants to the Corporation for the fiscal year ended June 30, 2025. Copies of the Corporation’s financial statements and the auditor’s report for the fiscal year ended June 30, 2025 are available at the office of the Corporation.

Indebtedness of the Corporation

The Corporation has heretofore authorized and issued certain series of its bonds and notes for eligible institutions in the State. As of June 30, 2025, the Corporation had 133 series of bonds and notes outstanding (excluding series secured by trust funds for future redemption) totaling \$5,670,340,782 originally issued and \$4,414,025,928 outstanding. See APPENDIX F - “Rhode Island Health and Educational Building Corporation Schedule of Indebtedness” herein.

The Corporation expects to issue subsequent series of bonds and notes for the purpose of financing and refinancing projects. With respect to such other series of bonds and notes, the Corporation expects to enter into separate agreements with eligible institutions.

Each series of bonds and notes issued by the Corporation is payable only from revenues provided by the applicable borrower for such series, and the general funds of the Corporation are not pledged to any bonds or notes. Each series of bonds and notes issued has been a special obligation of the Corporation issued under a separate agreement.

Except for the information contained herein under the headings “THE CORPORATION”, “LITIGATION” “CONTINUING DISCLOSURE” and in APPENDIX F - “Rhode Island Health and Educational Building Corporation Schedule of Indebtedness” insofar as it relates to the Corporation, and in the description of the terms and conditions of the MOU, the Corporation has not provided any of the information contained in this Official Statement. The Corporation is not responsible for and does not certify as to the accuracy or sufficiency of the disclosures made herein or any other information provided by the Borrower, the Underwriters or any other person.

THE BORROWER

For a discussion of certain matters regarding the Borrower, see APPENDIX A – “Information Relating to the Borrower” and APPENDIX B - “Audited Financial Statements of the Borrower.”

Contemporaneous Bond Issuance

Contemporaneously with the issuance of the Series 2026 C Bonds, the PPBA intends to issue its up to \$26,500,000 (Capital Improvement Program Projects) Revenue Bonds, 2026 Series A (the “2026 Series A Bonds”) to finance: (i) the acquisition, design, construction, repair rehabilitation, replacement, equipping and improvement of projects included in the City’s Capital Improvement Plan for the Fiscal Years 2027-2031, including design and feasibility, engineering or other studies which may be necessary in connection with such projects and any other acts necessary or incidental thereto, and (ii) costs of issuance.

The 2026 Series A Bonds are **not** RIHEBC-PPBA Bonds. The 2026 Series A Bonds will be special obligations of the PPBA payable solely from rental payments to be made by the City under a master lease agreement and secured by a mortgage on certain of the City's property. The rental payments due under the master lease agreement are scheduled to be sufficient to pay debt service on the 2026 Series A Bonds; provided, that the obligation of the City to pay the rental payments is subject to and dependent upon annual appropriations of such payments being made by the City Council for such purpose. The Series 2026 C Bonds and the 2026 Series A Bonds are not cross-collateralized or cross-defaulted with each other.

THE PROJECT

The proceeds of the Series 2026 C Bonds will be loaned to the Borrower and used to finance (i) construction, renovation, improvement, alteration, repair, landscaping, furnishing and equipping of schools and school facilities throughout the City and all costs related thereto, including capitalized interest, if any, and (ii) costs of issuance (collectively, the "Project").

ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources of Funds

Par Amount of Series 2026 C Bonds	\$
Original Issue [Discount/Premium]	
 TOTAL SOURCES	 <u>\$</u>

Estimated Uses of Funds

Deposit to Construction Fund	\$
Deposit to Series 2026 C Capitalized Interest	
Account of the Construction Fund	
Deposit to Series 2026 C Administrative Fund	
Underwriters' Discount	
Costs of Issuance*	
 TOTAL USES	 <u>\$</u>

** Includes Rhode Island School Building Authority Statutory Fee*

RISK FACTORS

Purchase of the Series 2026 C Bonds involves a degree of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Series 2026 C Bonds are an appropriate investment. Certain of the risks associated with the purchase of the Series 2026 C Bonds are described below. The following list of possible factors, while not setting forth all the factors which must be considered, contains some of the factors which should be considered prior to purchasing the Series 2026 C Bonds. This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive. Prospective purchasers of the Series 2026 C Bonds should give careful consideration to the matters referred to in the following summary. Such summary should not be considered exhaustive, but rather informational only.

No Obligation of the State of Rhode Island

NEITHER THE STATE OF RHODE ISLAND NOR THE CORPORATION IS OBLIGATED TO PAY THE PRINCIPAL, SINKING FUND INSTALLMENTS, IF ANY, REDEMPTION PRICE, OR INTEREST ON THE SERIES 2026 C BONDS EXCEPT FROM THE REVENUES UNDER THE MASTER INDENTURE AND THE SERIES 2026 C INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF RHODE ISLAND IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL, SINKING FUND INSTALLMENTS, IF ANY, REDEMPTION PRICE, OR INTEREST ON THE SERIES 2026 C BONDS. THE CORPORATION DOES NOT HAVE TAXING POWER.

PURSUANT TO THE SCHOOL AID ACT, THE STATE PROVIDES STATE HOUSING AID TO BORROWERS FOR THE COST OF BUILDING OR RENOVATING PUBLIC SCHOOLS. THE STATE ALSO PROVIDES STATE BASIC EDUCATION AID TO BORROWERS FOR SCHOOL OPERATIONS. STATE HOUSING AID AND STATE BASIC EDUCATION AID MAY BE INTERCEPTED TO PAY AMOUNTS DUE UNDER THE FINANCING AGREEMENT. PAYMENTS OF STATE HOUSING AID AND STATE BASIC EDUCATION AID ARE SUBJECT TO ANNUAL APPROPRIATION BY THE RHODE ISLAND GENERAL ASSEMBLY AND DO NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE.

Event of Taxability

If the Borrower does not comply with certain covenants of the Borrower in the Financing Agreement or if certain representations made by the Borrower in the Financing Agreement or certain certificates of the Borrower are false or misleading, the interest payable on the Series 2026 C Bonds may become subject to federal income taxation retroactive to the date of issuance of the Series 2026 C Bonds, regardless of the date on which noncompliance or misrepresentation is ascertained. In the event that interest on the Series 2026 C Bonds should become subject to federal income taxation, the Master Indenture does not provide for the redemption of the Series 2026 C Bonds, the acceleration of the payment of debt service on the Series 2026 C Bonds, or an increase in interest paid on the Series 2026 C Bonds.

State Housing Aid

The School Aid Act has various restrictions. Under current law, State Housing Aid only applies to those projects undertaken at school facilities under the care and control of a school committee and located on school property. In addition, facilities with combined school and municipal uses or facilities that are operated jointly with any other profit or non-profit agency do not qualify for State Housing Aid. Therefore, in the event that a facility (i) ceases to be under the care and control of a school committee, (ii) is located on property which ceases to be school property, (iii) becomes a facility with joined school and municipal uses, or (iv) becomes jointly operated with a profit or non-profit agency, a project will no longer qualify for State Housing Aid and payments of State Housing Aid in respect to such project shall be discontinued.

Default by the Borrower or the Corporation

No representations or assurances can be given that the Borrower or the Corporation will not default in performing their respective obligations under the Master Indenture, the Series 2026 C Indenture, the Financing Agreement or any of the other financing documents. In certain circumstances, if an “event of default” occurs under the Master Indenture, then the Trustee may be empowered to pursue such suits, actions or special proceedings in equity or at law as the Trustee shall deem most effectual to protect and enforce its rights and the rights of the Series 2026 C Bondholders, including but not limited to an action for a writ of mandamus; provided, however, that the Trustee is not empowered to accelerate the maturity of the

Series 2026 C Bonds upon the occurrence of an event of default under the Master Indenture. See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS – Defaults and Remedies under the Master Trust Indenture” and APPENDIX E – “Summary of Certain Provisions of the Master Indenture and the Series 2026 C Indenture” herein.

Market Factors

The financial condition of the Borrower as well as the market for the Series 2026 C Bonds could be affected by a variety of factors, some of which are beyond the Borrower’s control. There can be no assurance that an adverse event will not occur which might affect the market price of and the market for the Series 2026 C Bonds. If a significant event should occur in the affairs of the Borrower, the market for and the market value of the Series 2026 C Bonds could be adversely affected.

SUMMARY OF THE MASTER INDENTURE, THE SERIES 2026 C INDENTURE AND THE FINANCING AGREEMENT

The Series 2026 C Bonds will be issued under and secured by the Master Indenture. Reference is made to the Master Indenture, the Series 2026 C Indenture and the Financing Agreement for the complete details of the terms thereof. See APPENDIX D - “Summary of Certain Provisions of and the Financing Agreement” and APPENDIX E – “Summary of Certain Provisions of the Master Indenture and the Series 2026 C Indenture” for a brief summary of certain provisions of the Master Indenture, the Series 2026 C Indenture and the Financing Agreement which should not be considered a full statement thereof.

TAX MATTERS

In the opinion of Troutman Pepper Locke LLP, Bond Counsel to the Corporation (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Series 2026 C Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is of the further opinion that interest on the Series 2026 C Bonds will not be included in computing the alternative minimum taxable income of Series 2026 C Bondholders who are individuals. However, interest on the Series 2026 C Bonds will be included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Series 2026 C Bonds.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2026 C Bonds. Failure to comply with these requirements may result in interest on the Series 2026 C Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2026 C Bonds. The Corporation and the Borrower have covenanted to comply with such requirements to ensure that interest on the Series 2026 C Bonds will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, the Series 2026 C Bonds, their transfer and the income from the Series 2026 C Bonds, including any profit made on the sale of the Series 2026 C Bonds, is free from taxation by the State of Rhode Island (the “State”) and by the municipalities and all other political subdivisions of the State, although the income therefrom may be included in the measure of certain Rhode Island estate taxes and certain Rhode Island corporate and business taxes. Bond Counsel has not opined as to other Rhode Island tax consequences arising with respect to the Series 2026 C Bonds. Bond Counsel has not opined as to the taxability of the Series 2026 C Bonds or the income therefrom under

the laws of any state other than Rhode Island. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX G.

To the extent the issue price of any maturity of the Series 2026 C Bonds is less than the amount to be paid at maturity of such Series 2026 C Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2026 C Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Series 2026 C Bonds which is excluded from gross income for federal income tax purposes and is exempt from Rhode Island personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2026 C Bonds is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Series 2026 C Bonds is sold to the public, as applicable. The original issue discount with respect to any maturity of the Series 2026 C Bonds accrues daily over the term to maturity of such Series 2026 C Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2026 C Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2026 C Bonds. Series 2026 C Bondholders should consult their own tax advisors with respect to the tax consequences of ownership of Series 2026 C Bonds with original issue discount, including the treatment of purchasers who do not purchase such Series 2026 C Bonds in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Series 2026 C Bonds is sold to the public.

Series 2026 C Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Series 2026 C Bonds, or, in some cases, at the earlier redemption date of such Series 2026 C Bonds (“Premium Bonds”), will be treated as having amortizable bond premium for federal income tax purposes and Rhode Island personal income tax purposes. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Series 2026 C Bondholder’s basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such Series 2026 C Bondholder. Holders of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2026 C Bonds may adversely affect the value of, or the tax status of interest on, the Series 2026 C Bonds.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Rhode Island legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2026 C Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2026 C Bonds will not have an adverse effect on the tax status of interest on the Series 2026 C Bonds or the market value or marketability of the Series 2026 C Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2026 C Bonds from gross income for federal or state income tax purposes for all or certain taxpayers. Additionally, Series 2026 C Bondholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2026 C Bonds for federal income tax purposes for all or certain taxpayers. In all

such events, the market value of the Series 2026 C Bonds may be affected and the ability of Series 2026 C Bondholders to sell their Series 2026 C Bonds in the secondary market may be reduced. The Series 2026 C Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2026 C Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Series 2026 C Bonds. Prospective Series 2026 C Bondholders are urged to consult their own tax advisors with respect to any such legislation, interpretation or development.

Although Bond Counsel is of the opinion that interest on the Series 2026 C Bonds is excluded from gross income for federal income tax purposes and is exempt from Rhode Island personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2026 C Bonds may otherwise affect the federal or state tax liability of a Series 2026 C Bondholder. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Series 2026 C Bondholder or the Series 2026 C Bondholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Series 2026 C Bondholders should consult with their own tax advisors with respect to such consequences.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance and sale of the Series 2026 C Bonds are subject to the approving opinion of Troutman Pepper Locke LLP, Providence, Rhode Island, Bond Counsel to the Corporation, a form of which is attached as APPENDIX G - "Form of Approving Opinion of Bond Counsel." Copies of such opinion will be available at the time of delivery of the Series 2026 C Bonds. Bond Counsel is not passing upon the accuracy or the adequacy of the statements made in the Official Statement except the Sections entitled "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026 C BONDS," "THE SERIES 2026 C BONDS" except for the portion under the subheading "Book-Entry Only System," "SUMMARY OF THE MASTER INDENTURE, THE SERIES 2026 C INDENTURE AND THE FINANCING AGREEMENT," "TAX MATTERS," "STATE NOT LIABLE ON THE SERIES 2026 C BONDS" and "COVENANT BY THE STATE," and APPENDICES C, D, E and G. In addition, Troutman Pepper Locke LLP, Providence, Rhode Island will deliver an opinion regarding the authorization and issuance of the Borrower Bonds as general obligations of the Borrower.

Certain legal matters will be passed upon for the Corporation by Savage Law Partners, LLP, Providence, Rhode Island.

UNDERWRITING

The Series 2026 C Bonds are being purchased for reoffering by Raymond James & Associates, Inc. as representative of the Underwriters (the "Representative") shown on the cover page of this Official Statement for the Series 2026 C Bonds (collectively, the "Underwriters"). Subject to the terms and conditions set forth in a bond purchase agreement among the Corporation and the Underwriters, the Underwriters have agreed to purchase the Series 2026 C Bonds at a price of \$_____ (which is equal to the par amount of the Series 2026 C Bonds, [plus/less net] original issue [premium/discount] of \$_____, and less an Underwriters' discount of \$_____), and will offer the Series 2026 C Bonds for resale at the interest rates and prices stated on the inside cover hereof. Such initial public offering prices may be changed from time to time and the Series 2026 C Bonds may be offered and sold to dealers and others (including dealers depositing the Series 2026 C Bonds into unit investment trusts and other municipal securities portfolios) at prices lower than such initial public offering prices.

Huntington Capital Markets is a trade name under which securities and investment banking products and services of Huntington Bancshares Incorporated and its subsidiaries, including Huntington

Securities, Inc. (“HSI”), are marketed. Municipal sales, trading and underwriting services are provided through HSI, which is a broker-dealer registered with the Securities and Exchange Commission.

Huntington Capital Markets, one of the underwriters of the Series 2026 C Bonds, has entered into a distribution and fee-sharing agreement with its affiliate The Huntington Investment Company (“HIC”) to allow for the distribution of certain municipal securities offerings to HIC’s customers. Pursuant to this agreement, if any of the Series 2026 C Bonds are allocated to customers of HIC, Huntington Capital Markets will share a portion of the underwriting compensation attributable to such bonds with HIC. Huntington Capital Markets and HIC are both subsidiaries of Huntington Bancshares Incorporated.

In addition, Huntington Capital Markets has entered into a distribution and fee-sharing agreement with Janney Montgomery Scott LLC (“JMS”) to allow for the distribution of certain municipal securities offerings to JMS’ customers. Pursuant to this agreement, if any of the Series 2026 C Bonds are allocated to customers of JMS, Huntington Capital Markets will share a portion of the underwriting compensation attributable to such bonds with JMS.

MUNICIPAL ADVISORS

Acacia Financial Group, Inc., Mount Laurel, New Jersey, is acting as Municipal Advisor to the Corporation (the “Corporation’s Municipal Advisor”) in connection with the issuance of the Series 2026 C Bonds. The Corporation’s Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. In addition, the Corporation’s Municipal Advisor has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2026 C Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies or rating agencies. The Corporation’s Municipal Advisor’s fee for services rendered with respect to the sale of the Series 2026 C Bonds is contingent upon the issuance and delivery of the Series 2026 C Bonds, and receipt by the Corporation of payment therefor.

Hilltop Securities Inc., Lincoln, Rhode Island, is acting as Municipal Advisor to the Borrower (the “Borrower’s Municipal Advisor”) in connection with the issuance of the Series 2026 C Bonds. The Borrower’s Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. In addition, the Borrower’s Municipal Advisor has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2026 C Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies or rating agencies. The Borrower’s Municipal Advisor’s fee for services rendered with respect to the sale of the Series 2026 C Bonds is contingent upon the issuance and delivery of the Series 2026 C Bonds. The Borrower’s Municipal Advisor may perform other services, including without limitation, providing certain investment services with regard to the investment of the Series 2026 C Bond proceeds. The participation of Hilltop Securities Inc. should not be seen as a recommendation to buy or sell the Series 2026 C Bonds and investors should seek the advice of their accountants, lawyers and registered representatives for advice as appropriate.

CONTINUING DISCLOSURE

The Corporation has determined that no financial or operating data concerning the Corporation is material to any decision to purchase, hold or sell the Series 2026 C Bonds and the Corporation will not provide any such information. The Borrower has undertaken all responsibility for any continuing disclosure for the benefit of the Bondowners (including Beneficial Owners) of the Series 2026 C Bonds as described

below, and the Corporation shall have no liability to the Bondowners of the Series 2026 C Bonds or any person with respect to disclosure.

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”), the Borrower has undertaken in a written agreement (the “Continuing Disclosure Certificate”) for the benefit of the Series 2026 C Bondholders to provide on an annual basis to the Corporation and the Municipal Securities Rulemaking Board (the “MSRB”) as the sole recognized municipal securities information repository, through its Electronic Municipal Market Access System (“EMMA”) for municipal securities disclosures designated by the Securities and Exchange Commission in accordance with Rule 15c2-12, on or before nine (9) months after the end of each fiscal year of the Borrower, commencing with the fiscal year ending June 30, 2026, operating data and financial information of the type specified in APPENDIX H to this Official Statement (the “Annual Information”), together with the Borrower’s annual financial statements prepared in accordance with generally accepted accounting principles and audited by an independent firm of certified public accountants in accordance with generally accepted auditing standards. The Annual Information for the Borrower will consist of the (a) operating data and financial information of the type specified in APPENDIX A to this Official Statement (only to the extent that this information is not included in the audited financial statements of the Borrower), together with (b) a narrative explanation, if necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the Borrower and in judging the financial and operating condition of the Borrower.

In addition, the Borrower has undertaken in the Continuing Disclosure Certificate, for the benefit of the Series 2026 C Bondholders, to provide to the MSRB in a timely manner, not in excess of ten (10) business days after the occurrence thereof, notice of certain events required to be provided by Rule 15c2-12 and described below.

The notices to be provided by the Borrower include notice of any of the following events with respect to the Series 2026 C Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, IRS notices, determinations or events affecting the tax status of the Series 2026 C Bonds; (7) modifications to rights of the Holders of the Series 2026 C Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the Series 2026 C Bonds, if material; (11) rating changes; (12) the bankruptcy, insolvency, receivership or similar event of the Borrower; (13) the consummation of a merger, consolidation, or acquisition of the Borrower or the sale or all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee, or the change of name of a trustee, if material, (15) incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect Owners of the Series 2026 C Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties.

The form of the Continuing Disclosure Certificate to be entered into by the Borrower is attached hereto as APPENDIX H. The sole and exclusive remedy for breach or default under the Continuing Disclosure Certificate is an action to compel specific performance of the undertakings of the Borrower, and no person, including any owner of the Series 2026 C Bonds, may recover monetary damages thereunder under any circumstances. The Borrower may be compelled to comply with its obligations under the Continuing Disclosure Certificate (i) in the case of enforcement of its obligations to provide information

required thereunder, by any owner of outstanding Series 2026 C Bonds or by the Trustee on behalf of the Holders of outstanding Series 2026 C Bonds, or (ii) in the case of challenges to the adequacy of the information provided, by the Trustee on behalf of the Holders of outstanding Series 2026 C Bonds. However, the Trustee is not required to take any enforcement action unless so directed by the Holders of not less than 25% in aggregate principal amount of outstanding Series 2026 C Bonds. A breach or default under a Continuing Disclosure Certificate will not constitute an Event of Default under the Master Indenture or any other financing document. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Certificate, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, will no longer be required to be provided.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Continuing Disclosure Certificate, however, may under certain circumstances be amended or modified without the consent of Holders of the Series 2026 C Bonds. Copies of each Continuing Disclosure Certificate when executed by the Borrower upon the delivery of the Series 2026 C Bonds will be on file at the principal office of the Corporation.

The Borrower has previously entered into undertakings to provide continuing disclosure with respect to its outstanding bonds and the outstanding bonds of the Corporation, the PPBA, and the Providence Redevelopment Agency (the “PRA”). The Borrower notes the following with respect to such undertakings. The Borrower inadvertently failed to file with the EMMA system a notice of rating change (upwards), from A- to A by Fitch, occurring on November 8, 2022, with respect to the Borrower’s outstanding general obligation bonds, for which the Borrower has a continuing disclosure obligation under Rule 15c2-12. Such notice was filed on December 5, 2022, together with a notice of late filing. Also, a notice of rating change (upwards) by Moody’s for the bond insurer Assured Guaranty Municipal Corp. (“AGM”), predecessor in interest to Assured Guaranty Inc., from A2 to A1, occurring on March 18, 2022, was not linked to the CUSIP numbers for certain of the outstanding bonds issued by the Borrower and insured by AGM. Corrective postings have since been filed on EMMA. Additionally, the audited financial statements and operating data of the Borrower for fiscal year 2021 were not linked to the CUSIP numbers for the RIHEBC Series 2021 D bonds and the PRA Series 2021 A bonds, the audited financial statements and operating data for fiscal year 2022 were not linked to the CUSIP numbers for the PRA Series 2021 A bonds, the audited financial statement for fiscal year 2023 were not linked to the CUSIP numbers for the PRA Series 2023 A and Series 2023 B bonds, and the audited financial statements and operating data for fiscal years 2024 and 2025 were not linked to the CUSIP numbers for the PPBA Series 2024 A bonds, for which the Borrower has a continuing disclosure obligation under Rule 15c2-12. All of the foregoing audited financial statements and operating data have now been linked to appropriate CUSIP numbers.

The Borrower plans to regularly review the effectiveness of its procedures for the timely filing of annual financial information and audited financial statements and the linking of such information to the appropriate CUSIP numbers on a going forward basis, and to take prompt action to remedy any deficiencies of which it becomes aware. Additionally, the Borrower plans to regularly review the effectiveness of its procedures relative to event filings and take prompt action to remedy any deficiencies of which it becomes aware.

RATINGS

Moody's Investors Service Inc. ("Moody's") has assigned a rating of "Aa3" to the Series 2026 C Bonds. Such rating reflects only the views of the rating agency and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same.

Generally, a rating agency bases its rating on the information and materials furnished it and on investigations, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. The Corporation has undertaken no responsibility either to bring to the attention of the Holders of the Series 2026 C Bonds any proposed revision or withdrawal of the ratings of the Series 2026 C Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such ratings could have an adverse effect on the market price of the Series 2026 C Bonds. Such ratings should not be taken as a recommendation to buy or hold the Series 2026 C Bonds.

LITIGATION

As of the date hereof, there is no litigation of any nature pending or to the best of the Corporation's knowledge, threatened against the Corporation to restrain or enjoin the issuance, sale, execution or delivery of the Series 2026 C Bonds or the application of the proceeds thereof toward the Cost of the Project, or in any way contesting or affecting the validity of the Series 2026 C Bonds or any proceedings of the Corporation taken with respect to the issuance or sale thereof, or the pledge or application of any monies or security for the Series 2026 C Bonds or the existence or powers of the Corporation.

As of the date hereof, there is no litigation pending or to the best of the Borrower's knowledge, threatened against the Borrower, wherein an unfavorable decision would adversely affect the ability of the Borrower to operate the Project or to carry out its obligations under the Financing Agreement or would have a material adverse impact on the financial position of the Borrower.

STATE NOT LIABLE ON SERIES 2026 C BONDS

NEITHER THE STATE NOR THE CORPORATION IS OBLIGATED TO PAY THE PRINCIPAL, SINKING FUND INSTALLMENTS, IF ANY, REDEMPTION PRICE, OR INTEREST ON THE SERIES 2026 C BONDS EXCEPT FROM THE REVENUES TO BE PROVIDED UNDER THE MASTER INDENTURE AND THE SERIES 2026 C INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL, SINKING FUND INSTALLMENTS, IF ANY, REDEMPTION PRICE, OR INTEREST ON THE SERIES 2026 C BONDS. THE ACT DOES NOT IN ANY WAY CREATE A SO-CALLED MORAL OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF TO PAY DEBT SERVICE IN THE EVENT OF DEFAULT BY THE BORROWER. THE CORPORATION DOES NOT HAVE TAXING POWER.

COVENANT BY THE STATE

Under the Act, the State pledges and agrees with the Holders of the Series 2026 C Bonds that the State will not limit or alter the rights vested in the Corporation until such Series 2026 C Bonds, together with interest thereon, are fully met and discharged; provided that nothing in the Act shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the Holders of such Series 2026 C Bonds.

MISCELLANEOUS

The references to the Act, the School Aid Act, the Master Indenture, the Series 2026 C Indenture, the Financing Agreement and the MOU are brief summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is made to the Act, the School Aid Act, the Master Indenture, the Series 2026 C Indenture, the Financing Agreement and the MOU for full and complete statements of such and all provisions. The agreements of the Corporation with the Holders of the Series 2026 C Bonds are fully set forth in the Master Indenture, and neither any advertisement of the Series 2026 C Bonds nor this Official Statement is to be construed as constituting an agreement with the holders of the Series 2026 C Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of the Corporation.

Information relating to DTC and the book-entry only system described under “BOOK-ENTRY ONLY SYSTEM” has been furnished by DTC and is believed to be reliable. However, none of the Corporation or the Borrower make any representations or warranties whatsoever with respect to the information contained therein.

Attached to this Official Statement as APPENDIX A which contains certain information relating to the Borrower. While the information contained in APPENDIX A is believed to be reliable, the Corporation makes no representations or warranties whatsoever with respect thereto. Also attached to this Official Statement is APPENDIX B which contains the most recent audited financial statements of the Borrower, together with the independent auditor’s reports thereon. The Corporation has relied on the information contained in APPENDICES A and B.

APPENDIX C – “Definitions,” APPENDIX D – “Summary of Certain Provisions of the Financing Agreement,” APPENDIX E – “Summary of Certain Provisions of the Master Indenture and the Series 2026 C Indenture,” APPENDIX G – “Form of Approving Opinion of Bond Counsel,” and APPENDIX H – “Form of Continuing Disclosure Certificate” have been prepared by Troutman Pepper Locke LLP, Bond Counsel.

APPENDIX F – “Rhode Island Health and Educational Building Corporation Schedule of Indebtedness” has been prepared by the Corporation.

The Borrower has reviewed the portions of this Official Statement under “THE BORROWER,” “CONTINUING DISCLOSURE,” the second paragraph of “LITIGATION” and in APPENDICES A and B, “THE PROJECT,” “RISK FACTORS” and “ESTIMATED SOURCES AND USES OF FUNDS.” At the closing, the Borrower will certify that such portions of this Official Statement, and APPENDICES A and B, do not contain an untrue statement of a material fact or omit a statement of material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

The distribution of this Official Statement and its execution have been duly authorized by the Corporation.

RHODE ISLAND HEALTH AND
EDUCATIONAL BUILDING CORPORATION

Dated: October __, 2026

By: _____
Channavy Chhay
Chair

APPENDIX A

INFORMATION RELATING TO THE BORROWER

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October 1, 2026

Rhode Island Health and Educational Building Corporation
33 Broad Street, Suite 200
Providence, RI 02903

Ladies and Gentlemen:

We are pleased to submit the following information with respect to the City of Providence, Rhode Island (for purposes of this appendix, the “City” or “Providence”). This letter and the information contained herein are submitted to the Rhode Island Health and Educational Building Corporation (the “Corporation”) for inclusion in the Official Statement relating to its Public Schools Revenue Bond Financing Program Revenue Bonds, Series 2026 C (City of Providence Issue) (the “Series 2026 C Bonds”). Unless otherwise noted, all information, including statistics, is taken from the City and the City’s School Department. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Official Statement.

THE CITY OF PROVIDENCE

General

The City is the capital of the State of Rhode Island (the “State”) and is located at the head of Narragansett Bay on the Providence River. It is the major population, industrial, and commercial center of the State. As the capital, Providence is the center of State government. Providence occupies a total land area of 18.1 square miles and an additional 1.9 square miles of water. Situated on the Boston-Washington, D.C. Interstate 95 corridor, with proximity to multi-billion dollar markets and multi-million population centers, residents and businesses have ready access to all major forms of transportation, including AMTRAK, Providence & Worcester Railroad, TF Green International Airport, the Port of Providence (the “Port”), and Interstates 95 and 195. Multi-modal transportation was expanded in 2010 with the opening of Interlink, increasing commuter rail service connections with the Massachusetts Bay Transportation Authority. The City is ranked first in population among the 39 cities and towns in Rhode Island. The United States Census Bureau reported that the population in 2025 was 195,310, an increase of 2.29% from the population of the 2020 Census of 190,934. According to the School Department, as of the beginning of the 2026-2027 school year, there were 18,552 students attending Providence public schools. There are a number of private and parochial schools, as well as public and private institutions of higher learning, in Providence, including Brown University, Providence College, the Rhode Island School of Design, Johnson & Wales University, Rhode Island College, the University of Rhode Island Providence Center, and Roger Williams University Providence Campus.

Several industrial parks, built as part of major urban renewal projects in recent years, are located in Providence. The Port has, with its neighbor, the City of East Providence, more than 10 miles of commercial waterfront with 25 wharves and docks for medium and deep draft vessels. The channel was dredged to 40 feet in 2005 to accommodate larger vessels. Rail service and transit sheds are accessible to ships docking in the Port. The cargo entering and leaving the Port includes principally gasoline, fuel and diesel oil, cement and lumber.

Government

The City operates under a Home Rule Charter adopted in November 1980, providing for a Mayor-Council form of government with a 15-member City Council. The Charter became fully effective on January 3, 1983. The Mayor is elected by the voters of the City for a four-year term of office. The Mayor supervises preparation of the annual City budget which is presented to the City Council for its approval. The Mayor is authorized to approve or veto any ordinance passed by the City Council. The Mayor also appoints all department heads and most of the members of the agencies, boards, and commissions which directly affect City operations. The Mayor also serves ex-officio on many of these bodies.

Mayor Brett Smiley took the oath of office as the 39th Mayor of the City of Providence on January 2, 2023.

Mayor Smiley is a graduate of DePaul University, where he received a finance degree and a Masters of Business Administration. Prior to becoming Mayor, he served as the first Chief Operating Officer for the City of Providence, Chief of Staff to former Governor Gina Raimondo, and Rhode Island’s Director of Administration.

A Democratic primary took place on September 9, 2026 for voters to determine which candidate would run in the general election. A new Mayor will assume office subsequent to the closing of this bond issue.

The 15 members of the City Council are elected for a term of four years concurrent with that of the Mayor. One member is elected from each of the City's 15 wards. The Council passes ordinances within the scope of powers defined in the Charter and its major responsibility is passage of the City budget. The City Council may amend or alter the budget before passage, subject to the requirement of Rhode Island law that the budget be balanced when adopted. The Mayor also has line-item veto powers.

Lawrence J. Mancini is the City's Chief Financial Officer ("CFO"). Mr. Mancini was appointed Chief Financial Officer effective November 15, 2019. Mr. Mancini has enjoyed a 40-year career with the City, holding various and significant finance, fiscal and accounting positions. He has also held positions as the City's Director of Finance from October 2013 until November 2019, Acting Director of Administration, the City's Acting Director of Finance and as the Accounting Administrator and Director of Administration in the Department of Planning and Development as well as Deputy Tax Collector. In his capacity as CFO, he has primary responsibility for the City's executive-level financial planning, budgeting and bonding strategies and solutions. Mr. Mancini participates in major financial policy undertakings and decisions within the City, including analysis of debt service capacity and associated debt service management, pension and other post-employment benefits ("OPEB"). Mr. Mancini is the lead financial official for all financial transactions, spearheading or directing negotiations associated with the development of revenue opportunities and enjoys a solid and highly esteemed reputation amongst government leaders, colleagues, and elected officials. Prior to joining the City in 1987, Mr. Mancini held Principal and Senior Accountant positions with two well-established Certified Public Accountant firms in Rhode Island, with significant and diversified accounting and tax related duties. He holds a Bachelor of Science in Business Administration, with a major concentration in accounting, from Bryant University. In addition to his extensive city service, Mr. Mancini received the 2017 Rhode Island Public Expenditure Council ("RIPEC") prestigious Robert M. Goodrich Public Service Award, given annually to a municipal employee for distinguished service.

Sara Silveria is the City's Director of Finance. Ms. Silveria was appointed Director of Finance effective December 5, 2019. Ms. Silveria has enjoyed a 14-year career with the City, and was previously Deputy Finance Director prior to being appointed Director of Finance. She has also held positions as the City Deputy Controller and as Acting Pension Administrator. In her capacity as Director of Finance, she has primary responsibility for the City's municipal budget, as well as developing executive-level budget strategies and solutions to complex budgetary issues. Additionally, Ms. Silveria oversees daily cash-management and the development and execution of monthly cash-flow, financial, and operational monitoring and reporting, as well as the City's annual audit. Ms. Silveria participates in all major policy undertakings and decisions within the Finance Department and is highly regarded among government leaders, colleagues and elected officials. Prior to joining the City in 2012, Ms. Silveria worked in public accounting with an established regional Certified Public Accountant firm in Rhode Island, with significant and diversified accounting and tax related duties. She holds a Bachelor of Science in Accounting from Rhode Island College.

Shomari Husband is the City Treasurer. The City Treasurer is elected by the City Council, with duties relating to reviewing the decisions of the Controller as to the sufficiency of funds before approving payment of any bill, payroll or other claim, demand or charge against the City; having custody of all public funds belonging to or under the control of the City, or any office, department or agency of City government; and issuing notes and bonds of the City. The Treasurer does not set policy or make decisions about the day-to-day operations of the City or its fiscal policy. The position of Treasurer is a part time position in the City. Mr. Husband is a Certified Public Accountant and holds a Bachelor's degree from Lincoln University, and a Masters of Business Administration from the University of Rhode Island.

Municipal Services

The City provides municipal services including police, fire, sanitation, parks and recreation through various City departments. Elementary and secondary education expenditures are also the responsibility of the City. Certain other services are provided by related entities such as the Providence Water Supply Board, the Providence Housing Authority, the Providence Public Buildings Authority ("PBA"), and the Providence Redevelopment Agency ("PRA"). The State and its agencies, and not the City, are responsible for providing service programs such as Medicaid, aid to families with dependent children, general public assistance, public health, public transportation, corrections, and sewage treatment.

City School System

The State's Department of Education ("RIDE") has taken budget, program, and personnel control of the Providence Public School Department ("PPSD") as of November 1, 2019 in order to improve student performance and to

address systemic problems within PPSD. During this time, the City Treasurer and Finance Department continued to oversee the PPSD payroll and expenses and the City's Public Properties Department continued to oversee the school buildings. The Commissioner of RIDE (the "Commissioner") is the chief executive officer of the PPSD. On April 4, 2022, State leaders named Dr. Javier Montañez as Superintendent of Providence Public Schools to oversee the PPSD. While the School Board is no longer a governing body, the Commissioner has delegated certain authority to the School Board, which consists of ten members. Five members of the School Board are appointed by the Mayor, with approval of the City Council, and five members are elected by Providence residents. Each Board member serves for a term of one to three years without term limits. The City continues to partner with RIDE and the PPSD to work on key priorities to improve its public schools and further the shared goals of RIDE and the City. On May 26, 2026, the State's Council on Elementary and Secondary Education voted 7-1 to return the PPSD to local control, effective July 1, 2026.

There are 19 elementary schools, six middle schools, and 10 high schools. School Board policy reserves 80% of seats for neighborhood students, but parental choice and programmatic needs require transportation for students who live longer distances from school. School enrollment was 18,552 students as of the start of the 2026-2027 school year.

Enrollment figures as of October 1 for the past five school years and projected enrollments for the next five years are shown in the chart displayed below:

<u>Actual</u>		<u>Projected</u>	
2022-23	20,725	2027-28	17,746
2023-24	19,856	2028-29	17,355
2024-25	20,250	2029-30	17,072
2025-26	19,140	2030-31	16,921
2026-27	18,552 *	2031-32	16,771

* As of September 23, 2026

Source: Actuals from RI Department of Education and projections from CropperGIS

State School Operations Aid

Pursuant to Rhode Island General Laws Sections 16-7-15 to 16-7-34 et seq., as amended, the State provides school operations assistance aid (also known as "Basic Education Aid") to each municipality and school district in the State, subject to annual appropriation by the General Assembly. The General Assembly substantially changed the funding formula for school operations beginning in fiscal year 2012. The statutes provide for reimbursement of school expenditures based on a formula which adjusts the reimbursement ratio based on the relative equalized valuation of property and median family income relative to the State as a whole. There are no assurances, however, that the General Assembly will continue this program or appropriate sufficient funds for its implementation. Basic Education Aid is subject to pro-rata reduction in accordance with State law. Under the existing program the City's School Department received \$294,551,960 in fiscal year 2025. The City's adopted budget for fiscal year 2026 included \$304,930,764, and the City's adopted budget for fiscal year 2027 included \$308,348,270 in anticipated Basic Education Aid. The legislation authorizing school operation aid is subject to further change.

In 2012, the General Assembly amended the General Laws to provide that Basic Education Aid may be intercepted to pay debt service on bonds issued by the Rhode Island Health and Educational Building Corporation ("RIHEBC") for the benefit of a municipality in the event the municipality fails to make timely payments of debt service on school construction bonds issued for the municipality through RIHEBC.

State School Construction Aid

Pursuant to Rhode Island General Laws Sections 16-7-35 to 16-7-47, as amended, the State provides construction aid to Rhode Island municipalities for the cost of building or renovating public schools. All buildings constructed or renovated since July 1, 1949 are eligible for assistance of a minimum of 40% (for school housing projects completed after June 30, 2010 that received approval from the State Board of Regents for Elementary and Secondary Education (now the Board of Education) prior to June 30, 2012) or 35% (for school housing projects that received approval from the Board of Education after June 30, 2012) of the full cost of such buildings. Such assistance level may be further increased by a formula which takes into account the equalized assessed valuation and debt service burden of the particular municipality. State aid reimbursement for school construction projects is based on the share ratio established for that year by the State Department of Education. For the fiscal year ending June 30, 2027, the City's share ratio is approximately 78.7%. This ratio can vary from year to year and from project to project depending on its completion date.

For projects approved by the voters after June 30, 2003, the cost of interest on any bond will be reimbursed as an eligible project cost only if the bonds for these projects are issued through RIHEBC. School construction aid attributable to projects financed through RIHEBC bonds is paid by the State directly to the RIHEBC trustee for such RIHEBC bonds and is not directly available to the City for other purposes. Furthermore, if the City defaults in making any payment due to the RIHEBC trustee in support of any RIHEBC bond, any State aid in respect of other school housing projects may be redirected by the State to the trustee for the RIHEBC bond. School housing costs subject to State aid reimbursement shall not include bond issuance costs incurred by the municipality, demolition costs for buildings, facilities, or sites deemed surplus by the school committee and costs for furniture, fixtures and equipment except in the case of a project to construct a new school or school addition that is supported by a general obligation or lease revenue bond. The legislation authorizing State school construction aid is subject to future change and all State aid is subject to annual appropriation by the General Assembly. For the fiscal year ended June 30, 2024, June 30, 2025 and June 30, 2026, the City received \$27,547,150, \$34,709,657 and \$26,196,001 respectively. The City's adopted budget for the fiscal year ending June 30, 2027, included \$29,117,782 in anticipated school construction aid.

A portion of the City's outstanding debt for school projects was issued by the PBA as lease revenue bonds, financed through RIHEBC, subject to the pledge of school housing aid. Of the \$363,457,000 in PBA debt outstanding as of June 30, 2025, \$86,090,000 was issued for schools with the pledge of school housing aid.

School Department Finances

Set forth below is a summary of the School Department revenues and expenditures for the audited fiscal years ended June 30, 2021 through 2025.

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Actual 2025
City Appropriated	\$ 130,046,611	\$ 130,046,611	\$ 130,046,611	\$ 134,046,611	\$ 143,865,015
Paul Crowley Act Revenue	4,850,739.00	6,223,639.00			
Re-Appropriated Fund Balance			2,246,417	8,633,731	-
Medicaid Reimbursements	4,257,924	5,287,846	7,955,261	6,962,347	11,593,140
State Grants	269,072,014	273,899,705	275,604,664	272,578,718	294,551,960
Departmental Revenues	1,474,021	1,274,733	2,907,331	11,371,301	3,133,702
Total Revenue	\$ 409,701,309	\$ 416,732,534	\$ 418,760,284	\$ 433,592,708	\$ 453,143,817
Total Expenditures	\$ 406,828,697	\$ 415,791,534	\$ 418,760,284	\$ 433,592,708	\$ 453,034,550
Surplus	\$ 2,872,612	\$ 941,000	\$ -	\$ -	\$ 109,267

Source: City School Department

The School Department's revenues and expenditures are accounted for in a "School Fund," which is set up as a separate fund accountable for revenue receipts specifically pertaining to school activities. The budget for the School Fund is prepared annually and approved by the Providence School Board. The amount of the annual transfer from the City's General Fund to the School Fund is ultimately determined through the adoption of the General Fund budget. As required by Section 16-7-23 of the Rhode Island General Laws, any operational surplus in the School Fund is categorized as "committed" on the City's balance sheet, restricting this fund balance to school activities. As of June 30, 2025, the School Fund had a committed fund balance of \$6.5 million.

Other Municipal Services

Providence Water Supply Board and Water System

Providence Water supplies water to residents and businesses in Providence, North Providence, Cranston, Johnston, and Smithfield. Providence Water also supplies water wholesale to several water districts including the Bristol County Water Authority, Kent County Water Authority, East Providence Water Department, Lincoln Water Commission, Greenville Water District, Smithfield Water Supply Board, and Warwick Water Department.

Providence Water's primary water source is the Scituate Reservoir located mainly in the Towns of Scituate, Foster and Glocester with portions extending into the City of Cranston and the Town of Johnston. The Scituate Reservoir is part of a network of six interconnected reservoirs: Scituate, Regulating, Barden, Ponaganset, Westconnaug and Moswansicut, covering approximately 93 square miles (60,000 acres).

The Scituate Reservoir is the largest freshwater body in Rhode Island, holding 37 billion gallons of water. With approximately 80,000 service connections, Providence Water delivers drinking water to approximately 60% of Rhode Island's population and has the capacity to supply up to 144 million gallons per day.

Set forth below is a summary statement of revenues and expenditures of Providence Water for the fiscal years 2021 through 2025.

	Fiscal Year Ended June 30,				
	Audited 2021	Audited 2022	Audited 2023	Audited 2024	Audited 2025
Operating Revenues	\$ 81,318,205	\$ 88,824,578	\$ 94,491,834	\$ 88,038,391	\$ 91,107,572
Operating Expenses	57,093,902	61,897,325	63,947,055	66,549,359	66,377,145
Operating Income	\$ 24,224,303	\$ 26,927,253	\$ 30,544,779	\$ 21,489,032	\$ 24,730,427
Non-Operating Revenues ⁽¹⁾	\$ 546,329	\$ 1,864,825	\$ 1,488,560	\$ 2,640,986	\$ 3,136,412
Non-Operating Expenses	3,422,628	3,057,543	3,160,151	3,452,040	4,277,268
Gain (Loss) on Sale of Assets	9,648	-	-	26,127	-
Capital Grant & Contributions	683,986	789,047	1,116,593	923,636	1,827,399
	(2,182,665)	(403,671)	(554,998)	138,709	686,543
Special Item Annexation (East Smithfield)	10,325,704	-	-	-	-
Excess (Deficiency) of Income Over Expenses	\$ 32,367,342	\$ 26,523,582	\$ 29,989,781	\$ 21,627,741	\$ 25,416,970

Source: Audited Financial Statements

(1) Restricted Revenue

The following table sets out a five-year summary of outstanding Enterprise Fund water debt and Enterprise Fund lease appropriation obligations for fiscal years 2021-2025.

	As of June 30				
	2021	2022	2023	2024	2025
Safe Drinking Water - CWFA 2002	\$ 167,557	\$ -	\$ -	\$ -	\$ -
Safe Drinking Water - CWFA 2008	18,597,000	16,811,000	14,963,000	13,050,000	11,068,000
Safe Drinking Water - CWFA 2010	5,361,250	4,902,250	4,428,250	3,939,250	3,433,250
Clean Water - CWFA 2012	1,955,000	1,815,000	1,671,000	1,524,000	1,373,000
Clean Water - CWFA 2013	2,919,000	2,726,000	2,529,000	2,328,000	2,123,000
Safe Drinking Water - CWFA 2013	18,596,000	17,474,000	16,330,000	15,162,000	13,969,000
Safe Drinking Water - CWFA 2014	5,960,000	5,602,000	5,237,000	4,864,000	4,482,000
Safe Drinking Water - RIIB 2015	24,676,000	23,295,000	21,889,000	20,454,000	18,989,000
Safe Drinking Water - RIIB 2017	14,109,095	13,368,095	12,615,095	11,850,095	11,070,095
Safe Drinking Water - RIIB 2018	307,238	53,616	-	-	-
Safe Drinking Water - RIIB 2019	14,086,000	13,464,000	12,830,000	12,189,000	11,536,000
Safe Drinking Water - RIIB 2020	19,099,000	18,191,000	17,278,000	16,359,000	15,435,000
Safe Drinking Water - RIIB 2021	21,000,000	20,999,000	19,985,000	18,968,000	17,947,000
Safe Drinking Water - RIIB 2020 (0% Interest)	609,744	1,504,761	2,280,494	1,809,941	1,364,452
East Smithfield Water District - RIIB 2009 Bonds*	90,625	101,000	42,239	27,650	-
East Smithfield Water District - RIIB 2009 Loan*	90,000	80,000	70,000	60,000	50,000
East Smithfield Water District - RIIB 2014 Bond*	400,633	402,000	348,754	326,371	299,016
Safe Drinking Water - RIIB 2023 EB \$5.5 Mill	-	-	5,500,000	5,164,000	4,840,000
Safe Drinking Water - RIIB 2023 WM \$5.5 Mill	-	-	5,500,000	5,291,000	5,076,000
Safe Drinking Water Bond LSLR (RIIB FY2024)	-	-	-	26,290,000	25,292,000
Safe Drinking Water Bond LSLR (RIIB FY2025)	-	-	-	-	26,300,000
Total	\$ 148,024,142	\$ 140,788,722	\$ 143,496,831	\$ 159,656,307	\$ 174,646,813

* Assumed by the City and payable from Water System revenues

Public Safety

The City's Public Safety Division is comprised of three departments: Police, Fire and Communications. The actual expenditures for fiscal years 2021-2025 are set forth below:

Fiscal Year	Police Department	Fire Department	Communications Division
2021	\$ 78,031,706	\$ 68,760,270	\$ 9,907,098
2022	77,185,157	85,445,978	10,194,868
2023	87,107,925	90,643,997	10,300,418
2024	89,892,641	94,487,138	10,573,301
2025	109,925,288 *	93,189,793	10,791,893

*FY2022-FY2024 expenditures offset by ARPA Revenue Recovery, which is why there is a big jump in FY2025

Source: City Finance Department

Police Department

The Police Department is authorized to have 512 police officers and 86 civilian employees in the fiscal year 2026 adopted budget and 463 police officers and 85 civilian employees in the fiscal year 2027 adopted budget.

Fire Department

The Fire Department is authorized to have a force of 498 sworn personnel and 23 civilian employees in the fiscal year 2026 adopted budget and a force of 470 sworn personnel and 23 civilian employees in the fiscal year 2027 adopted budget. There are 12 fire stations, 20 companies, seven rescue units, a carpenter shop, an automotive division, a fire prevention division and a training division.

Communications Division

The Communications Division has 68 personnel in the fiscal year 2026 adopted budget and 69 personnel in the fiscal year 2027 adopted budget. Its role is to manage, control, maintain, operate, and service all communications systems for all City departments, except the School Department.

Public Works

The City's Public Works Department has the primary responsibility of maintaining all City streets, bridges, traffic signs, traffic signals, and sewer laterals, and conducting snow removal. Waste collection and processing is performed by outside contractors. There are 123 employees funded in the Public Works Department in the fiscal year 2026 adopted budget and 127 employees in the fiscal year 2027 adopted budget. The Public Works expenditures in the fiscal year 2026 adopted budget were \$35,023,866 and \$34,455,390 in the fiscal year 2027 adopted budget.

Public Parks and Recreation

The Parks Department manages a diverse system of public spaces and programs encompassing 108 neighborhood parks, 15 downtown parks, and Roger Williams Park totaling approximately 1,600 acres of land. The 435-acre flagship Roger Williams Park, features a visitors center, zoo, a museum of natural history, a botanical center, indoor and outdoor entertainment venues, 10 miles of roads, a trail system and a bike park, and more than 100 acres of ponds. The department's administrative and maintenance buildings are also located in Roger Williams Park.

The neighborhood park system includes 47 ball fields and basketball courts, 69 playgrounds and 13 "Spray" ground parks. Special facilities in the system include a downtown skating rink, 18 outdoor fitness/parkour areas, 10 skate/bike parks, a golf course, and two cemeteries.

The Forestry Division of the Parks Department manages the City's 27,400 street trees, as well as all trees in City parks and on public property. It handles more than 2,000 service requests from Providence residents each year, including dead tree removal, tree pruning, pick-up of fallen branches, and stump removal.

The Parks Department is also responsible for managing the Summer Meal and Child and Adult Care Food Program (“CACFP”) meal programs, Fitness in the Parks, PlayCorps, Urban Wildlife Partnership, Neighborhood Performing Arts Series and RI Philharmonic Annual Pops Concert (along with Arts, Culture and Tourism and partnerships with more than 50 park “Friends” groups.

There are 156 full-time employees currently funded in the Parks Department. The total expenditures for the Parks Department in fiscal year 2026 were \$17,758,741.

The Recreation Department provides a wide variety of traditional and non-traditional programming for children and adult residents. With 11 Recreation Centers, five Municipal Pools, 13 Water Parks and more than 40 athletic fields, the 31 full time and more than 365 seasonal employees are tasked to facilitate programs that include; youth basketball, bowling, dodgeball, sports camp, 11 summer day camps, dance, nature, bike and sailing camps, Girl’s Club, boxing and numerous seasonal special events. The Angel Tree Christmas Gift Program provides more than 150 children with a Christmas gift along with a turkey for their families, funded by the generous donations of the many friends who support the Recreation Department’s mission.

There are 29 full-time employees currently funded in the Recreation Department. Depending on the season of the year, another 365 part-time workers are hired to provide recreation support. Total expenditures for the Recreation Department in fiscal year 2026 were \$3,498,709.

Libraries

The Providence Public Library offers many educational services to the citizens of Providence and the State. In addition, the Providence Community Library, a 501(c)(3) not-for-profit organization, manages the City’s nine neighborhood public libraries.

Department of Planning and Development

The Department of Planning and Development (the “Department”) leads the City’s efforts in land use planning, development project review, housing and community development, strategic real estate redevelopment and long-range planning. The Department oversees a wide range of citywide programs, projects, initiatives, and investments to enhance the quality of life in every neighborhood. Foundational to the Department’s work is establishing and implementing goals and policies for growth and development citywide, through the Comprehensive Plan. The Department also leads a variety of long-range planning efforts for areas, corridors as well as specific topics, such as housing, historic preservation, transportation, and environmental protection. To carry out the land use policies of the Comprehensive Plan, the Department writes the zoning ordinance and other regulations governing land use and design and regularly updates these regulations. Department staff implements these regulations through a variety of processes, including staffing several citizen-led boards and commissions, and leading in-house reviews with development project teams. The Department further implements the goals of the Comprehensive Plan through redevelopment planning and strategic real estate redevelopment. The Department has been successful in competing for federal, state, and local grants to bring significant resources to the City to implement projects in all of these program areas.

The Department administers a variety of federally funded programs that enhance efforts to improve the quality of life for its residents in the areas of affordable housing, public infrastructure, public services, public facilities, and economic development. In fiscal year 2026, these entitlement programs totaled nearly \$9.5 million in funding targeted to providing opportunities for low- and moderate-income citizens on an individual and area basis.

The Department provides staff services to the PRA, the City Plan Commission, the Historic District Commission, the Providence Public Buildings Authority, the Providence Business Loan Fund (“PBLF”), the Green and Complete Streets Advisory Council. and the Downtown Design Review Committee (“DRC”).

To streamline the operation of the City’s various affordable housing programs and expedite the service delivery to the housing non-profit organizations, in 2022 the City created the Providence Housing Trust, administered by the PRA. The Housing Trust has assets of \$23.6 million in cash, and \$40.8 million in mortgages as of June 30, 2026. These funds are used to develop and preserve deed-restricted rental and homeownership housing.

The City obtained approval during the 2026 session of the General Assembly providing for the issuance of not-to-exceed \$25,000,000 general obligation bonds and notes to further fund the Housing Trust, for the purpose of financing

additional affordable multi-family housing projects in the City. The bond issuance is subject to voter approval by the residents of the City. There are no assurances that the City's voters will approve the bond issuance.

Investment Considerations

Climate Change

The City is located on Narragansett Bay and is subject to weather events common to coastal communities. Climate change may intensify and increase the frequency of extreme weather events, such as coastal storm surges, drought, floods and heat waves, and raise sea levels along the coast. The City is in the process of implementing various resilience measures to reduce the impacts of climate change, protect its assets, build social resiliency, and mitigate any fiscal impacts. The City recently released a Climate Justice Plan that focuses on frontline communities and racial equity and is including climate resilience in its Capital Improvement Plan. The City's 2026-2030 Capital Improvement Plan includes more than \$10 million of investments for climate resilient infrastructure, including more than \$6 million of investment in the City's Hurricane Barrier.

Cybersecurity

The City maintains a comprehensive cybersecurity program, employing mainstream products and services to protect network, data, and hardware assets. The information technology ("IT") security team maintains firewalls, desktop security software and monitoring systems to defend against malware, intrusion and other threats. IT also works closely with State partners to share resources and information on known and emerging cybersecurity issues and ensure best practices are followed. Additionally, the City hosts regular cybersecurity training and testing for all employees to help maintain a safe and secure workforce.

Employees' Retirement System of the City of Providence

The Employees' Retirement System of the City of Providence ("ERS") was 32.42% funded with a \$1.271 billion net pension liability at June 30, 2025, as shown in the City's fiscal year 2025 audited financial statements. The City has contributed at least 100% of the actuarially determined contribution ("ADC") in each of the past 14 years, including 103.2% in fiscal year 2019, 102.18% in fiscal year 2020, and 101.7% in fiscal year 2021. The City expects the required pension contributions to increase in the future. An updated actuarial valuation report for the ERS as of July 1, 2024 was received in October 2024. See "CITY FINANCES – Retirement System—City Employees' Pension Plan" herein. To reduce the potential for future volatility, the City revised its assumed rate of return to seven percent from eight percent, effective as of fiscal year 2020. With the change in assumed rate of return, the City's unfunded actuarial accrued liability and the City's ADC increased for the present and in future fiscal years. In addition, in June 2020, the Rhode Island Supreme Court handed down a decision which will have the effect of increasing the City's unfunded pension obligation and its annually required contributions. See "CITY FINANCES—Retirement System—City Pension Reform and Related Litigation" for a more detailed summary of the case and the effect on the City's finances.

Other Related Entities

Port of Providence

Prior to September 28, 1994, the Port was a department of the City controlled by a Port Commission and a Port Director who operated and maintained the Port with 19 full-time employees. On September 28, 1994, the City entered into various agreements with the Port, a non-profit corporation established to purchase and manage the Port and the PRA, which financed the Port's acquisition of the Port facilities through the issuance of certificates of participation. The Port, as a non-profit corporation, is overseen by a board of directors, which includes a seat occupied by the City's Director of Economic Development. The Port area has 25 wharves and docks and six berths, accommodating medium and deep draft vessels and more than 10 miles of commercial waterfront almost evenly divided between the cities of Providence and East Providence. Additional dock facilities are supplied by two private wharves, 23 private docks and a marina for pleasure craft. The facility is adjacent to Fields Point and adequately served by highway and rail connections. The wharf is a contiguous seawall consisting of 3,473 feet, and the facility includes a 750-ton container crane capability. In October 2010, the City received a \$10.5 million TIGER II grant from the United States Department of Transportation to acquire two cargo cranes and barges to expand the capacity of the port.

In May 2006, the PRA issued \$6,587,571.15 in certificates of participation in connection with the Port. This issuance was based on a tax exemption agreement with the Port, in effect through September 30, 2024, which provides

for the Port to make “in-lieu” tax payments to the City based on a percentage of gross revenues. The certificates were issued to pay the City the present value of the “in-lieu” payments under the agreement.

On December 12, 2023, the PRA issued \$8,615,000 Series 2023 A certificates of participation (“COPS”) as taxable current interest certificates (the “PRA 2023 A COPS”) and \$4,330,324 Series 2023 B certificates of participation as taxable capital appreciation certificates (the “PRA 2023 B COPS” and together with the PRA 2023 A COPS, the “PRA 2023 COPS”). The PRA 2023 A COPS were issued to finance the acquisition and remediation of real property within certain zoning districts of the City adjacent to the Port. The PRA 2023 B COPS were issued to finance various capital improvements at the Port, including improvement of adjacent properties for port expansion, preparation of a master plan, purchase of two streets vacated by the City and construction and equipping of a workforce training facility. In connection with the issuance of the PRA 2023 COPS, the City, the PRA, and the Port agreed to a lease extension and tax exemption agreement, extending the PRA’s facilities lease with the Port through September 1, 2053, and requiring the Port to make “in-lieu” tax payments to the City based on a percentage of gross revenues.

As of June 30, 2025, the PRA had \$18,780,469 of certificates of participation outstanding for the Port.

The PRA’s outstanding certificates of participation for the Port are not obligations of the City. Rather, such certificates of participation are payable from lease payments due under the facilities lease and funded with revenues generated from the operation of the Port. Such certificates of participation are secured by a debt service reserve fund backed by a moral obligation pledge of the City, but such pledge is subject to appropriations being made by the City for such purpose.

Providence Redevelopment Agency

The PRA is an agency of the City and consists of five members appointed by the Mayor and two members of the City Council elected by the City Council. The PRA undertakes various redevelopment projects which are funded by the City. See “Economic Development” herein. The PRA had \$54,695,679 of bonds, notes and lease certificates of participation outstanding as of June 30, 2025. The PRA’s bonds for redevelopment projects are payable from lease rentals made by the City pursuant to the City’s various leases with the PRA. The obligation of the City to pay lease rentals is subject to annual appropriation by the City Council for such purpose.

In March 2021, the PRA issued \$25,000,000 of Special Obligation Bonds, 2021 Series A (Federally Taxable) (the “2021 Special Obligation Bonds”). The 2021 Special Obligation Bonds are backed by an appropriation pledge of the City to support the activities of the Housing Trust Fund, which provides gap financing to affordable, multi-family developments. The 2021 Special Obligation Bonds are payable from payments made by the City under a trust indenture among the PRA, the City and a third-party trustee. The City’s obligation to make such payments is subject to annual appropriation by the City Council for such purpose. Additionally, 10% of the City’s revenue under its Tax Stabilization Agreements, which had been directed to the Housing Trust Fund will be redirected, subject to appropriation, to pay the debt service on the 2021 Special Obligation Bonds issued for the Housing Trust Fund.

The PRA’s bonds, notes and certificates of participation are not obligations of the City. Rather, as noted above, such indebtedness is secured by lease rentals and other payments made by the City pursuant to various agreements with the PRA and, solely with regard to the PRA’s certificates of participation for the Port, the City’s moral obligation pledge. The obligation of the City to make any such payments is subject to appropriations being made by the City for such purpose. See also “CITY INDEBTEDNESS – Leases with Providence Redevelopment Agency.”

Providence Public Buildings Authority

In the 1987 session of the Rhode Island General Assembly, municipalities, including the City, were authorized to establish Public Buildings Authorities to finance certain capital projects. The Providence PBA is a body corporate and politic, created pursuant to the Rhode Island General Laws Section 45-50-1 et seq. (the “Act”). Upon request of the Mayor and approval of the City Council, the PBA is generally authorized to acquire, construct, improve, equip, maintain, furnish, install, and operate public facilities and public equipment. The PBA's staff is supplemented by that of the Department of Planning and Development Like Providence Water, the operations of the PBA are accounted for with a set of separate, self-supporting accounts organized on a proprietary fund type (enterprise fund) basis.

The PBA had \$363,457,000 in bonds outstanding as of June 30, 2025. The PBA’s bonds are not obligations of the City. Rather, the PBA’s bonds are secured by, among other things, payments made by the City pursuant to various leases with the PBA. The obligation of the City to pay such lease rentals is subject to appropriations being made by the

City for such purpose. See also “CITY INDEBTEDNESS – Lease Revenue Bonds – Leases with Providence Public Buildings Authority.”

ECONOMIC CHARACTERISTICS

Population

The City is ranked first in population among the 39 cities and towns in Rhode Island. Per the US Census Bureau, the City experienced an increase of 4,376 inhabitants or 2.29% during the period from 2020 to 2025, from 190,934 to 195,310. The City is the economic center for the State. Set forth below is a listing of the number of inhabitants in the City for official census years from 1980 to 2020.

<u>Year</u>	<u>Population</u>
1980	156,804
1990	160,728
2000	173,618
2010	178,042
2020	190,934

Source: U.S. Census Bureau

Income Levels

The following table represents the per capita and median family income and the percent change from 2023 to 2024 according to the 2020-2024 American Community Survey and reflecting the latest period for which data is available:

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2023</u>	<u>2024</u>	<u>% Change</u>	<u>2023</u>	<u>2024</u>	<u>% Change</u>
Providence	\$ 36,694	\$ 37,138	1.21%	\$ 78,679	\$ 80,994	2.94%
Rhode Island	\$ 46,525	\$ 47,150	1.34%	\$ 110,143	\$ 112,375	2.03%

Source: 2020-2024 American Community Survey

Unemployment

The most recent labor market information summary prepared by the Rhode Island Department of Labor and Training indicates that seasonally unadjusted unemployment rates for the years 2020 through 2025 and monthly 2026 are as shown in the following tables:

	<u>Annualized</u>				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025*</u>
Providence	6.5 %	4.0 %	3.9 %	5.3 %	5.5 %
Rhode Island	5.6	3.2	3.0	4.3	4.5
United States	5.3	3.6	3.6	4.0	4.3

*Due to the Federal Government shutdown, there were no estimates produced for October 2025

Source: RI Department of Labor & Training
Not Seasonally Adjusted

	2026						
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>
Providence	6.4 %	7.0 %	6.1 %	4.0 %	4.1 %	3.9 %	4.3 %
Rhode Island	5.4	5.8	4.9	3.3	3.4	3.2	3.6
United States	4.7	4.7	4.3	4.0	4.1	4.4	4.4

Source: RI Department of Labor & Training
Not Seasonally Adjusted

Employment

As the economic center of Rhode Island, Providence is a focus for professional, commercial, and industrial enterprise conducted within the State. As of December 2025, the latest period available, according to the Department of Labor and Training, business in Providence provided 22% of all Rhode Island jobs. Providence provides the direct source of employment and income for an area that extends well beyond the City borders and the Providence metropolitan area.

In the past two decades, the City's economic base has shifted in a fashion consistent with national trends. Dramatic growth in the service industries, especially in health, educational and business services, and gradual suburbanization of manufacturing firms has caused the service sector to surpass manufacturing as a source of employment which historically had been the mainstay of the Providence economy. Private sector employment in Providence averaged 97,618 jobs for 2025 with data compiled as of May 2026, the highest among all municipalities in the State.

Type of Employment

The following is a listing of the various types of industry in the City compiled by the Rhode Island Department of Labor and Training in May 2026 for calendar year 2025, the latest period for which data is available.

	<u>Total Wage</u>	<u># of Units</u>	<u>Avg. Empmnt.</u>	<u>% of Covered Emp.</u>
Agriculture, Forestry, Fishing & Hunting	*	7	*	0.00 %
Mining	*	1	*	0.00
Utilities	\$ 156,930,497	18	1,171	1.20
Construction	247,480,616	377	2,453	2.51
Manufacturing	133,310,771	184	2,363	2.42
Wholesale Trade	187,644,687	329	2,034	2.08
Retail Trade	237,972,633	664	6,081	6.23
Transportation & Warehousing	104,641,690	167	1,646	1.69
Information	127,845,494	322	1,171	1.20
Finance & Insurance	608,715,482	387	3,719	3.81
Real Estate & Rental & Leasing	97,185,501	223	1,287	1.32
Professional & Technical Services	952,090,204	1,831	7,500	7.68
Management of Companies and Enterprises	418,511,882	50	2,722	2.79
Administrative & Waste Services	344,455,765	565	5,647	5.78
Educational Services	1,049,801,321	233	13,813	14.15
Health Care & Social Assistance	2,262,345,686	1,253	30,141	30.88
Arts, Entertainment, & Recreation	76,694,398	98	1,371	1.40
Accommodations & Food Services	338,697,851	677	10,098	10.34
Other Service Except Public Admin	240,025,487	841	4,399	4.51
Unclassified Establishments	238,821	7	2	0.00
TOTAL	\$ 7,584,588,786	8,234	97,618	100.00 %

Source: Rhode Island Department of Labor and Training.

Data compiled May 2026 (Annual 2025 data)

* Some data not shown to avoid revealing data of a specific employer

Economic Development

By focusing on the issues that have a tangible impact on residents and businesses in every neighborhood, Mayor Smiley is putting Providence on a path to becoming the best-run city in America. Since taking office, he has made strategic investments in public safety, housing, education and climate resiliency and is working to make City Hall a center for accessible, high-quality services. Under his leadership, Providence is:

- Addressing systemic challenges that are impacting communities across the nation like homelessness and affordable housing with innovative, data-driven solutions.
- Collaborating across departments to streamline permitting processes and shift zoning regulations to make the development of new housing units in Providence easier.
- Putting the safety of all those who live, work and visit the City first by increasing investments in the Police and Fire Departments, bolstering community policing efforts and prioritizing lowering both violent crimes and quality-of-life crimes.
- Planning for the long-term financial stability of the City through the negotiation of historic payment in lieu of taxes agreements with Providence's colleges and universities, more than doubling the previous financial contributions agreements.
- Investing in and revitalizing the City's sidewalks, roads, parks and greenspaces, ensuring that every resident lives within a ten-minute walk of a park or greenspace.
- Prioritizing climate resiliency as a core component of the City's ongoing infrastructure plans. Under Mayor Smiley's leadership, Providence is proactively preparing for extreme weather and is investing in stormwater management and green infrastructure to build a healthier, more sustainable future for generations to come.
- Focusing on the local quality of life issues that matter most to residents and local businesses.

Significant construction continued in Providence throughout 2026, particularly in the Downtown core and nearby neighborhoods, with residential and institutional projects being most common. New residential apartment development in 2027 will focus on the neighborhoods surrounding Brown University and Providence College. Elsewhere in Providence, particularly in outer ring neighborhoods, permitting for one to three family dwellings reached a new high in 2025 with unusually strong subdivision activity in the final quarter of 2025 suggesting another busy construction season for one to three family dwellings in 2026. Lastly, construction activity is anticipated for numerous City infrastructure projects, including several new-build public schools and a large public works garage. The 2026 construction pipeline features:

- 4,588 housing units under construction, fully approved, or undergoing plan review. Of these, 935 are affordable housing units.
- 548,175 square feet of commercial space under construction, nearly all of which is general retail or office space.

Projects completed in FY2026 include:

- 988 new housing units (40% affordable) and 113,734 square feet of commercial space.
- Track 15, a food hall housed within Providence's historic and recently renovated Union Station.
- Several other renovations to historic buildings, comprising 179 new dwelling units.
- Institutional projects at area schools and hospitals, including a nursing school at Providence College and a labor and delivery center at Women & Infants Hospital.

Demographics

According to the American Community Survey (“ACS”) 2020-2024 the population of the City increased between 2023 and 2024 from 190,214 to 191,767. As of 2024, the demographic profile of the City consisted of Caucasians representing approximately 37.4% of the population, African Americans representing approximately 11.5%, Hispanics representing approximately 45.3%, Asians representing 6.2% and Native Americans representing roughly 1.0%.

Housing Units

The total number of housing units in the City according to the 2024 ACS is 79,423. This represents a decrease of 139 units from the 2023 ACS data. Of the 79,423 units, 7,926 were vacant, showing a decrease of 262 vacant units from the 2023 ACS data. The actual “for sale and for rent” vacancy rate is 3.87%, indicative of strong demand and constrained supply. The median selling price of an existing home in the City was \$424,500 compared to \$475,000 statewide in 2025.

Building Permits

The following table lists the number and value of building permits from fiscal year 2016 through fiscal year 2025, which is the most recent available, noting that the total number of permits in fiscal year 2024-2025 was the highest in the 10 most recent fiscal years:

PROPERTY TAXES

General

Under Rhode Island law, municipalities, including the City, are restricted from levying general taxes except ad valorem taxes upon real and tangible personal property. Under Rhode Island law, valuations of real and personal property are assessed as of December 31 and the levy thereon may be paid in full or quarterly without penalty, at the taxpayer's option. In Providence, the fiscal year begins July 1 with taxes based upon the prior December 31 assessment payable in full before July 24 or quarterly in July, October, January, and April. No discount is allowed by the City for advance payment of taxes.

The City has yearly tax sales for delinquent real property taxes and delinquent personal property taxes are collected through various procedures. The City assesses an interest charge of 12% per annum on delinquent accounts.

For the City, the three classes of property taxes are (1) residential real property, (2) commercial/business real property, and (3) tangible personal property. Class 1 has been further delineated into four sub-classes as follows- (i) *Class 1A*: residential real estate consisting of one (1) dwelling unit; (ii) *Class 1B*: Residential real estate consisting of two to five dwelling units; (iii) *Class 1C*: residential real estate consisting of six to 10 dwelling units; and (iv) *Class 1D*: residential real estate consisting of more than (10) dwelling units.

The Tax Rates in effect for fiscal year 2027 remain the same as fiscal year 2026, and are as follows:

- (1) The non-owner-occupied tax rate applicable to Class 1A is \$14.60 per \$1,000 of assessed value and the owner-occupied rate applicable to Class 1A is \$8.40 per \$1,000 of assessed value.
- (2) The non-owner-occupied tax rate applicable to Class 1B is \$14.00 per \$1,000 of assessed value and the owner-occupied rate applicable to Class 1B is \$7.55 per \$1,000 of assessed value.
- (3) The tax rate applicable to Class 1C is \$26.00 per \$1,000 of assessed value.
- (4) The tax rate applicable to Class 1D is \$28.50 per \$1,000 of assessed value.
- (5) The tax rates applicable to Class 2 is \$29.20 per \$1,000 of assessed value.
- (6) The tax rates applicable to Class 3 is \$53.40 per \$1,000 of assessed value.

In keeping with the authorization provided in Rhode Island General Laws Sections 44-3-31 and 44-3-24, and section 21-126 of the Providence Code of Ordinances, the City through its Levy Ordinance No. 326 of Chapter 2025-30, adopted July 15, 2025, is authorized to provide various exemptions that reduce the assessed value of taxable property owned by certain individuals as a primary residence.

Veterans' and military exemptions. The exemptions with respect to the taxable property of veterans, as defined in Rhode Island General Laws Sections 44-3-4(a) and 44-3-4.2, are fixed as follows: (i) for veterans or their un-remarried

widow or widower: \$37,091.00 of assessed value, but in no event shall the tax savings be more than \$306.00 per applicant (ii) for veterans who are totally disabled, as defined in Rhode Island General Laws Section 44-3-4(c): \$74,424.00 of assessed value, but in no event shall the tax savings be more than \$614.00 per applicant (iii) for veterans who are totally disabled and living in specially adapted housing, as defined in Rhode Island General Laws Section 44-3-4(b) (but not qualifying under Sections 44-3-4(i)) \$83,597.00 of assessed value, but in no event shall the tax savings be more than \$1,534.00 per applicant; (iv) for Gold Star Parents, as defined in Rhode Island General Laws Section 44-3-5(a): \$55,758.00 of assessed value, but in no event shall the tax savings be more than \$460.00 per applicant; and (v) for prisoners of war or their unmarried widow or widower, as defined in Rhode Island General Laws Section 44-3-4(e): \$93,333.00 of assessed value, but in no event shall the tax savings be more than \$770.00 per applicant.

Other exemptions. For any person sixty-five (65) years of age or over, the exemption is fixed at \$90,909.00 of assessed value, but in no event shall the tax savings be more than \$750.00 per applicant. Also, for persons who are one hundred percent (100%) disabled as determined pursuant to Title II and Title XVI of the Social Security Act, 42 U.S.C. § 401 et seq., and 42 U.S.C. § 1381 et seq., as amended, or who, by reason of their being one hundred percent (100%) disabled, are receiving disability payments from sources other than the social security administration (such as employees of the railroad, federal civil service, postal service, and the Providence police and fire departments) the exemption is fixed at \$60,485.00 of assessed value, but in no event shall the tax savings be more than \$499.00 per applicant. Additionally, for any person ages 62 through 64 who is receiving social security benefits, the exemption is fixed at \$55,758.00 of value, but in no event shall the tax savings be more than \$499.00 per applicant.

Any such increase in exemption over the amount provided by general or special law shall apply only to real property within Class 1A

Furthermore, Rhode Island General Laws Section 44-5.3.1 provides an exception on the aggregate amount of all ratable, tangible personal property not otherwise exempt from taxation in the amount of \$50,000 of assessed value.

Motor Vehicle Tax Exemption

Rhode Island legislation has phased out the motor vehicle tax entirely.

Tax Limitations

Rhode Island General Laws Section 44-5-2 limits the amount by which a city or town may increase its tax levy unless it qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitating significant expenditures. For fiscal year 2013 and thereafter, the maximum amount by which a city or town can increase its tax levy has been four percent.

Any levy pursuant to Section 44-5-2 in excess of the percentage increase as specified in the immediately preceding paragraph shall be approved by the affirmative vote of at least four-fifths of the full membership of the governing body of the city or town and, in the case of a town with a financial town meeting, the majority of electors present and voting at the financial town meeting shall also approve the excess.

Section 44-5-2 makes it clear that nothing contained in that Section constrains the payment of obligations as described by Section 45-12-1 of the Rhode Island General Laws, which provides that the outstanding notes, bonds and contracts of cities and towns shall be paid and be fulfilled according to their tenor, the power and obligation of each city and town to pay its general obligation bonds and notes shall be unlimited and each city and town shall levy ad valorem taxes upon all taxable property within the city or town for the payment of such bonds and notes and interest thereon, without limitation as to rate or amount, except as otherwise provided by or pursuant to law.

Assessed Valuations

The following table sets forth the assessed valuation of real and personal property in the City as of December 31, for the calendar years 2021 through 2025, which equate to the fiscal year 2023 through 2027 tax rolls.

Assessed December 31,	2021	2022	2023	2024	2025
Real Estate	\$ 17,339,317,912	\$ 17,425,047,344	\$ 17,630,249,074	\$ 24,259,785,074	\$ 24,435,021,774
Motor Vehicles	-	-	-	-	-
Tangible Property	1,258,452,810	1,328,579	1,622,712,442	1,656,340,357	1,596,650,623
Total Assessed Valuation	\$18,597,770,722	\$17,426,375,923	\$19,252,961,516	\$25,916,125,431	\$26,031,672,397
Less Exemptions	(4,321,886,367)	(4,261,206,354)	(843,166,216)	(1,281,598,284)	(1,306,530,026)
Net Taxable Real & Tangible Personal Property	\$ 14,275,884,355	\$ 14,492,419,990	\$ 18,409,795,300	\$ 24,634,527,147	\$ 24,725,142,371
Estimated Full Valuation	\$ 18,597,770,722	\$ 18,753,626,344	\$ 19,252,961,516	\$ 25,916,125,431	\$ 26,031,672,397
Fiscal Year	2023	2024	2025	2026	2027
Source: City Assesor					

Analysis of Assessed Values

The following table sets forth the percentage by type of assessed valuation of all taxable real and personal property in the City as reflected in the Tax Rolls for the fiscal year ending June 30, 2026:

Class	% of Total Assessed Valuation	
	City	State
Residential	72.80 %	82.80 %
Commercial/Industrial	21.00	14.32
Tangible	6.20	2.88
	100.00 %	100.00 %

Source: RI Division of Municipal Finance

Revaluation

The City completed a statistical revaluation of all real property in accordance with Rhode Island law. The date of assessment was effective for December 31, 2024, for the July 2025 tax bills. The statistical revaluation of real property resulted in the City's taxable gross assessments increasing by 35%. This equated to a \$6,663,163,915 increase from \$19,252,961,516 to \$25,916,125,431.

City's Largest Taxpayers

Set forth in the following table is a list of the largest taxpayers in the City in fiscal year 2027 based upon real and personal property (tangible) assessed valuations as of December 31, 2025. These 20 properties represent 18.16% of the total tax levy. No one taxpayer on this list is responsible for more than 8.1% of the total levy.

Rank	Company	Real Estate Assessments	Real Estate Tax	Tangible Assessments	Tangible Tax	Total Taxes	% Total Levy
1	Narragansett Electric Co.	\$ 108,676,600	\$ 3,173,357	\$ 591,559,565	\$ 31,583,941	\$ 34,757,298	8.05 %
2	National Grid LNG LP	-	-	279,687,427	14,932,639	14,932,639	3.46
3	Dominion Energy Manchester Street Inc.	39,936,371	1,166,142	23,806,186	1,268,580	2,434,722	0.56
4	Blue Cross & Blue Shield	67,214,600	1,962,666	8,109,453	430,375	2,393,041	0.55
5	Triton Terminaling LLC	30,224,100	882,544	24,638,489	1,313,025	2,195,569	0.51
6	Promenade Street Owner LLC	83,169,700	2,182,173	-	-	2,182,173	0.51
7	Regency Plaza LLC	65,087,300	1,857,107	-	-	1,857,107	0.43
8	WT Terminal Providence LLC	14,102,900	411,805	26,648,791	1,420,375	1,832,180	0.42
9	Omni Rhode Island LLC	52,302,000	1,527,218	3,735,972	196,831	1,724,049	0.40
10	HGIT 50 Park Row West LLC	58,940,100	1,689,695	182,792	7,091	1,696,786	0.39
11	Cox com Inc.	1,895,500	55,349	28,895,582	1,540,354	1,595,703	0.37
12	Walter L. Bronhard	70,538,500	1,535,566	-	-	1,535,566	0.36
13	Brown University	52,113,200	1,398,421	-	-	1,398,421	0.32
14	10 Memorial LLC	50,717,300	1,300,000	-	-	1,300,000	0.30
15	CJUF III MJH Providence LLC	33,039,400	964,750	4,119,907	217,333	1,182,084	0.27
16	Providence Financial Plaza LLC	40,256,600	1,175,493	-	-	1,175,493	0.27
17	261 LLC	60,509,900	1,155,170	-	-	1,155,170	0.27
18	02908 Holdco LLC	75,983,800	1,075,686	-	-	1,075,686	0.25
19	Textron Realty Corp.	33,129,400	967,378	1,054,630	53,647	1,021,026	0.24
20	The Flynn LLC	33,703,800	963,056	-	-	963,056	0.22
Top 20 Taxpayers Percent of Total Levy		\$ 971,541,071	\$ 25,443,577	\$ 992,438,794	\$ 52,964,192	\$ 78,407,768	18.16 %
* Indicates a Tax Stabilization Agreement							
Source: City Assessor							
Totals may not add due to rounding.							

Tax Levy and Collection Records

Following is a chart detailing the tax levy and collection records for the City for fiscal years 2017- 2026:

Year Ending June 30	Tax Year	Levy	Net Additions & Abatements	Net Levy	Collected End of Fiscal Year	Percent of Net Levy at End of Fiscal Yr	Collected as of 6/30/2026	Percent of Net Levy as of 6/30/2026
2026	25	\$ 434,346,721	\$ (7,173,155)	\$ 427,173,566	\$ 415,288,076	97.22 %	\$ 415,288,076	97.22 %
2025	24	412,153,984	(11,255,046)	400,898,938	393,241,502	98.38	397,245,470	99.09
2024	23	397,678,717	(13,339,203)	384,339,514	378,955,066	98.71	382,860,414	99.62
2023	22	386,279,404	(12,432,087)	373,847,317	369,519,719	98.73	373,700,390	99.96
2022	21	380,750,940	(12,412,480)	368,338,460	362,970,056	97.62	367,670,088	99.82
2021	20	371,036,056	(9,955,734)	361,080,321	352,378,672	97.33	360,160,272	99.75
2020	19	357,927,849	8,696,994	349,230,855	339,684,148	97.30	339,684,148	99.69
2019	18	358,895,513	8,582,213	350,313,299	344,202,602	98.23	344,202,602	99.53
2018	17	363,953,371	8,342,024	355,611,347	348,884,056	97.77	348,884,056	99.42
2017	16	364,264,528	9,861,513	354,403,015	344,482,858	96.79	344,482,858	99.30

Source: City Tax Collector

CITY FINANCES

General

The City's CFO is appointed by the Mayor and participates in major financial policy undertakings and decisions within the City, including analysis of debt service capacity and associated debt service management, pension and other post-employment benefits (OPEB). The CFO is the lead financial official for all financial transactions, spearheading or directing negotiations associated with the development of revenue opportunities.

Under the City Charter, the City has a Finance Department headed by a Finance Director who is appointed by the Mayor with the approval of the City Council. The Finance Director has charge of the administration of the financial affairs of the City, with specific responsibility for assessing, collecting and authorizing the disbursement of all City money, for preparing and administering the annual City Budget, and for accounting of all financial transactions. The following divisions are located within the finance department: assessment, collections and accounting divisions.

The City Treasurer is elected by the City Council, with duties relating to accounting for receipts and disbursements and issuing notes and bonds of the City.

Basis of Accounting

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred.

The City recognizes property tax revenues in accordance with generally accepted accounting principles. Only those property tax payments due as of the end of the fiscal year and received within 60 days thereafter are recognized as revenue. All unpaid property taxes as of the end of the fiscal year are recorded as receivables. Those not collected within 60 days are recorded as deferred revenue if the eventual collection appears likely or are rescinded by an allowance for doubtful accounts if the eventual collection appears unlikely.

City's Financial Statements

See "Appendix B – Audited Financial Statements of the City of Providence, Rhode Island".

The City's audited financial statements for the fiscal year ended June 30, 2025 (the "City's FY 2025 Audited Financial Statements") were originally issued on December 26, 2025. On March 30, 2026, following consultation with the City and the Authority, CliftonLarsonAllen LLP, the City's and the Authority's independent auditor, restated and reissued the City's FY 2025 Audited Financial Statements (the "City's Restated FY 2025 Audited Financial Statements") and issued the Authority's audited financial statements for the fiscal year ended June 30, 2025 (the "Authority's FY 2025 Audited Financial Statements").

In preparing the Authority's FY 2025 Audited Financial Statements, the Auditor determined that the accounting of the Master Lease Agreement and the PAP Notes was not being appropriately recorded by the Authority and the City. The auditor provided revised guidance regarding the appropriate reporting of these transactions, which resulted in a restatement of the Authority's beginning net position at July 1, 2024 from \$20,459,000 to \$(154,476,000). The City's Governmental Activities, Business-Type Activities and Providence Public Buildings Authority beginning net positions were restated accordingly to reflect this adjustment.

Such restatements are reflected in the Authority's FY 2025 Audited Financial Statements included herein as APPENDIX B and the City's Restated FY 2025 Audited Financial Statements included herein as APPENDIX C. The restatements were necessary to ensure compliance with GASB No. 87, Leases, and other applicable GAAP requirements.

The accounting presentation historically used by the Authority and the City was based on guidance and expert opinions provided and affirmed by previous and current auditors, as well as other professional advisors. Such guidance was relied upon in good faith and applied consistently over a number of years. Nevertheless, the City and the Authority: (i) acknowledge that the condition identified in the auditor's findings resulted from a misinterpretation of applicable accounting requirements and (ii) concur with the auditor's assessment regarding the above-described misstatement.

The City will continue to work closely with the Authority, the auditors, and other qualified advisors to maintain appropriate internal controls, apply current technical guidance, and ensure that the Authority's financial statements and related City presentations are prepared accurately and in conformity with all applicable standards.

Investors should rely on the City's Restated FY 2025 Audited Financial Statements, and not on the City's FY 2025 Audited Financial Statements as originally issued. For additional information, please see Note 17 to the City's Restated FY 2025 Audited Financial Statements included herein as Appendix B.

The restatements represent technical corrections in the accounting and presentation of certain items in the Authority's and the City's financial statements. The restatements did not alter the amount or terms of the City's or the Authority's outstanding bonded indebtedness including the Prior Bonds, the City's obligations to make lease or other payments under the Master Lease securing the Prior Bonds and the 2026 Series A Bonds, or the cash flows available to pay debt service. The City and the Authority therefore do not consider the restatements to represent a material adverse change in their overall financial condition or operations.

Five-Year Comparison of General Fund Operations

The following table shows the changes in fund balance in the General Fund for fiscal years 2021 through 2025 (in millions), reflecting an increase in each successive year:

	(\$Millions)				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Unassigned fund balance, beginning....	\$ 25.14	\$ 28.82	\$ 29.36 *	\$ 29.80	\$ 30.56
Increase	3.68	0.83	0.43	0.76	2.70
Unassigned fund balance, ending.....	\$ 28.82	\$ 29.65	\$ 29.79	\$ 30.56	\$ 33.26

Source for FY 2021-2025: Audited Financial Statements

*Restated

Self-Insurance Medical Budget

The City's management of its self-insured medical budget resulted in a \$2.5 million surplus for fiscal year 2025. Combined with prior year's cumulative fund balance, reserves for medical expenses now total approximately \$18.89 million or slightly more than 16% of the \$117.6 million self-insured medical budget. These reserves provide a safeguard against catastrophic claims and align with Government Finance Officers Association ("GFOA") best practice recommendation one-sixth of the self-insured budget.

City Budget

Pursuant to State law, the Mayor must submit the City's annual operating budget to the City Council no later than sixty days prior to June 30 for the City Council's review and approval. The Mayor and City Council approved the Fiscal Year 2027 Operating Budget on June 22, 2026. The State's fiscal year 2026 budget fully funds the City's anticipated Distressed Community Aid and Payment in Lieu of Taxes ("PILOT") payments. The City's adopted fiscal year 2027 budget is balanced without the use of existing City fund balance. The City has made all debt service payments for general obligation debt, PBA debt and PRA debt.

The City had a \$2.7 million audited, combined year-end June 30, 2025 operating surplus. When combined with the \$30.5 million beginning fund balance, this resulted in a \$33.3 million accumulated fund balance at fiscal year-end 2025. Accumulated fund balance now represents 5.3% of the total operating budget for fiscal year 2026.

The fiscal year 2026 Operating Budget of \$624,786,592 represents an increase of \$25,014,716 over the fiscal year 2025 Operating Budget. The adopted fiscal year 2026 budget is balanced without the use of existing City fund balance. Total tax revenue increased by \$15,604,307 due to changes in tax rates, natural levy expansion and a decrease in the assumed collection rate due to a known risk in the levy. The fiscal year 2025 levy was budgeted at a collection rate of 94.25% and the fiscal year 2026 levy is budgeted at a collection rate of 93%. Starting in fiscal year 2025, the City transitioned from a homestead exemption to a bifurcated tax rate for residential properties (owner-occupied and non-owner-occupied). The fiscal year 2026 budget includes the implementation of split owner-occupied residential property rates of \$8.40 for single family homes and \$7.55 for two-to-five-unit homes. The split rates for non-owner-occupied residential property are \$14.60 for single family and \$14.00 for two-to-five-unit homes. New combined tax rates were created for owner-occupied and no-owner occupied six-to-10-unit residential properties and more than 11-unit residential properties of \$26.00 and \$28.50, respectively.

The fiscal year 2027 Operating Budget of \$635,828,389 represents an increase of \$11,041,797 over the fiscal year 2026 Operating Budget. The adopted fiscal year 2027 budget is balanced without the use of existing City fund balance. Total tax revenue increased by \$3,421,191 due to natural levy expansion. The fiscal year 2026 levy was budgeted at a collection rate of 93% and the fiscal year 2027 levy is budgeted at a collection rate of 94.75%.

Due to RIDE's operation of the PPSD, the school operating budget is no longer included in the City's annual budget ordinances and State aid for education is now allocated directly to the school district (See "THE CITY OF PROVIDENCE- Municipal Services - City School System" herein).

The City has enjoyed stable cash flow during the past 24 months. Cash flow is managed very strictly by the Finance Department in conjunction with the City Treasurer's office on a daily and regular basis. The daily cash balance has averaged \$40 million since January 2020.

Although the City is reliant upon the timing of State funds and State Housing Aid funds for School Bonds, when debt service on those bonds is due (approximately 80% reimbursement on qualified school debt construction), it should be noted that the City has been successful in establishing a payment first, with near same-day reimbursement back to the City, during the periods of idle cash demand. This technique has had the effect of resulting in minimizing the turnaround time of reimbursements to cash flow in almost all cases on those bond issues that provide for reimbursement.

The table below shows adopted budgets for fiscal years 2025, 2026, and 2027.

General Fund Budget (in thousands) for Fiscal Years 2025-2027

<u>Revenues and Transfers</u>	<u>Budget 2025</u>	<u>Budget 2026</u>	<u>Budget 2027</u>
<i>Tax Revenue:</i>			
Property Taxes	\$ 379,439.0	\$ 395,043	\$ 402,835
Interest on overdue taxes	4,500	4,700	-
Total Tax Revenues	\$ 383,939	\$ 399,743	\$ 402,835
Payment in lieu of taxes	\$ 37,274	\$ 39,798	\$ 37,144
Tax stabilization plans	18,211	17,855	13,484
State Revenue	89,451	92,027	96,430
Fines	-	-	17,056
Investment interest	3,942	3,942	3,942
Finance	5,156	5,637	5,699
Public Safety	10,950	12,159	11,704
Building inspection department	9,068	10,092	10,092
Public works	3,779	4,475	4,700
Public Lands and Parks/Recreation	340	396	396
Other Departments	25,924	27,939	19,198
Public properties	228	193	198
<i>Transfers:</i>			
from rescue runs	6,300	6,700	7,500
from ARPA	2,000	500	-
from police/fire detail fund	2,950	3,071	3,230
from North Burial Ground	260	260	260
from 284	-	-	200
from Debt Service Reserve	-	-	1,760
Total Revenue and Transfers	\$ 599,772	\$ 624,787	\$ 635,828
<u>Expenditures and Transfers</u>	<u>Budget 2025</u>	<u>Budget 2026</u>	<u>Budget 2027</u>
Executive, legislative and judicial	\$ 16,167	\$ 17,496	\$ 18,704
Finance	95,690	96,913	94,871
Public Safety	209,418	215,986	229,268
Building inspection department	5,191	5,410	5,954
Public works	31,999	35,024	35,455
Recreation	5,588	5,441	5,521
Public lands and parks	14,442	15,147	14,613
Other departments	16,991	16,823	8,630
Grants	6,697	7,007	7,111
Public properties	12,371	9,439	9,704
<i>Transfers:</i>			
to School Department	135,547	147,000	152,244
to Retiree Benefits	26,987	28,212	31,203
to Active Medical	22,684	24,889	22,550
Total Expenditures and Transfers	\$ 599,772	\$ 624,787	\$ 635,828
Over Revenues and Transfers	-	-	-

Source: City Finance Department

The following table shows budget to actual results for fiscal years 2023 through 2025.

Schedule of Revenues and Expenditures
Budget and Actual - General Fund (in thousands) Fiscal Year ended June 30,

<u>Revenues and Transfers</u>	<u>Budget 2023</u>	<u>Actual 2023</u>	<u>Budget 2024</u>	<u>Actual 2024</u>	<u>Budget 2025</u>	<u>Actual 2025</u>
<i>Tax revenues:</i>						
Property taxes	\$ 362,442	\$ 359,304	\$ 368,591	\$ 368,431	\$ 379,439	\$ 384,179
Interest on overdue taxes	4,300	4,167	4,500	4,757	4,500	4,706
Total tax revenues	\$ 366,742	\$ 363,471	\$ 373,091	\$ 373,188	\$ 383,939	\$ 388,885
Payment in lieu of taxes	\$ 34,078	\$ 37,515	\$ 37,515	\$ 37,289	\$ 37,274	\$ 39,807
Tax stabilization plans	14,781	14,576	18,632	15,512	18,211	15,254
State revenue	65,508	64,369	71,122	68,946	89,451	78,929
Fines	3,337	2,206	3,500	3,719	-	4,825
Investment interest	400	1,055	1,900	3,416	3,942	3,449
Miscellaneous	-	3,204	2,872	9,322	-	8,810
Executive, legislative, and judicial	-	316	274	321	-	329
Finance	5,115	381	1,955	351	5,156	731
Public safety	10,351	10,577	14,037	12,326	10,950	11,545
Building inspection department	8,811	6,262	7,069	9,477	9,068	12,333
Public works	3,841	2,649	333	408	3,779	550
Public Lands and Parks/Recreation	340	483	340	427	340	239
Other departments	22,282	20,587	26,303	29,740	25,924	41,990
Public properties	384	724	225	454	228	228
<i>Transfers:</i>						
From rescue runs	5,200	5,431	6,000	6,511	6,300	7,586
From ARPA	25,210	11,531	18,315	-	2,000	2,051
from police/fire detail fund	1,700	2,668	2,120	2,737	2,950	2,721
from Eky Trust Fund	-	-	-	10	-	-
from North Burial Ground	260	117	260	173	260	334
Total Revenues and Transfers	\$ 568,340	\$ 548,122	\$ 585,864	\$ 574,327 *	\$ 599,772	\$ 620,596
<u>Expenditures and Transfers</u>	<u>Budget 2023</u>	<u>Actual 2023</u>	<u>Budget 2024</u>	<u>Actual 2024</u>	<u>Budget 2025</u>	<u>Actual 2025</u>
Executive, legislative and judicial	\$ 12,549	\$ 15,946	\$ 16,277	\$ 16,001	\$ 16,167	\$ 16,182
Finance	81,212	93,810	98,282	96,740	95,690	104,324
Public safety	188,656	171,537	201,871	184,142	209,418	202,386
Building inspection department	4,525	3,438	4,155	3,600	5,191	4,396
Public works	26,036	23,504	27,051	27,669	31,999	28,962
Recreation	4,870	4,165	4,799	4,616	5,588	5,009
Public lands and parks	15,156	14,852	14,835	15,321	14,442	16,014
Other departments	43,179	24,899	18,419	17,229	16,991	19,294
Grants	6,345	6,498	6,405	6,380	6,697	6,675
Public properties	8,022	10,488	15,361	12,520	12,371	9,589
<i>Transfers:</i>						
to School Department	130,047	130,047	130,047	134,047	135,547	143,865
to Retiree Benefits	27,212	27,084	26,120	26,120	26,987	28,987
to Active Medical	20,531	21,804	22,143	22,134	22,684	22,134
to Other Departments	-	-	100	7,358	-	10,200
Total Expenditures and Transfers	\$ 568,340	\$ 548,072	\$ 585,864	\$ 573,877 *	\$ 599,772	\$ 618,017
Over Revenues and Transfers	\$ -	\$ 50	\$ (0)	\$ 450	\$ -	\$ 2,579

Source: City Finance Department

Reporting Requirements of Municipalities and School Districts

In June 2003, the Rhode Island General Assembly passed new financial reporting requirements for municipalities in order to ensure that municipalities and school districts monitor their financial operations on an ongoing basis and to prevent potential budget deficits (Rhode Island General Laws Section 45-12-22.1 et seq. (the "Financial Reporting Act")).

Reporting

- The chief financial officer of the municipality must submit monthly reports to the municipality's chief executive officer, each member of the city or town council, and school district committee certifying the status of the municipal budget, including the school department budget or regional school budget.
- The chief financial officer of the municipality must also submit quarterly reports to the State Division of Municipal Finance, the Commissioner of Education, and the Auditor General certifying the status of the municipal budget. The chief financial officer of the school department or school district shall certify the status of the school district's budget and shall assist in the preparation of these reports.
- If any reports project a year-end deficit, the chief financial officer of the municipality must submit a corrective action plan, providing for the avoidance of a year-end deficit, to the State Division of Municipal Finance, the Commissioner of Education, and the Auditor General on or before the last day of the month succeeding the close of the fiscal quarter.
- If, at the end of the fiscal year, the chief financial officer determines that it is likely that the city or town's general fund or combined general fund and unrestricted school special revenue fund will incur a deficit, the municipality must immediately develop a plan to eliminate the accumulated year-end deficit by annual appropriation over no more than five (5) years, in equal or diminishing amounts. This plan must be submitted to the State Auditor General for approval.

Restrictions and Requirements

- Except as provided in Chapter 45-9 of the Rhode Island General Laws, no municipality can sell long-term bonds in order to fund a deficit without prior approval by the Rhode Island Auditor General and the Director of the Rhode Island Department of Revenue (the "Director of Revenue").
- No municipality can incur expenditures or obligate the municipality to expend unbudgeted amounts in excess of \$100,000 without first notifying the city or town council of the proposed expenditure and identifying the source of funding. Any such expenditure must be included in the chief financial officer's monthly report.
- No school committee or school department can incur accumulated unbudgeted expenditures in excess of \$100,000 without notifying the chief financial officer of the municipality of the proposed expenditure and identifying the source of funding. Any such expenditure must be included in the chief financial officer's monthly report.
- School committees, boards or regional school districts that are independent government entities within a municipality must cooperate in providing to the chief financial officer all information needed to formulate his or her reports and the deficit elimination plan.

Remedies

- If a municipality does not comply with the requirements of the Financial Reporting Act, the State Auditor General or State Division of Municipal Finance, through the Director of Revenue, may elect any or all of the following remedies:
 - Petition the Superior Court for mandatory injunctive relief seeking compliance with the provisions of the Financial Reporting Act;
 - In the event a municipality fails to provide a year-end deficit elimination plan, implement a financial review commission pursuant to Rhode Island General Laws Section 45-9-5; or

-Withhold State aid.

- If a school committee or board fails to cooperate with the municipality or provide all information requested by the chief financial officer needed to formulate a plan:

-The Auditor General or the Director of Administration may petition the Superior Court to order the school committee or board to cooperate; and

-The Director of Administration may also direct the Rhode Island Controller and General Treasurer to withhold State Aid from a school committee until the school committee or board cooperates in the formulation of the plan.

The City has not been advised by the Auditor General or State's Director of Revenue that it is not presently in compliance with the Financial Reporting Act.

State Oversight

On June 11, 2010, the Rhode Island General Assembly enacted "An Act Relating to Cities and Towns—Providing Financial Stability" (the "Financial Stability Act") the purpose of which is to provide a mechanism for the State to work with cities and towns undergoing financial distress that threatens the fiscal well-being, public safety and welfare of such cities and towns, or welfare of other cities and towns or the State in order to preserve the safety and welfare of the citizens of the State and their property and the access of the State and its municipalities to capital markets.

The Financial Stability Act prohibits municipalities from filing for judicial receivership and clarifies that the Superior Court has no jurisdiction to hear such matters.

The Financial Stability Act gives the State, acting primarily through the Department of Revenue, the power to exercise varying levels of support and control depending on the circumstances. It creates three levels of State oversight and control: Level I--Fiscal Overseer, Level II-- Budget Commission, and Level III -- Receiver. The Director of Revenue, in consultation with the Auditor General, may skip fiscal overseer and budget commission by appointing a receiver in a fiscal emergency.

Fiscal Overseer (Level I)

A fiscal overseer may be appointed by (1) request of the municipality, which request is approved by the State's Division of Municipal Finance and the Auditor General; or (2) the Director of Revenue, if (i) the Director of Revenue, in consultation with the Auditor General, finds that any two or more of the following events have occurred; or (ii) the Director of Revenue finds, in his or her sole discretion, that any two of the following events have occurred which are of such a magnitude that they threaten the fiscal wellbeing of the city or town, or diminish the city's or town's ability to provide for the public safety or welfare of its citizens:

- The city or town projects a deficit in the municipal budget in the current fiscal year and again in the upcoming fiscal year
- The city or town has not filed its audits with the auditor general by the deadlines required by law for two successive fiscal years (not including extensions authorized by the Auditor General)
- The city or town has been downgraded by one of the nationally recognized statistical rating organizations
- The city or town otherwise unable to obtain access to credit markets on reasonable terms
- The city or town does not promptly respond to requests made by the Director of Revenue, or the Auditor General, or the chairpersons of the house or senate finance committees for financial information

The Director of Revenue may also appoint a fiscal overseer for failure to comply with the financial reporting and action plan requirements relating to budget deficits. A fiscal overseer acts in an advisory capacity to municipal officials, approves budgets and reports to State officials regarding progress.

Budget Commission (Level II)

A budget commission may be established by request of a municipality or without such a request, if the fiscal overseer reports to the Director of Revenue that the city or town is unable to present a balanced municipal budget, faces a fiscal crisis that poses an imminent danger to the safety of the citizens of the city or town or their property, will not achieve fiscal stability without the assistance of a budget commission, the tax levy should not be approved, or otherwise determines that a budget commission should be established. A budget commission is composed of five (5) members: three (3) designees of the Director of Revenue, the elected chief executive officer of the city, and the president of the city or town council (or in cities or towns in which the elected chief executive officer is the president of the city or town council, then the appointed city or town manager). A budget commission has more significant powers over financial matters, including but not limited to the power to:

- Amend, formulate and execute annual and supplemental municipal budgets and capital budgets;
- Reorganize, consolidate or abolish municipal departments, commissions, authorities, boards, offices or functions;
- Issue bonds, notes or certificates of indebtedness to fund a deficit of the city or town, to fund cash flow and to finance capital projects.

Receiver (Level III)

The Director of Revenue may appoint a receiver if the budget commission recommends appointment of a receiver after concluding that its powers are insufficient to restore fiscal stability to the city or town. A receiver may exercise any function or power of any municipal officer, employee, board or commission and has the power to file on behalf of a city or town for bankruptcy in federal bankruptcy court.

The City is not under State statutory oversight.

Retirement System

City Employees' Pension Plan

The City has a contributory pension plan, the ERS, covering substantially all City and certain School Department employees. As of July 1, 2024, there were 3,079 active members and 3,317 retired members and beneficiaries in the ERS. Previously, employees who were sworn members of the Fire Department hired on or after July 1, 2011, contributed 9% of their base pay and longevity. Pursuant to an agreement between the International Association of Fire Fighters ("IAFF") and the City ratified on April 29, 2022, the pension contributions for all sworn members of the Fire Department increased to 10% as of July 1, 2022, 11.5% as of July 1, 2023, 13% as of July 1, 2024, and 14.5% as of July 1, 2025, and will increase to 16% as of July 1, 2026. The Fraternal Order of Police ("FOP") and the City ratified an agreement for all sworn members of the Police Department on April 21, 2021, increasing member contributions from 8% to 10.25% as of July 1, 2019, 11.5% as of July 1, 2020, 12% as of July 1, 2021, and 13.5% as of July 1, 2022. As of July 1, 2023, contributions increase to 14.5%, as of July 1, 2024, 15.0%, as of July 1, 2025, 15.5%, and as of July 1, 2026, 16.0%. All other City employees contribute eight percent of compensation.

The ERS is 32.42% funded with a \$1.271 billion net pension liability at June 30, 2025, as shown in the City's fiscal year 2025 audited financial statements. According to the City's actuarial valuation report as of July 1, 2025, dated October 31, 2025 (the "2025 Actuarial Report"), the market value of the total assets of the pension fund amounted to \$609.61 million. The unfunded actuarial accrued liability based on market value of assets decreased from \$1.30 billion at July 1, 2024 to \$1.24 billion at July 1, 2025. The difference between the unfunded actuarial accrued liability as of July 1, 2025 and the unfunded actuarial accrued liability as of July 1, 2024 is the net result of incremental accrued liability changes slightly exceeding investment gains. The City's assumed investment return was reduced to seven percent from eight percent fiscal year ending June 30, 2019 to fiscal year ending June 30, 2020. This change had a significant impact on the City's unfunded liability as it reduced the projected market value of the City's assets by reducing their projected earnings by a full percentage for fiscal year 2022 and all years thereafter.

Payment Timeliness and Impact

Previously, the City funded its annual contributions by October 31 of the following fiscal year. According to the actuary's treatment, the City must pay interest at the assumed investment rate from June 30 until the contribution date.

The City made the fiscal year 2025 payment in early August, following a trend of final payments within 45 days of the fiscal year end. The exception was fiscal year 2020, when payment was delayed until November due to COVID-19-related delays in Payment in Lieu of Taxes (“PILOT”) from the State, which is used to complete the final pension payment. The final fiscal year 2016 payment was made on July 25, 2016, the earliest full payment in 18 years. This trend continued. These timely payments saved the City an estimated \$3.0 million in additional interest compared to pre-2015 payment dates in mid-October. Additionally, by making early payments throughout the fiscal year, leaving only an amount due equal to the State PILOT payment received in July, the City has earned \$13.0 million in interest credits that were credited to the system.

The 2025 Actuarial Report can be viewed at: <http://www.providenceri.gov/controllers-office/financial-reports/> and also can be obtained by calling the City Finance Department at (401) 680-5000. None of the information posted on the website of the City Controller’s Office is incorporated by reference herein.

City Pension Reform and Related Litigation

To reduce the unfunded accrued liability in the ERS, the City sought to suspend certain cost-of-living adjustments (“COLAs”) and capping the amount of pension benefits. On April 30, 2012, the City Council ordained Chapter 2012-20, entitled: “An Ordinance in amendment of Chapter 17, Article VI of the Code of Ordinances entitled ‘Retirement System,’” which suspended future COLAs to pensions for all retired City employees and any beneficiary of a retired City employee who receives a service or disability pension allowance until the ERS achieves a 70% funded level (the “2012 Pension Ordinance”).

Retirees and union groups initiated a legal challenge to the 2012 Pension Ordinance. In April 2013, the City entered into a class action settlement agreement approved by the Rhode Island Superior Court (the “Court Approved Settlement”) with most retirees, whereby the parties agreed, *inter alia*, that the COLAs would be suspended for a ten-year period from January 1, 2013 until December 31, 2022. All members of the purported class were afforded the opportunity to exclude themselves from the settlement agreement. Several dozen retirees opted out of the Court Approved Settlement and pursued their case in the Rhode Island Superior Court, challenging the validity of the 2012 Pension Ordinance. In a written decision filed on March 16, 2016, the hearing justice granted the City’s motion for partial summary judgment with respect to Takings Clause and promissory estoppel claims. After a full bench trial on the remaining claims: violation of Contract Clause of the United States and Rhode Island Constitutions and breach of contract, Superior Court Justice Taft-Carter found in favor of the City. In February 2017, she issued a written decision in which she denied and dismissed the claims for breach of contract and concluded that the 2012 Pension Ordinance had not violated the Contract Clause. The retirees appealed that decision to the Rhode Island Supreme Court. After full briefing and arguments, the Supreme Court issued a ruling on June 30, 2020 that affirmed in part, vacated in part and reversed in part Justice Taft-Carter’s judgment. The opinion written by Chief Justice Suttell (i) affirmed the summary judgment in favor of the City with respect to the plaintiffs’ claims under the Takings Clause and for promissory estoppel, (ii) reversed the judgment with respect to the plaintiffs who were affected by prior judicial adjudication regarding their COLA benefits, finding the 2012 Pension Ordinance unenforceable because it represented a violation of the separation of powers provision in article 5 of the Rhode Island Constitution, resulting in the reinstatement of their COLA benefits and reimbursement for prior unpaid COLA benefits (at a cost of approximately \$4.5 million) and (iii) vacated the judgment that the 2012 Pension Ordinance was a reasonable and necessary action to achieve an important public purpose, citing in particular that the COLA suspension was not temporary in nature and therefore not reasonable or necessary. The Supreme Court remanded the case to the Superior Court for a determination of a reasonable length of time for the COLA suspension to remain in effect. On September 30, 2021, the Superior Court concluded that a ten-year COLA suspension is a reasonable length of time for the individuals who were not affected by prior judicial adjudications, denying the opt-out retirees prejudgment interest on their reinstated COLAs. The opt-out retirees are seeking reversal of the Superior Court’s decision. The case is currently pending before the Supreme Court.

The \$4.5 million retroactive payment noted above was paid by the pension fund in December of 2020. This retroactive payment will have no effect on the City’s General Fund. The Supreme Court’s decision is not expected to materially increase the City’s future unfunded pension obligation or the ADC. The City has been discussing the details of the future impact with its actuary.

The terms and conditions of the Court Approved Settlement have been codified in consent judgments and incorporated in City ordinances and collective bargaining agreements for active police officers and firefighters. As a result, all retired City employees, including retired police officers and firefighters who agreed to the Court Approved Settlement, as well as active police officers and firefighters, will be subject to the following terms:

- **COLA SUSPENSION:** All COLAs suspended for 10 years. (Families of City employees killed in the line of duty will continue to receive annual COLA.)
- **ELIMINATION OF HIGH END COLAs:** All 5 and 6% compounded COLAs are permanently eliminated.
- **PENSIONS CAPPED:** In fiscal year 2023, COLAs were reinstated only for retirees with pensions less than 150% of the state median income OR less than the salary of an incumbent employee of the same rank as the retiree at the time of retirement (police and fire retirees only), whichever is lower.
- **FUTURE COLAs LIMITED:** Retirees whose COLAs were reinstated in fiscal year 2023 will receive annual raises of 3% compounded or what is provided for in their contract, whichever is less.
- **ONE-TIME STIPEND IN FY2017:** In fiscal year 2017 (Year five of the agreement), retirees collecting pensions of less than \$100,000 received a stipend of \$1,500. This one-time payment does not change their future pension calculations.
- **SUSTAINABLE REFORMS TO PENSION CALCULATIONS:** Pensions are calculated based on the four highest consecutive compensated years out of the last ten years of service.
- **CONTINUED PENSION CONTRIBUTIONS:** Employees will be required to contribute to the pension system for as long as they earn credit toward a pension.
- **ACCIDENTAL DISABILITY:** Accidental disability pension calculations will be based on 66 2/3% of the employee's final salary.

Active City employees who are not firefighters or police officers are not covered by the Court Approved Settlement described above. Rather, the City undertook contractual negotiations with these employees prior to the passage of the 2012 Pension Ordinance to achieve similar results and have them confirmed through the entry of a consent decree.

Over the past five years, the City has made the following required contributions to the ERS. For fiscal year 2026, the City has budgeted \$117.8 million, and for fiscal year 2027 the City has budgeted \$121.7 million, which is 100% of the ADC.

City Employee Plan (in thousands)						
Fiscal Year	Actuarially					
Ending June 30,	Determined	Actual	Percent	Unfunded		
	Contribution	Contribution	Contributed	Liability	Funded Ratio	
2025	\$ 112,272	\$ 113,616	101.20 %	\$ 1,270,720	32.42 %	
2024	104,943	104,943	100.00	1,304,017	28.74	
2023	100,323	100,323	100.00	1,313,308	25.67	
2022	93,585	93,585	100.00	1,329,199	23.23	
2021	88,955	90,483	101.72	1,233,146	26.27	

Source: Audited Financial Statements

Employees' Retirement System of Rhode Island ("ERSRI")

The City provides retirement benefits to its public school teachers through its participation in the Employees' Retirement System of Rhode Island ("ERSRI" or the "Teachers' Retirement System"), a statutory, mandatory, statewide, cost-sharing multi-employer defined benefit plan, which first covered State teachers on July 1, 1949. ERSRI is administered as a unified statewide system by the State Retirement Board, the composition of which is set forth in the pertinent State statute. The assets are held in the custody of the State Treasurer as an undivided single fund.

Rhode Island General Laws currently sets the defined benefit contribution rates of participating employees at 3.75% of salary. The ADC by both employers and the State on behalf of those employees are determined by actuaries and assessed as a percentage of participants' payroll. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of June 30, 1999 more than 30 years initially, but in conjunction

with the implementation of the Rhode Island Retirement Security Act of 2011 (“RIRSA”) discussed below, the amortization period was reset to 25 years as of June 30, 2010; and (c) interest on the unfunded frozen actuarial liability.

As prescribed by Rhode Island General Laws, the State pays the entire portion of the defined benefit annual recommended contribution attributable to the costs of contributions deferred by the State in prior years, plus 40% of contributions assessed to employers on payroll not reimbursable through federal programs.

Effective with the June 30, 2011, actuarial valuation, the funding method was changed to the Individual Entry Age Cost Method in order to be consistent with the RIRSA and GASB statement No. 27 standards. The ERSRI does not maintain separate data for each of its participants. The ERSRI’s website contains additional information (www.ersri.org). None of the information posted on the ERSRI website is incorporated by reference herein.

For accounting purposes, the City reported a \$222.378 million pension liability at June 30, 2025, for its proportionate share of the ERSRI net pension liability allocated to the City, which reflected a reduction for contributions made by the State. The City’s determination of its proportionate share of the net pension liability was based on a projection of the City’s long-term share of contributions to ERSRI relative to the projected contributions of all participating employers and the State, actuarially determined.

The actuarial valuation prepared by Gabriel, Roeder, Smith & Company uses the Entry Age Normal (EAN) actuarial cost method. Valuations under this method assume a valuation date of June 30 of each plan year. This is the date as of which both the actuarial present value of future benefits and the actuarial value of assets are determined. The valuation assumes an annual salary increase on a scale of age/service. In addition, other actuarial assumptions are made for post-retirement increases and other contingencies as set forth in the published annual reports of the State Retirement Board.

The following are comparative highlights for 2021 through 2025 for the Teachers’ Retirement System as a whole:

Employees’ Retirement System of the State of Rhode Island

	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Active Participants	11,332	11,235	13,554	13,537	13,372
Pensioners & Beneficiaries	11,401	11,336	11,595	11,521	11,398
Inactive Participants	5,830	5,353	5,000	4,539	4,227
Market Value of Assets	\$ 3,568,470,857	\$ 3,304,267,786	\$ 4,664,344,475	\$ 4,418,568,124	\$ 4,671,641,312
Employer Contributions	\$ 263,348,116	\$ 314,001,015	\$ 305,022,002	\$ 322,772,188	\$ 275,778,411
Member & Other Misc. Contributions	43,449,435	51,146,180	50,949,871	50,159,049	50,174,050
Total Contributions	\$ 306,797,551	\$ 365,147,195	\$ 355,971,873	\$ 372,931,237	\$ 325,952,461
Investment Income	306,118,052	465,614,805	384,803,808	(131,387,447)	1,034,477,257
Total Income Available for Benefit Payments	\$ 612,915,603	\$ 830,762,000	\$ 740,775,681	\$ 241,543,790	\$ 1,360,429,718
Benefit Payment	\$ (305,742,170)	\$ (406,987,236)	\$ (399,985,015)	\$ (395,317,218)	\$ (388,897,569)
Transfer and other Adjustments	\$ (26,921)	\$ (768,666)	\$ 100,176	\$ (155,525)	\$ 248,851
Excess of Income Over Expenses	\$ 307,146,512	\$ 423,006,098	\$ 340,890,842	\$ (153,928,953)	\$ 971,781,000
Funded Ratio	67.9%	64.8%	64.5%	61.5%	56.7%

Actuarial costs and liabilities, as shown in the summary presentation, are determined in the aggregate for the ERSRI. Accordingly, employer contributions are first determined in the aggregate for all participating employers in this multi-employer system and are then expressed as a percentage of the aggregate participating payroll. For fiscal year 2026, the City applied 60% of this factor to its participating payroll (the remaining 40% of the employer cost is contributed by the State as well as the full cost of deferred contributions by the State).

With respect to ERSRI, Gabriel, Roeder, Smith & Company, independent actuaries advising the State Retirement Board, have calculated the pension plan should be fully funded by 2035.

According to the statutory funding schedule, the combined contributions required each year by the City and the State will remain relatively level as a percent of payroll as the System moves toward funding the full actuarial liability. Ultimately, however, because the actuarial funding results in the accumulation of reserves that are invested, the required appropriation will be significantly less than would be required if the Teacher’s Retirement System was on a pay-as-you-go basis.

The actuarial costs of the retirement benefits are partially funded by employee contributions of 9.50% of the actuarial costs of the retirement benefits effective July 1, 2003. The actuary determines the net employer actuarial costs annually and provides them to the State Retirement Board, which provides them to the Department of Administration. Contributions are reported as a percent of payroll, payable in part by the State and in part by the City. The split between State and the City is specified in State statute. For fiscal year 2026, the State paid 40% and the City paid 60%.

Over the past five years, the City has made the following contributions, which were equal to 100% of its required contributions. For fiscal year 2026, the City has budgeted \$24.239 million, and for fiscal year 2027 the City has budget \$24.239 million, which is 100% of the ADC.

ERSRI (Teachers) (\$ in millions)			
	Actuarially Determined Contribution	Actual Contribution	Percent Contributed
Fiscal Year			
2025	\$ 26,667	\$ 26,667	100 %
2024	29,882	29,882	100
2023	28,083	28,083	100
2022	24,677	24,677	100
2021	24,388	24,388	100

Source: Audited Financial Statements

Hybrid Plan for ERSRI Participants

In November 2011, the State enacted RIRSA, which made broad changes to ERSRI effective July 1, 2012.

The most significant changes include: (i) changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan; (ii) changing the automatic COLA from a CPI- related formula to a formula contingent on the actual investment performance over time; (iii) suspension/reduction of the COLA during times when the funded ratio is lower than targeted 80% levels; and (iv) the re-amortization of the Unfunded Actuarial Accrued Liability (“UAAL”) to 25 years from the 19-year schedule as of June 30, 2010. Teachers not covered by Social Security will participate in additional defined contribution allocations equal to two percent member plus two percent employer. Included within these significant changes are certain rules for transitioning from the defined benefit structure to the smaller defined benefit plan going forward. The changes in the defined benefit plan instituted by RIRSA have been fully reflected in the actuarial valuation beginning with June 30, 2023. These changes resulting from RIRSA are the subject of ongoing litigation which has been settled by most parties. (Please see also “Legal Challenges to Pension Reform” herein).

RIRSA changed the ERSRI defined benefit plans to hybrid plans which include a defined contribution plan. The State selected TIAA-CREF to administer the plan. All employees in ERSRI are required to participate in the defined contribution plan. ERSRI employees contribute five percent of their annual salary into the defined contribution plan, with an additional two percent contribution for those employees that do not participate in Social Security. The City contributes one percent to 1.5% of the member employee’s salary depending upon years of service for those participating in Social Security. The City contributes an additional two percent of salary for any employee who does not participate in Social Security. Participants have a selection of investments options chosen by the State and provided by TIAA-CREF.

Legal Challenges to Pension Reform

In order to increase the stability and security of the State’s pension plans, the General Assembly enacted legislation in 2005, 2009, 2010 and 2011 to modify the plans’ pension benefit structure and reduce benefits, the most recent of which was RIRSA. RIRSA and the State’s other legislative pension reforms have contributed to a reduction in the ADC and UAAL for the plans. These reductions, however, are already fully reflected in the June 30, 2013 valuation and therefore are not expected to materially reduce either the ADC or the UAAL going forward.

The 2009, 2010 and 2011 legislative pension reforms resulted in numerous lawsuits against the State brought by current and retired employees, as well as their unions. Of these lawsuits, one remains pending as described below.

In September 2014, a case challenging RIRSA was commenced by the Rhode Island State Troopers Association and Rhode Island State Troopers Association ex rel. Kevin M. Grace and Ernest E. Adams in Superior Court against the State and ERSRI as co-defendants. The co-defendants filed motions to dismiss, which were granted in part, and motions for summary judgment. In August 2023, the Court granted ERSRI’s motion for summary judgment in its entirety. In August 2024, the Court denied the State’s motion for summary judgment. In September 2025, a status conference was held. Currently, certain claims remain pending against the State defendants.

Other Post-Employment Benefits

The City provides post-retirement benefits to retired individuals as required by union contracts with City municipal employees, teachers, police officers and firefighters through a single employer defined benefit plan. The benefits include (1) full health coverage for the retiree and their spouse and (2) full dental coverage for the retiree and their spouse.

Pursuant to requirements of the Governmental Accounting Standards Board (“GASB”) and specifically, GASB Statement Nos. 74 and 75, the City is required to disclose in its financial statements certain obligations with respect to so-called “Other Post Employment Benefits (“OPEBs”). The City’s actuary also prepares an actuarial valuation of the OPEBs in accordance with GASB Statement No. 75. The most recent actuarial valuation as of July 1, 2024, for the fiscal year ending June 30, 2023, can be viewed at: <http://www.providenceri.gov/controllers-office/financial-reports/> and also can be obtained by calling the City Finance Department at (401) 421-7740. None of the information posted on the website of the City’s Controller’s Office is incorporated by reference herein.

GASB Statement Nos. 74 and 75 do not require pre-funding such benefits, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. The City’s required contribution is based on pay-as-you-go financing requirements. For fiscal year 2025, the City’s share of the pay-go contribution was \$32.28 million, as referenced in the City’s fiscal year 2025 audited financial statements and the actuarial valuation as of August 1, 2024. The City’s unfunded actuarial liability according to the City’s actuarial valuation as of August 1, 2024 is \$802.56 million. The City’s fiscal year 2026 budget includes \$38.19 million and the City’s fiscal year 2027 budget includes \$38.36 million for OPEB pay-go expenses.

Other Post Employment Benefits (in thousands)			
	Actuarial		
	Value of	Unfunded	
Fiscal Year	Assets*	Liability	Funded Ratio*
2025	\$ -	\$ 802,554	0.00 %
2024	-	880,227	0.00
2023	-	876,480	0.00
2022	-	1,406,338	0.00
2021	-	1,358,576	0.00

* City pays OPEB on a pay-go basis and has no invested assets.

Source: Audited Financial Statements

Under the terms of the Court Approved Settlement and contractual negotiations, active and retired City employees who are not police officers or firefighters, including those covered by Local 1033 and non-union City employees, transition to Medicare upon attainment of age 65, with the City providing a supplemental plan. In contrast, under the terms of the Court Approved Settlement and contractual negotiations, the following provisions relative to OPEB benefits will apply to all active and retired police officers and firefighters:

- **MEDICARE SETTLEMENT:** Retirees 65 and older will move onto Medicare.
- **PART B SUPPLEMENT AND MEDICARE PENALTY:** The City will provide funding to cover Medicare’s Part B supplement and penalties, as had previously been committed.
- **PART D PRESCRIPTION DRUG COVERAGE:** The City will also provide funding to cover Medicare Part D prescription drug coverage.

- **UNDER 65 HEALTH COVERAGE UNCHANGED:** Health care for retirees under the age of 65 will not be changed.

CITY INDEBTEDNESS

There are three statutory mechanisms for municipalities in Rhode Island to obtain legal authority to issue general obligation debt: 1) Section 45-12-2 of the Rhode Island General Laws (the “3% Debt Limit Statute”), 2) special acts of the General Assembly, and 3) ministerial approval by the State’s Auditor General. With certain exceptions set forth in State Law, the City’s Home Rule Charter requires voter approval on all general obligation debt. The exceptions are refunding bonds (Section 45-12-5.2 of the Rhode Island General Laws), bonds for judgements (Section 45-12-4.4 of the Rhode Island General Laws), and tax and revenue anticipation notes, which are authorized per the City’s Home Rule Charter.

Three Percent Debt Limit Statute

The Three Percent Debt Limit Statute was enacted in 1896 as a limitation on the amount of debt incurred by municipalities. The Three Percent Debt Limit Statute provides that, except as described in the following paragraph, municipalities may not, without special statutory authorization or ministerial approval by the State’s Auditor General, incur any debt that would increase its aggregate outstanding principal indebtedness not otherwise excepted by law to an amount greater than 3% of the full assessed value of the taxable property within the municipality. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes and the amount of any fund held for the purposes of paying such outstanding indebtedness. In computing the value of taxable property, motor vehicles and trailers are valued at full value without regard to assessed value reductions provided for in other sections of the general laws.

The Three Percent debt limit of the City as of June 30, 2026 is \$739.0 million based on assessed valuations of taxable property as of December 31, 2024 of approximately \$24.6 billion. The City’s outstanding aggregate indebtedness subject to the 3% Debt Limit Statute was \$17.7 million as of June 30, 2026, leaving a remaining borrowing capacity of approximately \$721.3 million.

Debt Authorized by Director of Revenue

In addition to debt authorized pursuant to the Three Percent Debt Limit Statute, ministerial approved debt and debt authorized by special act of the General Assembly, Rhode Island General Laws Section 45-12-11 authorizes the Director of Revenue, upon petition by a city or town, to authorize such city or town to incur indebtedness in excess of the 3% debt limit whenever the Director of Revenue shall determine that the sums appropriated by the municipality or its funds available are insufficient to pay the necessary expenses of the city or town. The City has not requested the Director of Revenue to authorize indebtedness of the City under Section 45-12-11.

Debt Authorized by Ministerial Approval of the Auditor General

Rhode Island General Laws Section 45-12-2.1 authorized the State’s Auditor General to grant ministerial approval for municipalities to incur debt outside the Three Percent Debt Limit Statute. The municipality must have a credit rating of “A” or better and satisfy certain other requirements prescribed by statute. The City has no debt outstanding under the ministerial approval process of Section 45-12-2.1.

Special Statutory Authorization

Over time, special acts have displaced the Three Percent Debt Limit Statute as the primary method for municipalities in the State to obtain authority to issue general obligation debt. On June 30, 2026, the City had \$1.0 million of debt outstanding that is outside the Three Percent Debt Limit.

Judgment Bonds

Under Rhode Island General Laws Section 45-12-4.4 a city or town may authorize the issuance of bonds, notes, or other evidences of indebtedness without voter approval to pay the uninsured portion of any court judgment or settlement, except any court judgment or settlement arising out of any pension obligation of a city or town; provided

however, that the outstanding aggregate principal amount of such indebtedness shall not exceed five percent of the total amount of the city or town's most recently adopted municipal budget. As of June 30, 2026, the City had no outstanding indebtedness issued pursuant to Section 45-12-4.4.

Authorization and Sale of Bonds and Notes

General Obligation Bonds

The City may issue its general obligation bonds pursuant to either a special act of the General Assembly or the Three Percent Debt Limit Statute, which, in either case, requires referendum approval and an ordinance passed by the City Council, subject to the Mayor's veto. The special act normally provides that the indebtedness is not subject to the Three Percent Debt Limit Statute. The City may also issue notes in anticipation of the issuance of bonds authorized under the Three Percent Debt Limit Statute or special act of the General Assembly, pursuant to a resolution of the City Council. The City Council may also authorize refunding bonds, tax anticipation notes, revenue anticipation notes and grant anticipation notes by resolution, but no referendum is required.

In compliance with the City's Home Rule Charter, which became effective on January 3, 1983, bonds must be issued within three years following certification of their approval by the voters of Providence, unless the City Council, by ordinance, grants an extension, not to exceed two years, for a maximum total period of five years.

Claims for Payment Due

Rhode Island General Laws Section 45-15-5 permits any person who shall have any claim for money due from any city or town to present a demand for such claim to the city or town council and, if satisfaction of such claim is not made within forty (40) days, to commence an action against the city or town treasurer for recovery of the claim. If a judgment is obtained for such debt due and if the treasurer of the city or town does not have sufficient monies to pay the judgment, Rhode Island General Laws Section 45-15-6 authorizes the city or town treasurer to apply to any justice of the peace for an order requiring the city or town to hold a special meeting of the city or town council "for the speedy ordering and making a tax" to be collected for such purpose. If the city or town council shall fail to assess voluntarily a tax sufficient to satisfy judgment on a city debt, Rhode Island General Laws Section 45-15-7 authorizes the Superior Court to order the assessors of the city or town "to assess upon the ratable property, and the collector to collect, a tax sufficient for the payment of the judgment, with all incidental costs and charges, and the expense of assessing and collecting the tax." See "Enforceability of City Obligations" below.

Enforcement of a claim for payment of principal of or interest on a bond or note issued by the City is subject to the applicable provisions of the federal bankruptcy laws and of statutes, if any, hereafter enacted by the federal government or the State extending the time for payment of such obligations or imposing other constitutionally valid constraints upon such enforcement.

Statutory Lien

In July of 2011, the General Assembly enacted amendments to Section 45-12-1 of the Rhode Island General Laws to provide for a statutory lien on *ad valorem* taxes and general fund revenues for the benefit of general obligation debt of cities and towns and for giving priority to general obligation debt in a bankruptcy. The validity and priority of the lien granted by Section 45-12-1 have not been adjudicated in any chapter 9 bankruptcy proceeding. The amendments provide, in part, that the faith and credit, *ad valorem* taxes and general fund revenues of each city and town are pledged for the payment of principal of, premium and interest on all general obligation bonds and notes of the city or town, whether or not the pledge is stated in the bonds and notes or in the proceedings authorizing their issue and the pledge constitutes a first lien on such *ad valorem* taxes and general fund revenues.

In addition, annual appropriations for payment of financing leases and obligations securing bonds, notes or certificates ("other financing obligations"), have a first lien on *ad valorem* taxes and general fund revenues commencing on the date of each annual appropriation. Amounts appropriated or added to the tax levy to pay principal of, premium and interest on general obligation bonds or notes and payments of other financing obligations are applied to the payment of such obligations. Any municipal employee or official who intentionally violates such provisions of Section 45-12-1 is personally liable to the city or town for any amounts not expended in accordance with such appropriations. The superior court has jurisdiction to adjudicate claims brought by any city or town and to order such relief as the court may find appropriate to prevent further violations under such provisions of Section 45-12-1. Any municipal employee or official who violates such provisions of Section 45-12-1 is subject to removal.

Section 45-12-1 further provides in part, that: notwithstanding any provision of any other law, including the uniform commercial code, Title 6A of the Rhode Island General Laws: (1) the pledge of *ad valorem* taxes and general fund revenues to the payment of the principal, premium and interest on general obligation bonds and notes and payment of other financing obligations is valid and binding, and deemed continuously perfected from the time the bonds or notes or other financing obligations are issued; (2) no filing need be made under the uniform commercial code or otherwise to perfect the first lien on ad valorem taxes and general fund revenues; (3) the pledge of *ad valorem taxes* or general fund revenues is subject to the lien of the pledge without delivery or segregation, and the first lien on ad valorem taxes and general fund revenues is valid and binding against all parties having claims of contract or tort or otherwise against the city or town, whether or not the parties have notice thereof; and (4) the pledge shall be a statutory lien effective by operation of law and shall apply to all general obligation bonds and notes and financing obligations of cities, towns and districts and shall not require a security agreement to be effective.

The July 2011 amendments, described above, provide that *ad valorem* taxes and general fund revenues may be applied as required by the pledge without further appropriation except for other financing obligations which are subject to annual appropriation.

State Aid Intercept

Rhode Island General Laws Section 45-12-32 creates a mechanism to enhance the creditworthiness of cities and towns in financial stress by providing for a state aid intercept mechanism to pay the city's or town's bonds and notes. Under the statute, the finance director is required to notify the mayor and the city or town council if it appears to the finance director that the city or town is likely to be unable to pay in whole or in part the principal or interest, or both, on any of its bonds, notes or certificates of indebtedness when due. If the mayor or city or town council, whether or not so notified, finds upon investigation that the payment cannot or is not likely to be made when due, he, she, or they is required to certify the inability or likely inability to the Director of Revenue of the State. The City has never made such a certification. Upon receipt of the certificate, the Director of Revenue shall immediately investigate the circumstances and, if the Director finds that the city or town is, or in the Director's opinion will be, unable to make the payment when due, the Director shall forthwith certify the inability, the amount of the due or overdue payment and the name of the paying agent for the bonds, notes or certificates of indebtedness to the General Treasurer of the State.

Notwithstanding any provision of general or special law or any rules or regulations with respect to the timing of payment of state aid payments, not later than three (3) days after receipt of the certification from the Director of Revenue or one business day prior to the date on which the principal or interest, or both, becomes due, whichever is later, the General Treasurer of the State is required to pay to the paying agent the amount of the due or overdue payment certified to him/her to the extent of the sums otherwise then payable and the sums estimated to become payable during the remainder of the fiscal year, from the treasury, to the city. The amounts so paid to the paying agent are held in trust and exempt from being levied upon, taken, sequestered or applied for any purpose other than paying principal or interest, or both, on bonds, notes or certificates of indebtedness of the city.

For purposes of the statute, the sums otherwise payable from the treasury to a city and town shall be the funds made available to cities and towns: (i) as state aid pursuant to Rhode Island General Laws Chapter 45-13, but specifically excluding reimbursements to cities and towns for the cost of state mandates pursuant to Rhode Island General Laws Section 45-13-9; (ii) as school housing aid pursuant to Rhode Island General Laws Section 16-7-35 – 16-7-47, but subject to any pledge to bonds issued to finance school projects by RIHEBC, and specifically excluding school operations aid provided for in Rhode Island General Laws Section 16-7-15 – 16-7-34.3; (iii) in replacement of motor vehicle and trailer excise taxes pursuant to Rhode Island General Laws Chapter 44-34.1; (iv) from the public service corporation tax pursuant to Rhode Island General Laws Chapter 44-13; (v) from the local meal and beverage tax pursuant to Rhode Island General Laws Section 44-18-18.1 and the hotel tax pursuant to Rhode Island General Laws Section 44-18-36.1; and (vi) pursuant to all acts supplementing such chapters.

Enforceability of City Obligations

Enforcement of a claim for payment of principal of or interest on a bond or note issued by the City is subject to the applicable provisions of the federal bankruptcy laws and of statutes, if any, hereafter enacted by the federal government or the State extending the time for payment of such obligations or imposing other constitutionally valid constraints upon such enforcement.

Judicial enforcement of statutes such as Rhode Island General Laws Sections 45-15-5 – 45-15-7 described above under the heading “*Claims for Payments Due*”, the statutory lien provided for in section 45-12-1 and state aid intercepts such as that provided for in Section 45-12-32 are within the discretion of a court. The status of these rights and remedies of owners of bonds and notes in a proceeding to restructure city or town debt under Chapter 9 of the Federal Bankruptcy Code, or pursuant to other subsequently enacted laws relating to creditors’ rights, has not been adjudicated.

General Obligation Tax Anticipation Notes

Tax anticipation notes may be issued by the City pursuant to Section 45-12-4 of the Rhode Island General Laws, the City’s Charter and resolutions of the City Council.

Under Section 45-12-4, the City may borrow in each fiscal year in anticipation of the receipt of the proceeds of the property tax due in such fiscal year an amount not in excess of the total tax levy of the then current fiscal year or, if no tax levy shall then have been made, the total tax levy of the next preceding fiscal year. Tax anticipation notes must be payable not later than one year from their date, but notes issued for less than one year may be renewed, provided such renewal notes are payable within one year from the date of the original notes.

The City Charter limits such borrowing to not more than 80% of the revenue receipts (other than water revenues) as estimated in the annual appropriation ordinance remaining uncollected at the time of issue of the notes. By ordinance the City has lowered the limit to 70% of such estimated receipts. The City Charter provides further that all receipts and revenues of the General Fund, up to the amount of the borrowing (other than any funds or payments received as grants from the federal government or any funds or payments received from the State for the support of the public schools), beginning on the first day subsequent to the issuance of such notes, shall be reserved for the specific purpose of retiring said notes, or the remainder thereof, and such revenues or receipts shall not be available for expenditure for any purpose other than for the payment of principal and interest on bonds and other notes, until such borrowing in anticipation of taxes shall have been repaid.

Under Section 45-12-4.1 of the Rhode Island General Laws, the Treasurer, with the approval of the City Council, may issue notes of the City in order to pay any outstanding tax anticipation notes or other obligations of the City which in the judgment of the Finance Director or Treasurer cannot be paid when due from property tax revenues as a result of a court order or decision which directly or indirectly delays the collection of taxes by the City or which provides for the refunding of taxes previously collected, or for any other reason. Notes issued under this section shall be payable within such period of time, not exceeding one (1) year, as shall be necessary, in the judgment of the Finance Director or Treasurer, for the City to receive sufficient property tax revenue to pay them.

The City has not borrowed in anticipation of taxes since the fiscal year ending June 30, 1987 and has no plans to issue tax anticipation notes at this time.

Projected Financing – Capital Improvements Program

The City has a Capital Improvement Program and capital budget as part of its general program of financial planning. Responsibility for the Capital Improvement Program rests with the City Planning Commission in cooperation with the Mayor’s office and City Finance Director. As part of this Program, City departments cooperate in presenting their proposals for construction projects and detailed plans for development of the City during the next six years. These proposals are reviewed by the City Planning Commission, the Mayor’s office, and Finance Department to ensure that they do not conflict with one another or with general and long-term plans for the City’s development. This program is annually examined. As a result, each year some proposals will be abandoned, others are added, the work of the past year is reviewed, and the program is projected one more year into the future.

The Planning Commission and the Finance Director are then required to jointly submit a five-year capital improvement plan to the City Council. The Planning Commission is also responsible for the development of a five-year capital budget for submission to the City Council. The Mayor submits the five-year capital budget to the City Council at the same time as the City’s annual operating budget. The City Council may accept, reject or modify the capital improvement projects or the proposed methods of financing them. Given that the City’s annual operating budget reflects actual capital expenditures for the applicable year, however, only the capital projects identified in the current year’s capital budget are funded.

Outstanding Debt

Following is a schedule of outstanding principal of general obligation debt of the City for the fiscal years ended June 30, 2022 to June 30, 2026.

	2022	2023	2024	2025	2026
General Obligations					
Public Improvements	\$ 20,625,000	\$ 17,895,000	\$ 15,050,000	\$ 14,887,393	\$ 19,729,170
General Obligation Refunding Issues	21,015,000	18,150,000	15,145,000	10,010,000	4,695,000
School Improvements	100,690,000	100,690,000	97,000,000	218,125,000	214,055,000
Total Bonds Issued And Outstanding	<u>\$142,330,000</u>	<u>\$ 136,735,000</u>	<u>\$ 127,195,000</u>	<u>\$ 243,022,393</u>	<u>\$ 238,479,170</u>

Source: City Finance Department

Authorized but Unissued General Obligation Debt

City voters approved \$160,000,000 in general obligation bonds for school projects at the general election in November 2018. During calendar year 2021, the City used a portion of this authorization to issue \$100,690,000 in general obligations bonds for school projects, financed through RIHEBC, subject to the pledge of school housing aid. The 2018 authorization has since expired, and the \$59,310,000 remaining portion will not be issued. City voters also approved an additional \$140,000,000 in general obligation bonds for school projects at the general election in November 2020. The City is using this authorization to issue the Series 2026 C Bonds. City voters also approved an additional \$400,000,000 in general obligation bonds for school projects at the general election in November 2024.

Lease Revenue Bonds

Leases with the Providence Public Buildings Authority

The PBA was created pursuant to the Act. It was empowered to begin the transaction of business by a resolution of the Providence City Council duly passed on August 13, 1987, and by resolution of the Rhode Island Public Finance Management Board, created under Section 42-10.1-1 of the General Laws of Rhode Island, on February 12, 1988. Under the authority of Chapter 50 of the Act, the Authority constitutes a body corporate and politic and an instrumentality and agency of the City, having a distinct legal existence from the City.

The purposes for which the PBA may act are to acquire, construct, maintain, renovate, repair and operate public facilities and public equipment (borrowing money for such purposes through issuance of the PBA's bonds and notes) for lease to the City for the conduct of the executive, legislative and judicial functions of government and its various branches, departments and agencies. Such leases to the City require the City to pay rent to the PBA in an amount necessary to cover the payment of bonds or notes issued by the PBA; provided, that the lease payments are subject to annual appropriation by the City Council. The PBA has no power to levy taxes. The various types of projects which the PBA is authorized to finance include (but are not limited to) judicial, administrative, educational, residential, civic facilities, rehabilitative, medical, police, fire and public safety, recreation, transportation, public water supply system and such other projects as the PBA shall be requested to initiate to provide effective governmental, health, safety and welfare services in the City.

The Act limits the borrowing of the PBA to an amount equal to 15% of the City's most recently adopted budget for any one issue and to an aggregate outstanding amount equal to 50% of the City's most recently adopted budget provided, however, that there shall not be included in the calculation of this limitation fifty percent (50%) of the outstanding principal amount of any bonds issued for which the PBA or the City receives school housing aid pursuant to Sections 16-7-44 and 16-7-41 of the Rhode Island General Laws. Based on the City's fiscal year 2027 budget adopted on June 22, 2026, the debt limit of the PBA is currently \$479,480,409. This debt limit calculation uses the City's adopted fiscal year 2027 budget including total General Fund appropriations of \$635,828,389 and, in accordance with the City's budget procedure under Section 808 of the City's Home Rule Charter, total public school expenditure pass-through revenues of \$323,132,429. The PBA had \$365,079,000 in bonds outstanding as of June 30, 2026, of which \$330,589,000 is subject to the debt limit.

The PBA is required by the Act to report annually to the Mayor and City Council as to its activities for the preceding fiscal year, including audited financial statements.

Of the \$365,079,000 in bonds outstanding as of June 30, 2026, the PBA had outstanding \$2,046,667 of Qualified School Construction Bonds and \$1,610,833 of Qualified Zone Academy Bonds. According to the Tax-Exempt Bonds Office within the Internal Revenue Service, interest subsidy payments made to issuers on such bonds on or after October 1, 2020 through and including September 30, 2031 will be reduced by 5.7%. This is projected to decrease the total subsidy by approximately \$95,900 during this time period, of which up to 82% may be eligible for State School Housing Aid.

In late 2026, the PBA expects to issue a series of not-to-exceed \$26,500,000 lease revenue bonds to finance a portion of the City's Capital Improvement Plan.

The City has never failed to appropriate lease payments which support debt service for the PBA's debt (See "CITY FINANCES – **City Budget**" herein).

Leases with Providence Redevelopment Agency

The PRA was formed on December 20, 1946 pursuant to Chapters 31, 32 and 33 of Title 45 of the Rhode Island General Laws (the "PRA Act") by a duly enacted resolution of the City Council. Under the PRA Act, the PRA constitutes a body corporate and politic, exercising public and essential government functions, and having a distinct legal existence from the City. The PRA was created to eliminate and prevent blighted and substandard areas and replace such areas through redevelopment of well-planned, integrated, stable, safe, and healthful neighborhoods. The PRA has the authority to acquire, develop as a building site, administer, sell and lease property, has the power of eminent domain, and the power to issue bonds, notes and other evidence of indebtedness. The PRA does not have the power to levy taxes. The PRA and the City are parties to several leases which require the City to pay rent to the PRA for the use of PRA projects in an amount necessary to cover payments of bonds, notes, or lease certificates of participation of the PRA but the rental payments are subject to annual appropriation by the City Council. Also, the PRA has issued the 2021 Special Obligation Bonds, outstanding in the amount of \$19,480,000 as of June 30, 2026 and backed by an appropriation pledge of the City, to support the activities of the Housing Trust Fund. Additionally, the PRA has issued certificates of participation outstanding in the aggregate amount of \$18,123,474 as of June 30, 2026 for the Port that include a moral obligation pledge of the City. The PRA had \$49,308,474 in bonds, notes and lease certificates of participation outstanding as of June 30, 2026.

The City has never failed to appropriate lease payments which support debt service for the PRA's debt (See "CITY FINANCES – **City Budget**" herein).

City Master Lease Program and Leases and Other Financing Obligations

The City uses a master lease program to finance routine capital equipment and had an actual amount of approximately \$20.1 million in lease payments outstanding as of June 30, 2025. The City's lease payments are limited obligations subject to annual appropriation by the City Council.

On January 15, 2026, the City entered into a term loan facility with Closed Loop Fund, LP in an amount up to \$3,177,692.31 and maturing September 30, 2030, and another term loan facility with Closed Loop rPET Fund, LP in the amount up to \$1,986,057.69 and maturing June 30, 2032, the proceeds of which will be used to finance the purchase, assembly and distribution of new recycling carts and municipal solid waste carts for residential dwelling units in the City. The City's loan repayments are limited obligations subject to annual appropriation by the City Council.

Additionally, in 2025, the City Council approved an issuance of appropriation obligations in an amount not to exceed \$6,200,000 (the "Obligations") for the purpose of financing the construction, reconstruction and installation of streets and sidewalks and appurtenances thereto on, and adjacent to, the Benefit Street area of the City (the "Mile of History Project"). The City financed the Mile of History Project through a loan from the Rhode Island Infrastructure Bank ("RIIB") under RIIB's municipal road and bridge revolving fund program, the repayment of which is evidenced by the Obligations. The City issued the Obligations in April 2026. The Obligations are limited obligations of the City subject to annual appropriation by the City Council.

Actual Bonded Debt Service Maturities

The following table sets forth a schedule of debt service for the outstanding General Obligation and Lease Revenue Bonds of the City as of June 30, 2026:

Fiscal Year	General Obligation Bonds		Public Buildings Authority ⁽¹⁾		Redevelopment Agency ⁽²⁾		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
2027	\$ 6,978,170	\$ 10,901,479	\$ 25,732,167	\$ 16,526,928	\$ 4,940,000	\$ 1,397,989	\$ 66,476,732
2028	12,041,000	10,658,508	26,708,167	15,386,725	5,170,000	1,166,860	71,131,260
2029	12,570,000	10,131,095	16,637,167	14,208,115	5,270,000	924,836	59,741,212
2030	13,147,000	9,546,594	16,147,000	12,821,051	1,315,000	678,417	53,655,062
2031	13,647,000	8,932,555	16,915,000	12,046,968	1,360,000	630,354	53,531,876
2032	14,288,000	8,290,181	17,730,000	11,236,613	805,000	580,646	52,930,440
2033	14,910,000	7,671,334	18,598,000	10,383,008	840,000	547,198	52,949,541
2034	12,647,000	7,024,800	19,469,000	9,513,000	880,000	512,296	50,046,096
2035	13,215,000	6,458,521	20,353,000	8,625,206	915,000	475,732	50,042,459
2036	13,813,000	5,866,204	20,537,000	7,707,333	960,000	437,714	49,321,251
2037	14,431,000	5,246,477	21,504,000	6,742,076	1,595,000	397,826	49,916,379
2038	15,080,000	4,598,315	22,557,000	5,702,531	1,665,000	325,142	49,927,987
2039	15,755,000	3,920,263	20,150,000	4,690,288	1,745,000	249,268	46,509,819
2040	16,465,000	3,211,189	18,819,000	3,721,887	1,820,000	169,748	44,206,824
2041	17,230,000	2,447,752	10,685,000	2,981,106	1,905,000	86,811	35,335,669
2042	9,961,000	1,647,896	11,265,000	2,400,775	-	-	25,274,671
2043	10,478,000	1,132,680	11,875,000	1,788,975	-	-	25,274,655
2044	11,021,000	590,331	12,515,000	1,144,125	-	-	25,270,456
2045	394,000	19,504	13,190,000	464,506	-	-	14,068,010
2046	408,000	6,610	2,105,000	57,888	-	-	2,577,497
Total⁽³⁾	\$ 238,479,170	\$ 108,302,286	\$ 343,491,500⁽⁴⁾	\$ 148,149,102	\$ 31,185,000	\$ 8,580,838	\$ 878,187,896

(1) Interest shown net of Qualified School Construction Bond subsidy and Qualified Zone Academy Bond subsidy.

(2) Redevelopment Agency debt service is exclusive of the Port of Providence Lease debt.

(3) Totals may not add due to rounding.

(4) The difference between this total principal balance of \$343,491,500 from the total amount of bonds outstanding (namely, \$365,079,000), representing a total variance of \$21,587,500, are prior sinking fund payments previously made by the City to the PBA in relation to the PBA's 2010 Series A Bonds and 2010 Series B Bonds.

Source: City Finance Department

Debt Ratios and Net General Obligation Debt per Capita

Set forth below are the debt ratios for general obligation debt and total tax-supported debt for the City for the fiscal years 2022-2026:

<u>General Obligation Debt Ratios</u>		Net Assessed	Estimated Full	GO Debt ⁽²⁾	Ratio of GO Debt to Full
Fiscal Year	Population ⁽¹⁾				
<u>Ended 6/30</u>	<u>Population⁽¹⁾</u>	<u>Valuation</u>	<u>Valuation</u>	<u>GO Debt⁽²⁾</u>	<u>Per Capita</u>
2026	190,934	\$ 24,634,527,147	\$ 25,916,125,431	\$ 238,479,170	\$ 1,249
2025	190,934	18,409,795,300	19,252,961,516	243,022,393	1,273
2024	190,934	14,492,419,990	18,753,626,344	129,323,617	677
2023	190,934	14,275,884,355	18,597,770,722	139,183,840	729
2022	190,934	11,590,684,014	14,445,457,893	144,097,063	755

Source: City of Providence, Finance Dept (debt figures) and Assessor's Office (valuation figures)

(1) U.S. Census

(2) Excluding water debt deemed self-supporting

Tax-Supported Debt Ratios

Fiscal Year		Net	Estimated		Tax-Supported	Ratio of
		Assessed	Full	Tax-	Debt	Tax-Supp
<u>Ended 6/30</u>	<u>Population⁽¹⁾</u>	<u>Valuation</u>	<u>Valuation</u>	<u>Supported Debt⁽²⁾</u>	<u>Per Capita</u>	<u>Debt to Full</u>
2026	190,934	\$ 24,634,527,147	\$ 25,916,125,431	\$ 613,155,670	\$ 3,211	2.37 %
2025	190,934	18,409,795,300	19,252,961,516	642,394,393	3,364	3.34
2024	190,934	14,492,419,990	18,753,626,344	425,199,617	2,227	2.27
2023	190,934	14,275,884,355	18,597,770,722	454,980,840	2,383	2.45
2022	190,934	11,590,684,014	14,445,457,893	494,328,230	2,589	3.42

Source: City of Providence, Finance Dept (debt figures) and Assessor's Office (valuation figures)

(1) U.S. Census

(2) Excluding water debt deemed self-supporting and PRA Certificates of Participation

EMPLOYEE RELATIONS

Municipal employees have the right, pursuant to the Rhode Island General Laws, to organize, to designate bargaining representatives and to negotiate with the City on matters pertaining to wages, hours and all conditions of employment. Additionally, municipal employees have all the rights granted to private employees by the State Labor Relations Act, except the right to strike. Should the representatives of bargaining units and the City be unable to reach agreement after collective bargaining, State law provides for the submission of unresolved issues to arbitration. The decision of appointed arbitrators, concerning uniformed public safety employees, is binding on the parties with respect to all issues, including those which involve the expenditure of money. Further, the arbitrators, in such cases, must consider the ability of the community to pay as a factor in making their decisions. However, with regard to non-uniformed municipal employees and teachers, decisions of arbitrators are binding on the parties with respect to all issues except those involving the expenditure of money.

The City has sought changes in all municipal contracts as they have expired. Concessions in healthcare, flexibility in scheduling employees and wages were, and continue to be, topics for negotiations. The City currently has negotiated labor contracts as follows:

Municipal Employees (Non-School)

- The Rhode Island Laborer's District Council, on behalf of the Public Service Employees, Local 1033 has a three-year agreement through June 30, 2028.
- The Providence Firefighters Local 799, International Association of Firefighters has a five-year agreement through June 30, 2027.
- The Providence Police, Providence Lodge #3, Fraternal Order of Police has a five-year agreement through June 30, 2028.

School Department

- The Providence Teachers Union AFT Local 958 agreed to and entered into a three-year contract effective September 1, 2024, through August 31, 2027.
- The Rhode Island Laborer's District Council, on behalf of the Public Service Employees, Local 1033 (which covers business educational specialists and technical staff, teachers' assistants and public school Safety Services Officers) agreed to and entered into three contracts each effective July 1, 2025 through June 30, 2028.
- Rhode Island Council 94, Affiliate of American Federation of State, County and Municipal Employees (A.F.S.C.M.E.) Local 1339 (which covers clerical employees) agreed to and entered into a contract effective September 1, 2025 through August 31, 2028.

LITIGATION AND OTHER MATTERS

The City is a defendant in many cases involving claims for personal injury, property damage, tax appeals, claims for contract violations, claims for violations of civil rights, and other claims. However, there is no litigation pending against the City which, in the opinion of the City Solicitor, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the City's financial position, or its ability to meet its debt service obligations. Nevertheless, the following cases should be noted. The City is vigorously defending any liability in all pending litigation; however, the cases are subject to a trial by jury or judge, who serves as the final trier of fact and awards.

Davis v. City – This is a civil rights action, pending in Federal Court, for the alleged use of excessive force. Plaintiffs claim that on October 21, 2020, a Providence Police Officer used excessive force during a public protest. The Plaintiff claims she was a legal observer at the protest, not part of the civil unrest that occurred, and therefore was unconstitutionally arrested.

De La Cruz et al. v. City – This action involves an elderly pedestrian and two very young minor pedestrians who were struck by a car while crossing in a crosswalk on Potters Avenue near its intersection with Dexter Street. There are seven Plaintiffs including the elderly pedestrian, two minor children, and the four parents of the two minor children. Plaintiffs allege substantial bodily injury and permanent disability, as well as loss of consortium and infliction of emotional distress.

Antoinette Forget et al. v. State of Rhode Island et al. – This action involves a pedestrian who was struck by a car while crossing in a crosswalk on North Main Street near the University Heights Apartments. Plaintiff alleges negligent design and maintenance of the intersection/crosswalk. Plaintiff seeks damages for substantial bodily injury and permanent disability.

Guang v. City – This is a civil rights action, pending in Federal Court, for the alleged use of excessive force. Plaintiffs claim that on October 21, 2020, a Providence Police Officer used excessive force during a public protest. The Plaintiff was a medic and claims to not have been part of the civil unrest that occurred during the protest and therefore was unconstitutionally arrested.

Jordan v. City – This is a civil rights action, pending in Federal Court, for the alleged use of excessive force. Plaintiffs claim that on June 2, 2020, a Providence Police Officer used excessive force during a public protest. Plaintiff also alleges that the City, by and through its police department, has a policy of unconstitutionally arresting and charging individuals with disorderly conduct, as well as racial discrimination.

NG LNG, LP v. Tax Assessor – This is an appeal for relief from tax assessment for tax years 2023-2024.

OMNI Rhode Island LLC v. Tax Assessor – This is an appeal for relief from tax assessment for tax years 2022-2024.

100 Westminster Prts. LLC v. Tax Assessor – This is an appeal for relief from tax assessment for tax years 2022-2024.

Peasley v. PPSD and City – Plaintiff sued and sought compensation for a three and a half year suspension without pay following the 48A dismissal of pending criminal charges against him. Summary judgment was granted in favor of PPSD/City. The Plaintiff appealed and the matter is currently pending in the Rhode Island Supreme Court.

Penaloza, Rodriguez and Rosa on behalf of their children, NC, JP and JR, and a class of Similarly Situated Children in the Providence School District v. PPSD – Purported class action suit filed by RI Legal Services and the ACLU challenging the Providence School Department's use of the Consultation Model for non-English speaking students in the district. Plaintiffs contend that the model was in violation of Department of Education regulations by failing to provide instruction by certified ELL teachers for the requisite service hours. PSD prevailed on Summary Judgment at the Commissioner's level regarding the propriety of the model. The ACLU and RILS appealed to the Council for Elementary and Secondary Education.

Providence Teachers Union v. PPSD / RIDE – This action stems from an administrative appeal by the Union. The Union challenged the 2024 non-renewal of 54 non-tenured teachers who were non-renewed due to fiscal exigency—in an effort to cut \$5 million from the PPSD budget. There was an administrative decision in favor of PPSD, which was appealed to the Rhode Island Superior Court.

Santos v. City – This is a civil rights action for the alleged use of excessive force. Plaintiffs claim that on June 2, 2020, a Providence Police Officer fired a rubber bullet at them as they sat in their vehicle at a red light in Kennedy Plaza during a public protest. The rubber bullet allegedly struck one of the Plaintiffs in the eye and caused substantial and permanent injury.

School Housing Aid Litigation – This is an action challenging the State’s attempt to recoup an alleged overpayment in aid to the City.

Starnino v. City – This action was brought by a former firefighter who claims that, despite his termination for cause, he is entitled to a disability income stream or pension of some type based on his interpretation the City’s collective bargaining agreement with the firefighters’ union, after he suffered a work-related injury but was denied an accidental disability retirement pension.

WT Terminal Providence LLC v. Tax Assessor – This is an appeal for relief from tax assessment for tax year 2025.

Xiong, Individually, As Administratrix of the Estate of Justynian W. Missiuro v. City – Mr. Missiuro passed away while being detained in a cell at the Providence Public Safety Complex. Plaintiffs filed suit in Rhode Island Superior Court, alleging wrongful death and loss of consortium on behalf of Mr. Missiuro’s wife and minor children.

CITY OF PROVIDENCE, RHODE ISLAND

By: _____
Sara Silveria
Finance Director

Dated: October 1, 2026

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE BORROWER

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CITY OF PROVIDENCE, RHODE ISLAND
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended June 30, 2025



CITY OF PROVIDENCE
Finance Department
25 Dorrance Street
Providence, RI 02903

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INTRODUCTORY SECTION

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**CITY OF PROVIDENCE, RHODE ISLAND
CITY OFFICIALS**

**City Officials
As of June 30, 2025**

Mayor
Brett P. Smiley

City Council

Ward 1 – John Goncalves	Ward 6 – Miguel Sanchez	Ward 11 – Mary Kay L. Harris
Ward 2 – Helen D. Anthony	Ward 7 – Ana Vargas	Ward 12 – Althea A. Graves
Ward 3 – Susan R. Anderbois	Ward 8 – James E. Taylor	Ward 13 – Rachel M. Miller
Ward 4 – Justin Roias	Ward 9 – Juan M. Pichardo	Ward 14 – Shelley T. Peterson
Ward 5 – Jo-Ann Ryan	Ward 10 – Pedro J. Espinal	Ward 15 – Oscar O. Vargas

Department Directors

Chief of Staff	Emily Ward Crowell
Chief Financial Officer	Lawrence J. Mancini
Chief Operating Officer	Courtney E. Hawkins
Commissioner of Public Safety	Vacant
Chief of Human Resources	Paul A. N. Winspeare
Chief of Fire Department	Chief Derek M. Silva
Chief of Police Department	Col. Oscar L. Perez
City Clerk	Tina L. Mastroianni
City Controller	Dante J. Bellini
City Engineer	Craig J. Hochman
City Solicitor	Jeffrey Dana, Esq
City Treasurer	Shomari Husband
Director of Arts, Culture, and Tourism	Joe R. Wilson, Jr.
Director of Economic Development	Ted G. Carr
Director of Emergency Management	Clara Decerbo
Director of Finance	Sara Silveri
Director of Information Technology	Jim Silveria
Director of Inspections and Standards	James C. Moore III
Director of Public Property	John R. Arzoomanian
Director of Planning and Development	Joseph I. Mulligan
Director of Public Works	Patricia Coyne-Fague
Director of Recreation	Stephen L. Grace II
Director of Telecommunications	David W. Radcliffe
Executive Director of Workforce Solutions	Stephen C. Boyle
General Manager of Water Supply	Richard A. Caruolo
Internal Auditor	Gina M. Costa
Recorder of Deeds	Jeanne M. Pascone
Registrar of Vital Statistics	Jose A. Giusti
Superintendent of Parks and Recreation	Wendy Nilsson
Tax Assessor	Janesse M. Muscatelli
Tax Collector	Maria Mansolillo

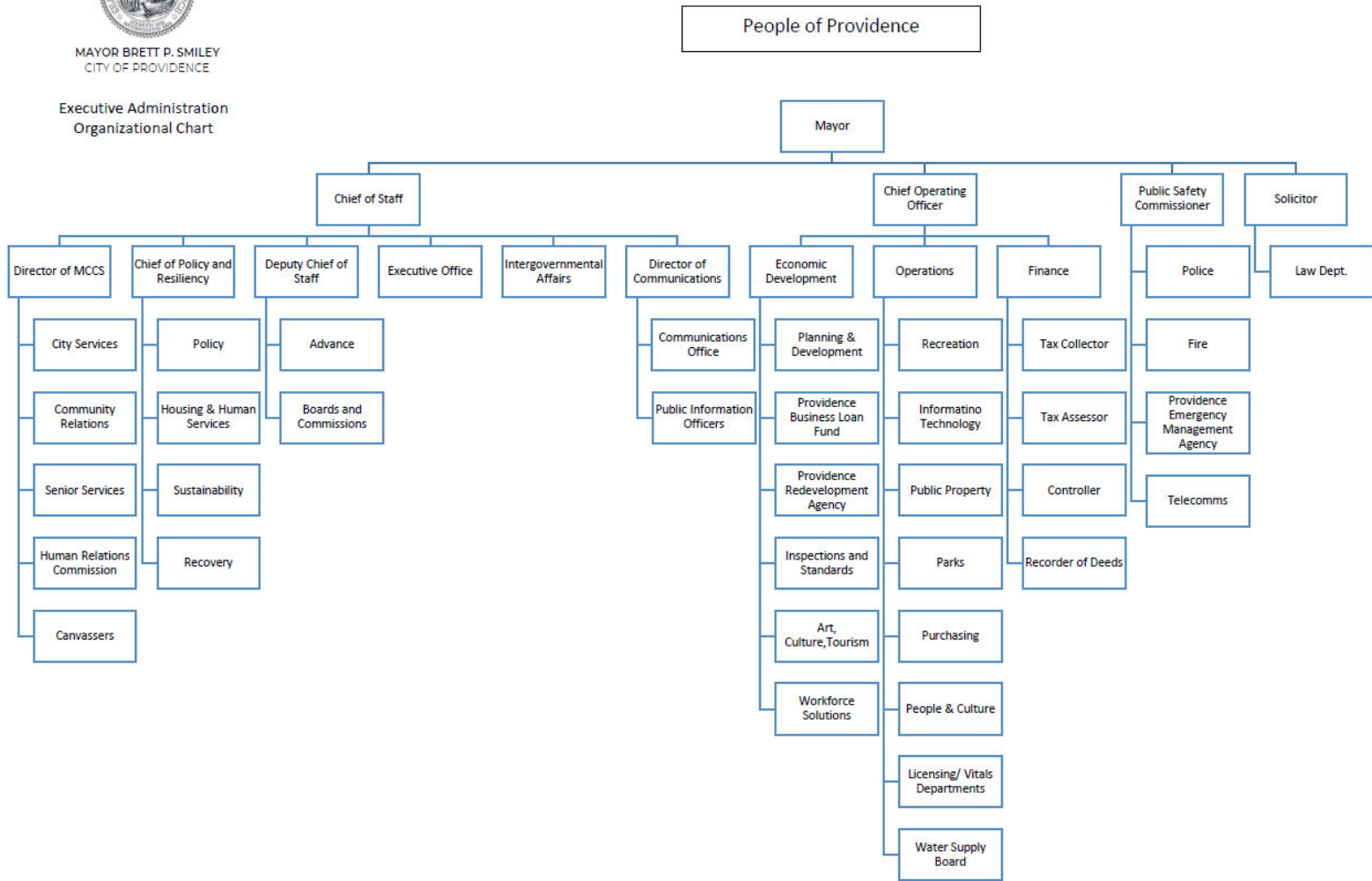
CITY OF PROVIDENCE, RHODE ISLAND

TABLE OF ORGANIZATION



MAYOR BRETT P. SMILEY
CITY OF PROVIDENCE

Executive Administration
Organizational Chart





CITY OF PROVIDENCE

MAYOR BRETT P. SMILEY

March 30, 2026

Providence City Council
Providence City Hall
25 Dorrance Street
Providence, Rhode Island 02903

To the Citizens of the City of Providence, Rhode Island:

Rhode Island state law requires that for all general purposes, local governments publish a complete set of audited financial statements within six months of the close of each fiscal year. This report fulfills that requirement for the Fiscal Year 2025(FY25) that ended June 30, 2025

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Accountants and advisers from CLA have issued an unmodified ("clean") opinion on the City of Providence, Rhode Island's financial statements for the year ending June 30, 2025. A copy of their independent auditor's report is located at the front of the financial section of the report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is intended to complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The capital city of Providence was founded in 1636 and incorporated in 1831. It occupies 18.1 square miles of land and an additional 1.9 square miles of water. Located at the head of Narragansett Bay on the Providence River, it is the major population, financial, educational, governmental, and industrial center of Rhode Island. Situated on the Boston-Washington Interstate 95 corridor, with proximity to multi-billion-dollar markets and multi-million population centers, residents and businesses have ready access to all major forms of transportation, including AMTRAK, Providence & Worcester Railroad, T.F. Green International Airport, the Port of Providence and Interstates 95 and 195. Providence has the largest population of Rhode Island's 39 cities and towns with 190,934 residents (2020 Census), up 7.2 percent from 178,042 in 2010 (2010 Census). The most recent demographic profile for the city is as follows:

- White alone 45.6%
- Hispanic or Latino 42.6%
- Black or African American alone 15.2%
- Asian alone 6.40%
- Two or More Races 13.6%
- American Indian and Alaska Native alone .6%
- Native Hawaiian and Other Pacific Islander alone 0.01%
- White alone, not Hispanic or Latino 34.4%

The City has a Mayor-Council form of government with a Home Rule Charter (adopted in 1980, effective January 3, 1983). City government is responsible for providing services such as: general government, community development, administrative services, public safety, sanitation, public works, planning and development, workforce development, recreation, parks and maintaining buildings for public education. The City adopts an annual budget for the General Fund and separately for the Providence Public School District. The department manages the legal level of control.

FY25 Budget Highlights

On April 17, 2024, Mayor Smiley presented the proposed FY25 budget to the Providence City Council, local leaders and community members. The proposed budget strengthened the City's financial position, improved city services and included a historic investment in education.

Mayor Smiley's FY25 budget underscored his commitment to investing in high-quality city services, public safety and education while setting Providence up for long-term fiscal stability. The balanced budget had no reliance on federal funding and no increase to taxes for residents and businesses.

Additionally, the Smiley Administration used remaining American Rescue Plan Act (ARPA) funding for high-impact, one-time investments that benefit Providence neighborhoods for decades to come, including infrastructure repairs, parks and greenspace improvements and climate resilience projects.

In response to the ongoing housing shortage, the FY25 budget reflected significant investments in both immediate supports and long-term solutions. These investments included continued funding for the Providence Housing Trust, support for emergency shelter capacity and policies created to incentivize housing production at every price point.

The FY25 budget also prioritized public safety investments across every neighborhood, funding police and fire academies to support adequate staffing levels and high-quality emergency response. Additionally, investments were made to improve roads, sidewalks, parks and city services, informed by feedback from the City's Community Satisfaction Survey.

Education remained a top priority in the FY25 budget. The City made the largest investment in the Providence Public School District (PPSD) in seven years, increasing the City's contribution by \$5.5 million, bringing the total contribution to \$135.5 million, and supporting early learning, afterschool programming and school facility improvements.

The FY25 Budget was adopted on June 28, 2024.

Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Providence for its annual comprehensive financial report for the fiscal year ended June 30, 2024.

This marks the seventeenth consecutive year for this coveted achievement.

The report was judged by an impartial panel to meet the program's high standards including demonstrating a constructive "spirit of full disclosure" to clearly communicate the City's financial story and motivate potential users and user groups to read the report. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Surplus

The City ended FY25 with a \$2,702,000 surplus. This tenth consecutive surplus was achieved primarily through the result of several factors, including the continuation of more realistic budgeting practices, careful management of each department's budget, strong tax collections, attrition and assistance from the American Rescue Plan Act (ARPA) funding. With the FY25 surplus, the City was able to increase its fund balance to \$33.3 million, representing 5.55 percent of the FY25 adopted budget.

American Rescue Plan Act (ARPA) Funding

During FY25, the City of Providence successfully obligated its full \$166 million allocation of American Rescue Plan Act (ARPA) funding, in compliance with federal requirements. These funds were strategically committed to high-impact initiatives that strengthen the City's long-term fiscal health and deliver tangible benefits to Providence neighborhoods.

Major ARPA investments included funding for housing affordability and homelessness interventions, public infrastructure improvements, stormwater and sewer system upgrades, parks and public space enhancements and climate resilience projects, including repairs to the Providence Hurricane Barrier and shoreline protections.

ARPA funds were also invested in youth and education initiatives, workforce development, social equity programs and renovations to Providence recreation centers.

Per federal guidelines, these funds must be fully expended by the end of 2026.

Pension ADC Funding

In FY25, the City made several large pre-June 30, 2025 pension payments and completed its thirteenth consecutive 100 percent ADC payment. The timing of these payments saved the City nearly \$1.37 million in interest, which remained within the pension fund. Over the past ten years, early payments have saved the City \$13.95 million in interest and have remained within the pension fund. The City's Employee Retirement System achieved its highest level of funding since 2012 at 32.42 percent funded.

Medical Self-insured Funds

The City's efforts to manage its self-insured medical budget to reflect appropriate funding and preventative options for insureds paid dividends. FY25 resulted in a \$2.475M surplus and when combined with prior years cumulative fund balance, the City has self-insured medical reserves now total approximately \$18.89 million, which have been set aside to assist the City should catastrophic claims occur.

The City's self-insured funds reserve balance remained adequately funded at \$18.89 million or approximately 16.06 percent of the self-insured budget of \$117.6 million, which is considered acceptable and within the range of best practices (1/6 of the self-insured budget) by the Government Finance Officers Association (GFOA).

Taxes

The FY25 budget did not increase taxes for Providence residents or businesses. The budget reflected the Administration's commitment to responsible fiscal management while maintaining city services and advancing strategic investments without placing additional burden on taxpayers.

- Mayor Smiley had proposed and the City Council adopted, changing the Homestead Exemption on residential real estate, from a percentage-off of value method for owner-occupied residential properties (43%) to a new bifurcated tax-rate system, that reflected an owner-occupied residential rate (\$10.46/\$1,000) and a non-owner occupied rate, (\$18.35/\$1,000), that essentially provided owner-occupied taxpayers with a rate, that was the equivalent of the previous method of applied-homestead.
- This change provided a more transparent and easier methodology for taxpayers to understand and placed Providence in the lowest one-third of residential tax rates of all 39 municipalities in Rhode Island.
- FY25 saw the implementation of the 2024 Rhode Island General Assembly enacted legislation that created a new statewide \$50,000 exemption on tangible personal property, alleviating a tax burden on nearly 50 percent of all small businesses in Providence, while providing for an inaugural state-reimbursement payment to the City of \$6.2M, making up for any loss tangible tax revenue, as a result of granting this new exemption to businesses.

FY25 Budgeted Initiatives

The FY25 budget made investments that strengthen Providence's financial position, improve quality-of-life outcomes and position the City for long-term success. The budget focused on education, public safety, housing, climate resilience and the delivery of high-quality city services across every neighborhood.

Improving Supports to Children & Families

The FY25 budget included the largest investment in PPSD seven years by increasing the City's contribution and reinforcing Providence's commitment to improving educational outcomes.

The budget also supported early learning initiatives, home-based childcare facilities, afterschool programming and youth employment opportunities.

In addition, the City continued to invest in school facilities and advance planning for the transition of PPSD back to local management.

Building a Healthy & Safe City

The FY25 budget funded police and fire academies to strengthen staffing levels and ensure the City's public safety departments are equipped to meet evolving community needs. The budget also supported expanded EMS initiatives, traffic safety efforts and neighborhood-based public safety strategies.

Delivering High-Quality Services to Every Neighborhood

The FY25 budget included investments to improve city services, including road and sidewalk repairs, park and greenspace improvements and enhanced service delivery through technology upgrades.

During FY25, the City launched an upgraded PVD311 platform to modernize constituent service delivery, streamline interdepartmental coordination and improve tracking and response times for service requests. The Mayor's Center for City Services also earned Government Contact Center certification, reflecting operational standards and staff training aligned with national best practices.

Debt Administration

- During FY25, Fitch Ratings upgraded the City's General Obligation bond rating to A+ from A and assigned a stable outlook, citing improved operating performance and strengthened reserve levels. Fitch also upgraded the City's General Government and Issuer Default ratings, reflecting continued progress in financial management and revenue stability.
- In August of 2024 (FY 25) the City, through its Providence Public Buildings Authority, issued \$135 million in revenue bonds to fund projects within the most recently adopted Capital Improvement Plan (CIP), followed by a \$125 Million Rhode Island Health and Educational Corporation Public Schools Revenue Bond Financing Program, Series 2024 G (City of Providence) for Providence Public School facilities bonds, with an 89-91 percent reimbursement rate from Rhode Island Department of Education School Building Administration reimbursement program.
- Outstanding government and business-type activity bonds at June 30, 2025, totaled \$879,737,000. The City has the following bond ratings for general obligation debt:

Moody's Investor Services –	A3
Standard and Poor's –	BBB+
Fitch –	A+

Acknowledgments

The preparation of this report was possible due to the dedication and hard work of many individuals.

I would like to express my appreciation and gratitude to all the staff members who assisted and contributed to its preparation. I also appreciate the dedication of the audit team at CLA.

Finally, I would like to thank Mayor Brett P. Smiley and the Providence City Council for their steady and responsible stewardship of all aspects of City government.

Respectfully submitted,



Lawrence J. Mancini
Chief Financial Officer

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Government Finance Officers Association

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Rhode Island**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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**CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

This Management's Discussion and Analysis of the City of Providence, Rhode Island's Basic Financial Statements provides a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government – Wide Highlights

Net Position – The liabilities and deferred inflows of the City's governmental activities exceeded its assets and deferred outflows for the fiscal year ending June 30, 2025 by \$1.81 billion (presented as "total net position"). Of this amount, a negative of \$2.6 billion was reported as "unrestricted". The net investment in capital assets was \$548 million. The assets and deferred outflows of the City's business-type activities exceed its liabilities and deferred inflows by \$431 million. Of this amount, \$375 million represents the City's business-type activities net investment in capital assets.

Change in Net Position – The City's total net position increased by \$171 million in fiscal year 2025. Net position of governmental activities increased by \$144.7 million due mainly to lower overhead expenditures related to education and the executive, legislative, and judicial City departments as well as higher tax revenues. The net position of business-type activities increased by \$26.3 million primarily due to Water Supply Board operations, which generated a surplus of \$25.4 million.

Fund Highlights

Governmental Funds – Fund Balances – As of June 30, 2025, the City's governmental funds reported a combined ending fund balance of \$226.8 million, a \$116.1 million increase from the prior year. Of the total fund balance reported, \$28.3 million represents "unassigned fund balance."

Long-Term Obligations

The City's total long-term obligations related to its government activities had a net increase of \$138.1 million during the current fiscal year.

The total long-term obligations of the City's proprietary activities increased \$12 million during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Providence's basic financial statements. The City's basic financials statements include three components: 1) government – wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional supplementary information (budget schedules) and other supplementary information (combining financial statements). These components are described in this next section of this analysis.

Basic Financial Statements

The basic financial statements include two types of statements that present different views of the City's financial information. These statements are the **Government-Wide and the Fund Financial statements**. These financial statements are accompanied by **Notes to the financial Statements**, which provide detailed information about financial statement items.

**CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the city's operations in a manner similar to a business operating in the private sector. The statements provide short-term and long-term information about the City's financial position, which assists in assessing the City's economic condition at the end of the fiscal year. These are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. In other words, they follow methods that are similar to those used by most businesses. They take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include two statements:

- The *Statement of Net Position* presents all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as "net position." Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The *Statement of Activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported, as soon as, the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as, uncollected taxes and earned, but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the City.

Both of the above financial statements have separate sections for three different types of the City's programs or activities. These activities are defined below:

- *Governmental Activities* – The activities in this section are supported mostly by tax revenues and intergovernmental revenues (federal and state grants). Most services normally associated with City government fall into this category, including the executive, legislative and judicial, financial administration, human resources, public safety, building inspections, public works, recreation, parks, schools, public property, planning, other general government, judgment and claims, retirement costs, debt service, and other employee benefits.
- *Business-Type Activities* – These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The City's business-type activities include the operations of the Water Supply Board and The Providence Public Building Authority.
- *Component Unit* – The Providence Redevelopment Agency ("PRA") was founded on December 20, 1946 and has distinct legal existence from the City. PRA is supported primarily by bonds with the intent to foster economic development in substandard and blighted areas.

**CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other local Governments, the City uses fund accounting to ensure and demonstrate compliance with finance-regulated legal requirements.

The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. All of the funds of the City can be divided into three categories: (1) governmental, (2) proprietary, and (3) fiduciary. It is important to note that these fund categories use different accounting approaches and should be interpreted differently. The three categories of funds are described below:

1. *Governmental Fund Financial Statements* – Most of the basic services provided by the City are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed, short-term view of the City's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the City.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The City has five governmental funds considered to be major funds for financial statement presentation. That is, each major fund is presented in a separate column in the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances. The City's four major governmental funds are comprised of the following: (1) the General Fund, (2) the School Fund, (3) the School Grant Fund, (4) the Capital Projects Fund, and (5) the American Rescue Plan Act Fund. All nonmajor governmental funds are presented in single column. The basic governmental fund financial statements can be found immediately following the government-wide statements.

**CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Fund Financial Statements (Continued)

2. *Proprietary Fund Financial Statements* – These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge fees for services provided to outside customers, including local governments, which are known as enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statement, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business-type activities and proprietary fund financial statements. The City has two major enterprise funds: The Water Supply Board and the Providence Public Buildings Authority. Financial statements for the Providence Public Buildings Authority may be obtained from the City of Providence Finance Department.

The Internal Service Fund is maintained to account for the self-insured health claims and potential legal claims of the City.

The basic proprietary fund financial statements can be found immediately following the governmental fund financial statements.

3. *Fiduciary Fund Financial Statements* – These funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. They use the accrual basis of accounting.

The City's fiduciary funds are comprised of the Employee Retirement Fund, and various Private-Purpose Trust Funds.

The fiduciary financial statements can be found immediately following the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund basis financial statements. The notes to the financial statements can be found immediately following the fiduciary fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary comparison schedules for the general and school funds – the only governmental funds for which legal budgets are adopted annually. In fiscal year 2025, there were no significant modifications to the budgets originally adopted for each fund.

**CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

OTHER SUPPLEMENTARY INFORMATION

Combining Financial Statements and Schedules

Combining financial statements are presented for nonmajor governmental funds and combining schedules are presented by individual grant within the school department. These are presented following the required supplementary information. The total columns of these combining financial statements and schedules are presented in the applicable fund financial statement.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve as a useful indicator of the government's financial position over time. The City's combined net position (government and business-type activities) totaled a deficit of \$1.38 billion at the end of 2025, compared to a deficit of \$1.58 billion at the end of the prior year.

The largest portion of the City's net position, \$923 million, reflect its investment in capital assets, like land, buildings, equipment, and infrastructure (roads, bridges, and other immovable assets) less any outstanding related debt used to acquire that asset. The City uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

	June 30, 2025				June 30, 2024			
	Governmental Activities	Business- Type Activities	Total Primary Government	Component Unit	Governmental Activities	Business- Type Activities	Total Primary Government	Component Unit
Assets:								
Current and Other Assets	\$ 685,539	\$ 105,868	\$ 791,407	\$ 94,250	\$ 183,650	\$ 425,568	\$ 609,218	\$ 71,862
Capital Assets	910,792	588,100	1,498,892	6,467	847,157	518,297	1,365,454	6,467
Noncurrent Assets	2,705	-	2,705	2,126	3,412	362	3,774	2,203
Total Assets	1,599,036	693,968	2,293,004	102,843	1,034,219	944,227	1,978,446	80,532
Deferred Outflows of Resources	189,297	4,549	193,846	-	201,130	6,869	207,999	-
Liabilities:								
Current Liabilities	388,273	26,556	414,829	25,855	389,901	58,050	447,951	23,965
Noncurrent Liabilities	2,790,623	230,596	3,021,219	52,293	2,411,836	479,220	2,891,056	50,558
Total Liabilities	3,178,896	257,152	3,436,048	78,148	2,801,737	537,270	3,339,007	74,523
Deferred Inflows of Resources	423,942	10,817	434,759	2,064	413,286	13,004	426,290	2,318
Net Position:								
Net Investment In Capital								
Assets	547,705	375,297	923,002	6,467	650,799	359,964	1,010,763	6,467
Restricted	231,879	53,473	285,352	-	86,481	71,558	158,039	-
Unrestricted	(2,594,089)	1,778	(2,592,311)	16,164	(2,716,954)	(30,700)	(2,747,654)	(2,776)
Total Net Position	<u>\$ (1,814,505)</u>	<u>\$ 430,548</u>	<u>\$ (1,383,957)</u>	<u>\$ 22,631</u>	<u>\$ (1,979,674)</u>	<u>\$ 400,822</u>	<u>\$ (1,578,852)</u>	<u>\$ 3,691</u>

Note – Prior-year information has not been restated because retroactive application was determined to be impracticable due to nature of historical accounting methods previously applied.

Restricted net position of \$285 million primarily represents infrastructure restricted funds that are subject to external restrictions on how they may be used. Internally imposed designations of resources are not presented as restricted net position.

**CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Changes in Net Position

The City's net position increased by \$144.7 million for governmental activities and \$26.3 million for business-type activities for a combined increase in net position of \$171 million. General fund revenues increased due to an increase in property taxes, charges for services, and a reduction in departmental spending. Approximately 40.17% of the City's total governmental revenues were generated from taxes and payments in lieu of taxes, which is an increase from the prior year. 44.75% of revenues resulted from grants and contributions, which decreased from the prior year. There were incremental changes in charges for various goods and services, which provided 5.67% of total revenues, while other revenues and investment and rental income accounted for 9.40% of total revenues. The City's expenses cover a range of services. The largest expenses were for school, public safety, retirement costs, and employee benefits. Revenues from business-type activities in fiscal year 2025 exceeded expenses by \$26.25 million. The Business-type activities reported a decrease in revenue of 11.45%, while expenses decreased by 16.26% from the prior year.

	June 30, 2025				June 30, 2024			
	Governmental Activities	Business- Type Activities	Total Primary Government	Component Unit	Governmental Activities	Business- Type Activities	Total Primary Government	Component Unit
Revenues:								
Program Revenues:								
Charges for Service	\$ 62,934	\$ 109,222	\$ 172,156	\$ 21,416	\$ 54,158	\$ 119,137	\$ 173,295	\$ 16,479
Operating Grants and Contributions	491,463	-	491,463	-	556,230	-	556,230	-
Capital Grants and Contributions	5,163	1,827	6,990	6,122	20,195	924	21,119	5,369
General Revenues:								
Property Taxes	445,767	-	445,767	-	418,439	-	418,439	-
Grants Not Restricted for a Specific Purpose	53,560	-	53,560	-	51,734	-	51,734	-
Miscellaneous	44,429	-	44,429	75	40,121	26	40,147	48
Unrestricted Investment Earnings	12,484	3,136	15,620	355	9,756	8,859	18,615	68
Total Revenues	1,115,800	114,185	1,229,985	27,968	1,150,633	128,946	1,279,579	21,964
Expenses:								
Executive, Legislative, and Judicial	61,171	-	61,171	-	89,220	-	89,220	-
Finance	56,994	-	56,994	-	46,556	-	46,556	-
Public Safety	178,448	-	178,448	-	192,165	-	192,165	-
Building Inspection	4,752	-	4,752	-	4,408	-	4,408	-
Public Works	36,112	-	36,112	-	36,024	-	36,024	-
Recreation	6,505	-	6,505	-	6,391	-	6,391	-
Public Lands and Parks	30,819	-	30,819	-	47,788	-	47,788	-
Education	532,835	17,279	550,114	-	582,942	19,193	602,135	-
Community Development	6,964	-	6,964	-	49,252	-	49,252	-
Interest on Long-Term Debt	56,490	-	56,490	-	20,584	-	20,584	-
PPBA	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	15,817	15,817	-
Water	-	70,654	70,654	-	-	70,003	70,003	-
Providence Redevelopment Agency	-	-	-	14,168	-	-	-	16,824
Total Expenses	971,090	87,933	1,059,023	14,168	1,075,330	105,013	1,180,343	16,824
Change In Net Position	144,710	26,252	170,962	13,800	75,303	23,933	99,236	5,140
Net Position- Beginning	(1,959,215)	404,296	(1,554,919)	8,831	(2,044,171)	400,822	(1,643,349)	3,691
Restatement	-	-	-	-	9,653	(20,459)	(10,806)	-
Net Position- Ending	\$ (1,814,505)	\$ 430,548	\$ (1,383,957)	\$ 22,631	\$ (1,959,215)	\$ 404,296	\$ (1,554,919)	\$ 8,831

Note – Prior-year information has not been restated because retroactive application was determined to be impracticable due to nature of historical accounting methods previously applied.

**CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Business-Type Activities

The business-type activities increased the City's net position by \$26.3 million. This resulted primarily from a \$25.4 million increase in the net position of the Water Supply Board and an increase of \$835 thousand from the school lunch program.

FINANCIAL ANALYSIS OF THE CITY'S INDIVIDUAL FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the general fund was \$33.3 million, an increase of \$2.7 million from positive \$30.6 million the prior year. The increase in fund balance is due to an increase in taxes and departmental revenue of \$15.7 million and \$16.1 million, respectively, over the prior fiscal year. Other financing sources amounted to \$12.7 million, an increase of \$3.2 million over the prior fiscal year. The increases in taxes and departmental revenues were enough to offset a \$30.6 million increase in operational expenditures for the fiscal year ending June 30, 2025. As a measure of the general funds' liquidity, it may be useful to compare both unassigned fund balance and total fund balance.

School Grants-Fund Balance – The school grant funds account for federal and state grants received and expended by the school system. The fiscal year 2025 school grants fund balance is reported at \$6.5 million, an increase of \$298 thousand from fiscal year 2024.

School Fund – The school fund ended the year with a \$6.5 million fund balance. The expenditures were \$475.2 million as compared to \$435.7 million in the prior year. All state aid in fiscal 2025 was included in the School general fund and excluded in the school grants fund. The City entered into a collaboration agreement with the State of Rhode Island Department of Education during fiscal year 2020, which suspends the City Charter provision that the School Department carries no fund balance.

Capital Projects Fund-Fund Balance – The capital projects fund accounts for resources to be used for the acquisition or construction of capital assets for housing and community improvement activities in the City, other than those financed by proprietary funds. The fiscal year 2025 capital projects fund balance is \$112.6 million. The \$107.0 million increase from fiscal year 2024 is attributable most notably to the issuance of bonds related to various public building improvements around the City.

American Rescue Plan Act-Fund Balance – The American Rescue Plan Act ("ARPA") fund accounts for resources provided by the federal government to build an equitable economic recovery from the economic effects of the COVID-19 pandemic. The fiscal year 2025 ARPA fund balance is \$6.9 million. This \$2.2 million increase is due to interest earned by unspent ARPA proceeds.

**CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As discussed in the business-type activities above, the City's proprietary net position increased by \$30.9 million as a result of operations in the individual enterprise funds. This increase is primarily due to a \$25.4 million increase in net position of the Water Supply Board. The Providence Public Building Authority had an increase in net position of \$4.6 million for fiscal year 2025. In fiscal year 2025, the Water Supply Board's charges for services increased by \$3.1 million. The Water Supply Board received \$903 thousand more in capital grants and contributions as compared to 2024.

General Fund Budgetary Highlights

The general fund incurred an uncombined surplus in fiscal year 2025 of \$2.6 million. This will increase the cumulative uncombined general fund balance to a positive \$23.0 million. The GASB 54 requirement for combining funds shows a cumulative general fund balance as \$33.3 million. Total general fund revenues were \$630.3 million and total general fund expenditures and net transfers were \$627.6 million for the fiscal year.

Further details of favorable and unfavorable variances of revenue and expense items can be found in the Required Supplementary Information on pages 76 to 81 of the fiscal year 2025 Annual Comprehensive Financial Report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets (Note 7 to the Basic Financial Statements)

	June 30, 2025				June 30, 2024			
	Governmental Activities	Business- Type Activities	Component Unit	Total	Governmental Activities	Business- Type Activities	Component Unit	Total
Land	\$ 40,992	\$ 27,869	\$ 6,467	\$ 75,328	\$ 40,992	\$ 27,280	\$ 6,467	\$ 74,739
Building and Improvements	504,648	474,410	-	979,058	349,560	440,180	-	789,740
Machinery and Equipment	18,112	14,976	-	33,088	20,726	15,816	-	36,542
Infrastructure	73,644	-	-	73,644	73,341	-	-	73,341
Lease Assets	247,380	-	-	247,380	269,391	-	-	269,391
Construction in Progress	26,016	70,845	-	96,861	93,147	62,235	-	155,382
Total	<u>\$ 910,792</u>	<u>\$ 588,100</u>	<u>\$ 6,467</u>	<u>\$ 1,505,359</u>	<u>\$ 847,157</u>	<u>\$ 545,511</u>	<u>\$ 6,467</u>	<u>\$ 1,399,135</u>

The City's investment in capital assets for its governmental activities as of June 30, 2025 amounts to \$1.6 billion, net of accumulated depreciation of \$690 million, leaving a net book value of \$911 million. This investment in capital assets included land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City, such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items.

**CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Debt Administration (Note 8 to the Basic Financial Statements)

	June 30, 2025				June 30, 2024			
	Governmental		Business-		Governmental		Business-	
	Activities	Type Activities	Component Unit	Total	Activities	Type Activities	Component Unit	Total
General Obligation Bonds	\$ 24,090	\$ -	\$ 20,630	\$ 44,720	\$30,195	\$ -	\$21,755	\$ 51,950
Revenue Bonds	218,125	174,647	15,285	408,057	97,000	159,665	18,695	275,360
Unamortized Bond Premiums	33,196	-	-	33,196	19,517	-	-	19,517
Financed Purchases	10,865	-	-	10,865	16,565	-	-	16,565
Notes Payable	807	-	21,952	22,759	2,129	-	22,861	24,990
PPBA Debt	392,363	-	-	392,363	271,917	-	-	271,917
Total	<u>\$ 679,446</u>	<u>\$ 174,647</u>	<u>\$ 57,867</u>	<u>\$ 911,960</u>	<u>\$ 437,323</u>	<u>\$ 159,665</u>	<u>\$ 63,311</u>	<u>\$ 660,299</u>

Note – Certain reclassifications were made to FY24 amounts to reflect changes due to the restatement as noted in Note 17.

The authority of the City to incur debt is governed by federal and state laws, which restrict the amounts and purposes for which a municipality can incur debt.

General obligation bonds are backed by the full faith and credit of the City, including the City's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the City Council.

The City's total outstanding notes and bonds increased by \$251.7 million during the current fiscal year.

The 2004 State legislative session authorized the City to issue variable rate debt and to participate in interest rate swaps. The City is developing policies that will set guidelines and procedures and define permitted instruments. It will set participant requirements and limitations on exposure, as well as ongoing management and reporting requirements.

The City of Providence maintains the following ratings from Wall Street's credit agencies for general obligation debt: an A3 rating from Moody's Investors Service, a BBB+ rating from Standard and Poor and an A+ rating from Fitch. The City of Providence continues to perform long-term strategic planning in a pro-active attempt to control costs: examples of these costs are health insurance, pension costs, education, salaries and benefits and debt service. The City has negotiated with all of its unions to increase employee contributions for health insurance.

Additional information on the City's long-term debt obligations can be found in Notes 8 and 9 to the Financial Statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Providence's finances for all of the City of Providence's citizens, taxpayers, customers, and investors and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: City of Providence, Finance Department, Providence City Hall, 25 Dorrance Street, Providence, RI 02903.

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Providence, Rhode Island

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Providence, Rhode Island, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Providence, Rhode Island's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Providence, Rhode Island, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 17 to the financial statements, the City of Providence, Rhode Island adopted Governmental Accounting Standards Board (the "GASB") Statement No. 101, *Compensated Absences*, effective July 1, 2024 which resulted in a restatement of beginning net position of the governmental activities. Our opinions are not modified with respect to this matter.

Emphasis of Matter – Correction of an Error

As discussed in Note 17 to the financial statements, the City of Providence, Rhode Island restated beginning net position of the governmental activities, business-type activities and Providence Public Building Authority fund. Our opinions are not modified with respect to this matter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Providence, Rhode Island's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Providence, Rhode Island'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, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Providence, Rhode Island's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and Annual Supplemental Transparency Report 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 combining and individual nonmajor fund financial statements and schedules and Annual Supplemental Transparency Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor and Members of the City Council
City of Providence, Rhode Island

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2026, on our consideration of the City of Providence, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Providence, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Providence, Rhode Island's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Cranston, Rhode Island
March 30, 2026

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BASIC FINANCIAL STATEMENTS

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CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2025
(IN THOUSANDS)

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Totals	Unit Providence Redevelopment Agency
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 309,234	\$ 3,143	\$ 312,377	\$ 54,187
Restricted Cash and Cash Equivalents	219,805	47,485	267,290	-
Cash Held by Fiscal Agent	3,419	38,156	41,575	-
Investments	28,589	-	28,589	-
Taxes Receivable (Net of Allowance)	19,468	-	19,468	-
Intergovernmental Receivable	61,890	-	61,890	5
Loan Receivable (Net of Allowance)	14,759	-	14,759	34,466
Restricted Receivables	-	2,918	2,918	-
Other Receivable	17,181	-	17,181	861
Charges for Service Receivable (Net of Allowance)	-	15,708	15,708	-
Internal Balances	4,286	(4,286)	-	-
Other Assets	6,908	2,744	9,652	4,731
Total Current Assets	685,539	105,868	791,407	94,250
Noncurrent Assets:				
Leases Receivable	2,705	-	2,705	2,126
Capital Assets, Nondepreciable	67,008	98,714	165,722	6,467
Capital Assets, Depreciable and Amortizable, Net	843,784	489,386	1,333,170	-
Total Noncurrent Assets	913,497	588,100	1,501,597	8,593
Total Assets	1,599,036	693,968	2,293,004	102,843
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	64,672	1,690	66,362	-
Deferred Outflows of Resources Related to OPEB	124,625	2,859	127,484	-
Total Deferred Outflows of Resources	189,297	4,549	193,846	-
LIABILITIES				
Current Liabilities:				
Warrants and Accounts Payable	68,276	6,499	74,775	480
Payable to Retirement Plan	58,111	-	58,111	-
Due to Other Governments	1,378	-	1,378	2,100
Accrued Liabilities	30,634	-	30,634	1,461
Unearned Revenue	21,851	-	21,851	16,240
Amounts Payable With Current Restricted Assets	-	2,843	2,843	-
Long-Term Liabilities Due Within One Year	208,023	17,214	225,237	5,574
Total Current Liabilities	388,273	26,556	414,829	25,855
Noncurrent Liabilities:				
Due in More Than One Year	2,790,623	230,596	3,021,219	52,293
Total Noncurrent Liabilities	2,790,623	230,596	3,021,219	52,293
Total Liabilities	3,178,896	257,152	3,436,048	78,148
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pension	66,389	2,271	68,660	-
Deferred Inflows of Resources Related to OPEB	354,201	8,546	362,747	-
Deferred Inflows of Resources Related to Leases	3,352	-	3,352	2,064
Total Deferred Inflows of Resources	423,942	10,817	434,759	2,064
NET POSITION				
Net Investment in Capital Assets	547,705	375,297	923,002	6,467
Restricted for:				
Nonexpendable	4,312	-	4,312	-
Recreation	6,852	-	6,852	-
Infrastructure	176,156	-	176,156	-
Public Safety	3,634	-	3,634	-
Education	7,818	-	7,818	-
Water Quality Protection	-	53,473	53,473	-
Debt Service	33,107	-	33,107	-
Unrestricted	(2,594,089)	1,778	(2,592,311)	16,164
Total Net Position	\$ (1,814,505)	\$ 430,548	\$ (1,383,957)	\$ 22,631

See accompanying Notes to Financial Statements.

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

					Net Revenue (Expense) and Changes in Net Position			
Functions/Programs	Expenses	Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Providence Redevelopment Agency
GOVERNMENTAL ACTIVITIES								
Executive, Legislative, and Judicial	\$ 61,171	\$ 370	\$ 211	\$ -	\$ (60,590)	\$ -	\$ (60,590)	\$ -
Finance	56,994	6,378	-	-	(50,616)	-	(50,616)	-
Public Safety	178,448	38,516	34,250	-	(105,682)	-	(105,682)	-
Building Inspection	4,752	12,529	-	-	7,777	-	7,777	-
Public Works	36,112	934	2,449	5,064	(27,665)	-	(27,665)	-
Recreation	6,505	1,190	331	-	(4,984)	-	(4,984)	-
Public Land and Parks	30,819	2,152	392	99	(28,176)	-	(28,176)	-
Education	532,835	153	433,247	-	(99,435)	-	(99,435)	-
Community Development	6,964	712	20,583	-	14,331	-	14,331	-
Interest on Long-Term Debt	56,490	-	-	-	(56,490)	-	(56,490)	-
Total Governmental Activities	971,090	62,934	491,463	5,163	(411,530)	-	(411,530)	-
BUSINESS-TYPE ACTIVITIES								
Water Supply Board	70,654	91,108	-	1,827	-	22,281	22,281	-
Nonmajor School Lunch Program	17,279	18,114	-	-	-	835	835	-
Total Business-Type Activities	87,933	109,222	-	1,827	-	23,116	23,116	-
Total Primary Government	1,059,023	172,156	491,463	6,990	(411,530)	23,116	(388,414)	-
COMPONENT UNIT								
Providence Redevelopment Agency	14,168	21,416	-	6,122	-	-	-	13,370
Total	\$ 1,073,191	\$ 193,572	\$ 491,463	\$ 13,112	(411,530)	23,116	(388,414)	13,370
GENERAL REVENUES								
Taxes:								
Property Taxes					390,518	-	390,518	-
Payment in Lieu of Taxes					55,249	-	55,249	-
Grants and Contributions Not Restricted to Specific Programs					53,560	-	53,560	-
Investment Earnings					12,484	3,136	15,620	355
Miscellaneous					44,429	-	44,429	75
Total General Revenues					556,240	3,136	559,376	430
CHANGE IN NET POSITION					144,710	26,252	170,962	13,800
Net Position - Beginning of Year, as Originally Reported					(1,968,868)	424,755	(1,544,113)	8,831
Restatement					9,653	(20,459)	(10,806)	-
Net Position - Beginning of Year, as Restated					(1,959,215)	404,296	(1,554,919)	8,831
NET POSITION - END OF YEAR					\$ (1,814,505)	\$ 430,548	\$ (1,383,957)	\$ 22,631

See accompanying Notes to Financial Statements.

**CITY OF PROVIDENCE, RHODE ISLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(IN THOUSANDS)**

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	School Fund	School Grants Fund	Capital Projects	ARPA Fund		
ASSETS							
Cash and Cash Equivalents	\$ 62,198	\$ 42,153	\$ 10,359	\$ 110,801	\$ 26,527	\$ 48,464	\$ 300,502
Investments	-	-	-	-	-	28,590	28,590
Receivables, Net:							
Taxes	19,468	-	-	-	-	-	19,468
Loans	-	-	-	-	-	14,606	14,606
Intergovernmental	45,760	3,908	5,048	-	-	5,982	60,698
Leases	3,319	-	-	-	-	93	3,412
Other	9,584	3,158	-	74	8	1,425	14,249
Due from Other Funds	98,796	50,473	71,248	19,101	664	16,732	257,014
Other Assets	4,312	-	-	-	-	327	4,639
Total Assets	<u>\$ 243,437</u>	<u>\$ 99,692</u>	<u>\$ 86,655</u>	<u>\$ 129,976</u>	<u>\$ 27,199</u>	<u>\$ 116,219</u>	<u>\$ 703,178</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Warrants and Accounts Payable	\$ 19,960	\$ 12,504	\$ 1,943	\$ 10,371	\$ 2,718	\$ 9,243	\$ 56,739
Accrued Liabilities	336	27,447	91	-	-	37	27,911
Unearned Revenue	382	-	2,395	-	9,725	9,349	21,851
Due to Other Funds	161,415	53,226	75,678	7,016	7,811	35,505	340,651
Due to Other Governments	694	-	12	-	-	-	706
Total Liabilities	<u>182,787</u>	<u>93,177</u>	<u>80,119</u>	<u>17,387</u>	<u>20,254</u>	<u>54,134</u>	<u>447,858</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Taxes	16,988	-	-	-	-	-	16,988
Unavailable Revenue - Other Receivables	7,109	-	-	-	-	1,033	8,142
Unavailable Revenue - Leases	3,289	-	-	-	-	63	3,352
Total Deferred Inflows of Resources	<u>27,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,096</u>	<u>28,482</u>
FUND BALANCES							
Nonspendable	4,312	-	-	-	-	-	4,312
Restricted	-	-	6,536	112,589	-	51,556	170,681
Committed	-	6,515	-	-	6,945	10,075	23,535
Unassigned	28,952	-	-	-	-	(642)	28,310
Total Fund Balances	<u>33,264</u>	<u>6,515</u>	<u>6,536</u>	<u>112,589</u>	<u>6,945</u>	<u>60,989</u>	<u>226,838</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 243,437</u>	<u>\$ 99,692</u>	<u>\$ 86,655</u>	<u>\$ 129,976</u>	<u>\$ 27,199</u>	<u>\$ 116,219</u>	<u>\$ 703,178</u>

See accompanying Notes to Financial Statements.

**CITY OF PROVIDENCE, RHODE ISLAND
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III)	\$	226,838
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Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets	1,573,449	
Less: Accumulated Depreciation and Amortization	(690,410)	
Net Capital Assets	883,039	

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:

Property Tax Receivables Greater Than 60 Days	16,988	
Accounts and Other Receivables	8,142	
Deferred Outflows Related to OPEB	124,625	
Deferred Outflows Related to Pension	64,672	

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

18,843

PPBA closed to governmental activities in the statement of net position	(149,845)	
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Long-term liabilities, including bonds payable and deferred outflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and Notes Payable	(243,022)	
Unamortized Bond Premium	(33,196)	
Interest Payable on Bonds and Notes	(1,372)	
Compensated Absences	(55,418)	
Claims and Judgments	(5,085)	
Lease Liability	(15,770)	
Financed Purchases	(10,865)	
Total OPEB Liability	(786,342)	
Net Pension Liability	(1,436,147)	
Deferred Inflows Related to OPEB	(354,201)	
Deferred Inflows Related to Pension	(66,389)	

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	\$	(1,814,505)
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See accompanying Notes to Financial Statements.

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	School Fund	School Grants Fund	Capital Projects	ARPA Fund		
REVENUES							
Taxes	\$ 388,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 388,885
Departmental Revenue	140,729	153	-	-	-	2,556	143,438
Federal and State Grants and Reimbursements	78,929	328,648	45,444	7,611	29,575	27,407	517,614
Investment and Rental Income	3,611	1,394	-	-	1,665	5,686	12,356
Fines and Forfeitures	4,825	-	-	-	-	-	4,825
Other	13,332	12	2,762	1,428	-	2,155	19,689
Total Revenues	630,311	330,207	48,206	9,039	31,240	37,804	1,086,807
EXPENDITURES							
Current:							
Executive, Legislative, and Judicial	57,437	-	-	-	26,939	432	84,808
Finance	59,532	-	-	-	-	-	59,532
Public Safety	227,790	-	-	-	-	8,723	236,513
Building Inspection	4,779	-	-	-	-	213	4,992
Public Works	29,985	-	-	569	-	-	30,554
Recreation	5,288	-	-	-	-	1,213	6,501
Public Lands and Parks	28,564	-	-	-	-	2,256	30,820
Other Departments	20,551	-	-	-	-	-	20,551
Grants	6,675	-	-	-	-	1,665	8,340
Education	-	475,163	46,708	-	-	1,394	523,265
Community Development	-	-	-	-	-	17,047	17,047
Noncurrent:							
Capital Outlays	87	61	-	56,260	-	1,120	57,528
Debt Service:							
Principal	23,224	-	-	-	-	-	23,224
Interest and Other Costs	12,031	-	-	-	-	-	12,031
Total Expenditures	475,943	475,224	46,708	56,829	26,939	34,063	1,115,706
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	154,368	(145,017)	1,498	(47,790)	4,301	3,741	(28,899)
OTHER FINANCING SOURCES (USES)							
Financed Purchases Issued	-	-	-	4,217	-	-	4,217
Issuance of Bonds	-	-	-	125,000	-	-	125,000
Bond Premium	-	-	-	15,717	-	-	15,717
Issuance of Leases	14	61	-	-	-	-	75
Transfers In	12,692	145,065	1,928	13,033	-	616	173,334
Transfers Out	(164,372)	-	(3,128)	(3,180)	(2,051)	(603)	(173,334)
Total Other Financing Sources (Uses)	(151,666)	145,126	(1,200)	154,787	(2,051)	13	145,009
NET CHANGE IN FUND BALANCES	2,702	109	298	106,997	2,250	3,754	116,110
Fund Balances - Beginning of Year	30,562	6,406	6,238	5,592	4,695	57,235	110,728
FUND BALANCES - END OF YEAR	\$ 33,264	\$ 6,515	\$ 6,536	\$ 112,589	\$ 6,945	\$ 60,989	\$ 226,838

See accompanying Notes to Financial Statements.

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV)	\$	116,110
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Amounts reported for governmental activities in the statement of activities
(Exhibit II) are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Outlay		98,098
Depreciation Expense		(38,133)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property Tax Receivable - Accrual Basis Change		1,619
Accounts and Other Receivables - Accrual Basis Change		757

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Issuance of Notes Payable and Leases		(4,292)
Issuance of Bonds		(140,717)
Lease Principal Payments		900
Bond Principal Payments		9,980
Notes Payable and Financed Purchases Principal Payments		11,239
Amortization of Premiums		2,038

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated Absences		(1,037)
Accrued Interest		(706)
Change in Total OPEB Liability		75,625
Change in Net Pension Liability		29,520
Change in Claims and Judgements		(271)
Change in Deferred Inflows Related to OPEB		1,799
Change in Deferred Inflows Related to Pension		(13,156)
Change in Deferred Outflows Related to OPEB		(975)
Change in Deferred Outflows Related to Pension		(10,794)

Providence Public Building Authority reported with governmental activities		4,631
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Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

2,475

Change in Net Position of Governmental Activities as Reported on the
Statement of Activities (Exhibit II)

\$ 144,710

See accompanying Notes to Financial Statements.

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Supply Board	Public Buildings Authority	Nonmajor School Lunch Program	Totals	Internal Service Fund
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 162	428	\$ 2,981	\$ 3,571	\$ 8,306
Restricted Cash	47,485	219,805	-	267,290	-
Cash Held by Fiscal Agent	38,156	3,419	-	41,575	-
Receivables, Net	11,821	1,205	3,887	16,913	2,369
Restricted Receivables	2,918	-	-	2,918	-
Advance to Other Funds	-	-	-	-	-
Due from Other Funds	-	-	3,335	3,335	82,326
Inventories	2,744	-	-	2,744	-
Other Assets	-	-	-	-	2,268
Total Current Assets	103,286	224,857	10,203	338,346	95,269
Capital Assets:					
Land	27,869	-	-	27,869	-
Buildings and Improvements	164,736	-	-	164,736	-
Improvements Other Than Buildings	587,225	15,919	-	603,144	-
Machinery and Equipment	59,622	-	-	59,622	-
Construction in Progress	70,845	13,966	-	84,811	-
Total	910,297	29,885	-	940,182	-
Less: Accumulated Depreciation	322,197	2,132	-	324,329	-
Total Noncurrent Assets	588,100	27,753	-	615,853	-
Total Assets	691,386	252,610	10,203	954,199	95,269
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources Related to Pension	1,690	-	-	1,690	-
Deferred Outflows of Resources Related to OPEB	2,859	-	-	2,859	-
Total Deferred Outflows of Resources	4,549	-	-	4,549	-
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	4,817	9,328	1,682	15,827	4,238
Risk Management Claims Payable	-	-	-	-	20,438
Due to Other Funds	1,569	764	6,052	8,385	51,750
Due to Primary Government	-	-	-	-	-
Other	-	-	-	-	-
Amounts Payable from Restricted Assets	2,843	-	-	2,843	-
Current Portion of OPEB Liability	4,469	-	-	4,469	-
Current Portion of Long-Term Debt and Financed Purchases	12,745	26,678	-	39,423	-
Total Current Liabilities	26,443	36,770	7,734	70,947	76,426
Noncurrent Liabilities:					
Revenue Bonds, Net	161,902	365,685	-	527,587	-
Net Pension Liability	56,951	-	-	56,951	-
Total OPEB Liability	11,743	-	-	11,743	-
Total Noncurrent Liabilities	230,596	365,685	-	596,281	-
Total Liabilities	257,039	402,455	7,734	667,228	76,426
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Pensions	2,271	-	-	2,271	-
Deferred Inflows Related to OPEB	8,546	-	-	8,546	-
Total Deferred Inflows of Resources	10,817	-	-	10,817	-
NET POSITION					
Net Investment in Capital Assets	375,297	(45,813)	-	329,484	-
Restricted for Water Quality Protection	53,473	-	-	53,473	-
Restricted for Debt Service	-	33,107	-	33,107	-
Unrestricted	(691)	(137,139)	2,469	(135,361)	18,843
Total Net Position	\$ 428,079	(149,845)	\$ 2,469	280,703	\$ 18,843
Consolidation adjustment for Public Buildings Authority being closed to Governmental-type Activities				149,845	
Net position of Business-Type Activities				\$ 430,548	

See accompanying Notes to Financial Statements.

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Supply Board	Public Building Authority	Nonmajor School Lunch Program	Totals	Internal Service Fund
OPERATING REVENUES					
Charges for Sales and Services	\$ 91,108	\$ -	\$ 2,483	\$ 93,591	\$ 20,251
Federal and State Grants and Reimbursements	-	-	15,631	15,631	-
Lease Receipts	-	28,188	-	28,188	-
Other	-	1,710	-	1,710	108,785
Total Operating Revenues	91,108	29,898	18,114	139,120	129,036
OPERATING EXPENSES					
Cost of Sales and Services	23,626	-	17,279	40,905	-
Health Claims	-	-	-	-	126,561
Administration	29,610	967	-	30,577	-
Depreciation and Amortization	13,141	691	-	13,832	-
Assets Conveyed to the City	-	24,657	-	24,657	-
Total Operating Expenses	66,377	26,315	17,279	109,971	126,561
OPERATING INCOME	24,731	3,583	835	29,149	2,475
NONOPERATING REVENUES (EXPENSES)					
Investment Income	3,136	4,846	-	7,982	-
Interest Expense	(4,277)	(15,256)	-	(19,533)	-
Interest Income - Leases	-	11,458	-	11,458	-
Total Nonoperating Revenues (Expenses)	(1,141)	1,048	-	(93)	-
NET INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS, AND SPECIAL ITEMS	23,590	4,631	835	29,056	2,475
Capital Grants and Contributions	1,827	-	-	1,827	-
CHANGE IN NET POSITION	25,417	4,631	835	30,883	2,475
Net Position - Beginning of Year, Original	402,662	20,459	1,634		16,368
Restatement	-	(174,935)	-		-
Net Position - Beginning of Year	402,662	(154,476)	1,634		16,368
NET POSITION - END OF YEAR	<u>\$ 428,079</u>	<u>\$ (149,845)</u>	<u>\$ 2,469</u>		<u>\$ 18,843</u>
Consolidation adjustment for Public Buildings Authority being closed to Governmental-type Activities				(4,631)	
Change in net position of Business-Type Activities				<u>\$ 26,252</u>	

See accompanying Notes to Financial Statements.

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Supply Board	Public Building Authority	Nonmajor School Lunch Program	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers and Other	\$ 91,317	\$ 412	\$ 1,855	\$ 93,584	\$ 129,036
Cash Received from Intergovernmental Sources	-	93	17,729	17,822	-
Cash Paid to Vendors	(34,296)	(967)	(17,424)	(52,687)	(127,022)
Cash Paid to Employees	(23,731)	-	(373)	(24,104)	-
Net Cash Provided (Used) by Operating Activities	33,290	(462)	1,787	34,615	2,014
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Lease payments received	-	39,644	-	39,644	-
Acquisition of Capital Assets	(55,728)	(27,147)	-	(82,875)	-
Interest Paid on Debt	(4,277)	(16,617)	-	(20,894)	-
Proceeds from Bond Issuance	26,300	150,548	-	176,848	-
Proceeds from Notes Receivable	183	-	-	183	-
Repayment of Long-Term Debt and Financed Purchases	(11,318)	(26,969)	-	(38,287)	-
Capital Grants	1,827	-	-	1,827	-
Net Cash Used by Capital and Related Financing Activities	(43,013)	119,459	-	76,446	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income - Leases	-	-	-	-	-
Investment Income	3,136	4,846	-	7,982	-
Net Cash Provided by Investing Activities	3,136	4,846	-	7,982	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,587)	123,843	1,787	119,043	2,014
Cash and Cash Equivalents, Restricted, Unrestricted and Cash Held by Fiscal Agent - Beginning of Year	92,390	99,809	1,194	193,393	6,292
Cash And Cash Equivalents, Unrestricted and Cash Held by Fiscal Agent - End of Year	38,318	3,847	2,981	45,146	8,306
CASH AND CASH EQUIVALENTS, RESTRICTED - END OF YEAR	<u>\$ 47,485</u>	<u>\$ 219,805</u>	<u>\$ -</u>	<u>\$ 267,290</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income	\$ 24,731	\$ 3,583	\$ 835	\$ 29,149	\$ 2,475
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization Expense	13,141	691	-	13,832	-
Rental Income	-	(28,188)	-	(28,188)	-
Assets Conveyed	-	24,657	-	24,657	-
Amortization of Deferred Refunding Gain	-	-	-	-	-
(Increase) Decrease in:					
Receivables	26	(1,205)	(1,470)	(2,649)	(280)
Inventories	(246)	-	-	(246)	-
Other Assets	-	-	-	-	-
Deferred Outflows Of Resources	401	-	-	401	-
Due from Other Funds	-	-	710	710	(3,639)
Increase (Decrease) in:					
Accounts Payable and Accrued Expenses	(1,537)	-	224	(1,313)	1,095
Due to Other Funds	610	-	1,488	2,098	1,716
Other Payables	(834)	-	-	(834)	-
Net Pension Liability	(904)	-	-	(904)	-
OPEB Liability	(2,098)	-	-	(2,098)	-
Risk Management Claims Payable	-	-	-	-	647
Net Cash Provided (Used) by Operating Activities	<u>\$ 33,290</u>	<u>\$ (462)</u>	<u>\$ 1,787</u>	<u>\$ 34,615</u>	<u>\$ 2,014</u>
Non-Cash Items:					
Assets conveyed to the City	\$ -	\$ 24,657	\$ -	24,657	\$ -

See accompanying Notes to Financial Statements.

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025
(IN THOUSANDS)

	Employee Retirement Plan	Private Purpose Trust Funds
ASSETS		
Investments, at Fair Value:		
Corporate and Foreign Bonds	\$ 44,230	\$ -
Corporate Equity Securities	462,938	-
U.S. Government Securities	18,930	-
Mutual Funds	-	2,756
Total Investments	<u>526,098</u>	<u>2,756</u>
Cash and Cash Equivalents	2,165	163
Receivables:		
Loans Receivable	26,241	-
Due from Primary Government	58,111	-
Intergovernmental	42	-
Other	366	-
Total Receivables	<u>84,760</u>	<u>-</u>
Total Assets	613,023	2,919
LIABILITIES		
Accounts Payable	3,413	130
Total Liabilities	<u>3,413</u>	<u>130</u>
NET POSITION		
Restricted for Pensions or Held in Trust	<u>\$ 609,610</u>	<u>\$ 2,789</u>

See accompanying Notes to Financial Statements.

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Employee Retirement Plan	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 113,616	\$ -
Employees	19,477	-
Total Contributions	<u>133,093</u>	<u>-</u>
Investment Earnings:		
Investment Income	<u>63,935</u>	<u>351</u>
Total Additions	197,028	351
DEDUCTIONS		
Benefits	113,120	139
Administrative Expenses	<u>180</u>	<u>-</u>
Total Deductions	<u>113,300</u>	<u>139</u>
CHANGE IN NET POSITION	83,728	212
Net Position Restricted for Pension Benefits and Held in Trust - Beginning of Year	<u>525,882</u>	<u>2,577</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS AND HELD IN TRUST - END OF YEAR	<u><u>\$ 609,610</u></u>	<u><u>\$ 2,789</u></u>

See accompanying Notes to Financial Statements.

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CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Providence, Rhode Island (the City) was incorporated in 1832. The City covers 18.5 square miles located in southeastern New England, at the head of the Narragansett Bay on the Atlantic sea coast. The City is approximately 45 miles from Boston and approximately 3-1/2 hours from New York by automobile or rail.

The City operates under a Mayor-Council form of government. A Home Rule Charter was adopted in November 1980 and became fully effective on January 3, 1983. The Mayor is elected by the voters of the City to a four-year term. City Council members are also elected to four-year terms, which coincide with the term of the Mayor. Most department heads and other City officials are appointed by the Mayor.

The City complies with generally accepted accounting principles (GAAP), including all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

All dollar values disclosed herein are in thousands (000 omitted).

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

- a. The primary government is legally entitled to or can otherwise access the organization's resources.
- b. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- c. The primary government is obligated in some manner for the debt of the organization.

The criterion has been considered and the blended component units discussed below are included in the City's reporting entity because of the significance of its operational or financial relationships with the City.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Unit

The Providence Redevelopment Agency

The Providence Redevelopment Agency (PRA) was formed on December 20, 1946, pursuant to R.I.G.L. 45-31 (the Act) by a duly enacted resolution of the City Council of the City. Under the Act, the PRA constitutes a body corporate and politic, exercising public and essential government functions, and having a distinct legal existence from the City. As such, the PRA has the authority to acquire, develop as a building site, administer, sell, and lease property, has the power of eminent domain, and the power to issue bonds, notes, and other evidence of indebtedness. The PRA does not have the power to levy taxes. The PRA is presented as a discretely presented component unit. The PRA does not issue separate financial statements.

The PRA was created to eliminate and prevent blighted and substandard areas in the City and replace such areas through redevelopment of well-planned, integrated stable, safe, and healthful neighborhoods.

The Powers of the PRA are vested in eight members, including the Mayor of the City ex officio, five members appointed by the Mayor of the City and two members who are also members of the City Council, appointed by the City Council. All appointed members of the PRA must be resident electors of the City.

Fiduciary Component Unit

The City has established a single-employer Pension Trust Fund to provide retirement benefits to employees and their beneficiaries. The Retirement Board governs the pension plan, and the City is required to make contributions to the plan.

The financial statements of the fiduciary component unit are reported as the Employee Retirement Plan in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

Blended Component Units

The component unit provides services entirely or almost entirely to the City or otherwise exclusively or almost exclusively benefits the City, even though it does not provide services directly to it. The component unit has been reported as if it were part of the primary government through a method of inclusion known as blending. A description of the component unit, criteria for inclusion and its relationship with the City is as follows:

Providence Public Buildings Authority

The Providence Public Buildings Authority (PPBA) was created by an act of the Rhode Island General Assembly and was empowered by resolution of the Providence City Council on August 13, 1987, and by resolution of the Public Finance Board, created under Section 42-10.11 of the General Laws of Rhode Island, on February 12, 1988. Membership is comprised of five members appointed by the Mayor and approved by the City Council. The PPBA is presented as a blended enterprise fund.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

Providence Public Buildings Authority (Continued)

The purpose of the PPBA is to acquire, construct, maintain, renovate, repair, and operate public facilities and public equipment through the use of public financing for the City. These activities are structured as financed purchases between the PPBA and the City. These activities allow the PPBA to provide for the conduct of the executive, legislative and judicial functions of the government. The PPBA is obligated to pay the principal and interest on any financing solely from the rents, revenues, and receipts derived under the financed purchase agreements with the City or from receipts on the disposition of the assets being financed. The PPBA's administrative expenses are paid on an annual basis by the lessee in the form of additional rent.

Management has elected to close PPBA to Governmental activities on the Government-wide financial statements.

Complete financial statements of the PPBA can be obtained through the City of Providence Finance Department, City Hall, Providence, Rhode Island 02903.

B. Government-Wide Fund Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The effect of inter-fund activity has not been removed from these statements. The statements distinguish between governmental activities, business-type activities, and a component unit. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the City is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the "current financial resources" measurement focus and the modified accrual basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items, primarily permits and fees, are considered to be measurable only when cash is received by the City.

All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the government's internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds, including both enterprise funds and internal service funds, include the cost of operations, maintenance, sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Revenues from charges for services of the Providence Water Supply Board are recognized on the accrual basis, net of estimated uncollectibles. Depending upon consumption, metered water sale customers are billed monthly, quarterly, or annually for water usage. Large commercial customers and other local water suppliers are billed more frequently.

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflow of resources, liabilities and deferred inflow of resources, revenues, or expenditures/expenses of that individual, governmental, or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. Total assets and deferred outflow of resources, liabilities and deferred inflow of resources, revenues, or expenditures/expenses of the individual, governmental, or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The City reports the following major governmental funds:

General Fund

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

School Fund

The School Fund accounts for operations of the Providence school system. Revenue is derived primarily from state and federal Aid and transfers from the City.

School Grants Fund

The School Grants Fund accounts for federal, state, and private grants received and expended by the school system.

Capital Projects Fund

The Capital Projects Fund accounts for resources to be used for the acquisition or construction of capital assets for the housing and community improvement activities in the City.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

ARPA Fund

The ARPA fund accounts for the activities related to funds received from the American Rescue Plan Act.

The City reports the following major proprietary funds:

Water Supply Board

The Water Supply Board accounts for the activities of the Providence Water Supply Board.

Providence Public Buildings Authority

The Providence Public Buildings Authority accounts for the activities related to acquisition, construction, and leasing of capital assets to the City.

Additionally, the City reports the following fund types:

Internal Service Fund

The Internal Service Fund is used by management to charge the costs of self-insurance and legal claims to individual funds.

Employee Retirement Plan

The Employee Retirement Plan accounts for the activities of the City of Providence Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees.

Private-Purpose Trust Fund

The Private-Purpose Trust Fund is used to account for resources legally held in trust for the benefit of individuals, organizations, or other governments. Accordingly, net position of this fund type is restricted for this purpose.

D. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advance to other funds" if repayment is not expected within twelve months of these financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Pension Plan Accounting

Employees' Retirement System of the City of Providence

The Employee Retirement Plan (Pension Trust Fund) is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value, based on value of underlying assets.

Funding Policy

The City makes contributions at the discretion of management.

F. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition. For purposes of the cash flow statement, the City considers certificates of deposits and highly liquid short-term investment funds with original maturities of three months or less, when purchased, to be cash equivalents, including amounts reported as restricted.

G. Investments

Investments and pooled fixed income investments are stated at fair value, based on quoted market prices.

H. Property Taxes

The City's property tax is levied each year on July 1 based on the assessed property value, as of the prior December 31, for all real property, tangible property, equipment, and motor vehicles located in the City. Assessed values of real property were established by the City Assessor's office at 100% of appraised market value based on 2018 state mandated statistical updated valuations less exemptions. Assessed values of tangible property and equipment are determined annually at 100% of market value. Payments on the gross levy are due in equal quarterly installments in July, October, January, and April. Property taxes attach as an enforceable lien on property when levied.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Allowance for Collection Losses

The allowance for possible loan losses is maintained at a level believed adequate by management to absorb potential losses for outstanding loans. Management's determination of the adequacy of the allowance is based on an evaluation of the portfolio, past loan loss experience and current economic conditions.

All trade and property tax receivables for governmental and proprietary funds are reported net of an allowance for uncollectibles. The property tax receivable allowance of \$38,770 is equal to 69% of outstanding property taxes at June 30, 2025.

J. Inventories and Prepaid Items

Proprietary fund inventory is stated at the lower of weighted average cost or market using the first-in, first-out method. Inventory consists primarily of materials and supplies. Inventory is not maintained in governmental funds but is recorded as an expenditure at the time of purchase. Inventory on hand at year-end is not material.

Any material payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

K. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the government as all computer equipment and assets with an initial, individual cost of more than a range of \$5,000 to \$100,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital asset, as applicable.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

Capital assets of the governmental activities are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	45
Building Improvements	20
Public Domain Infrastructure	45
System Infrastructure	30
Vehicles	6
Office Equipment	7
Computer Equipment	5
Machinery and Equipment	15

Capital assets are reported as expenditures and no depreciation or amortization expense is reported in the governmental fund financial statements.

Property, plant and equipment of the business-type activities and proprietary funds are depreciated using the straight-line method over the following estimated useful lives:

	Water Supply Board
Buildings, Source of Supply, Structures, and Improvements	5 to 75 Years
Improvements Other Than Buildings	3 to 75 Years
Machinery and Equipment	3 to 50 Years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds from project specific debt issued over the same period.

L. Leases (Lessee)

The City determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (Lessee) (Continued)

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

M. Leases (Lessor)

The City determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Leases (Lessor) (Continued)

The City has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

N. Self-Insurance

The City is self-insured in most areas of risk, subject to certain third-party "stop loss" coinsurance. Self-insured risks include general liability, property and casualty, workers' compensation, unemployment, and employee health insurance claims. Claims incurred but not paid, including those which have not been reported, are accrued as long-term obligations in the government-wide and internal service fund financial statements. Obligations are paid out of the General Fund and the Internal Service Funds.

O. Compensated Absences

Under the terms of various contracts and policies, employees are granted vacation and sick leave based on length of service. The City's policy is to recognize the cost of vacation and sick leave in governmental funds when paid (matured). The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. For governmental activities, the general fund is used to satisfy this liability as it becomes due, while each enterprise fund accounts for all its settlement of business-type liabilities for compensated absences.

P. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

R. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond proceeds, premiums, and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments of bond principal are recognized as expenditures as it comes due.

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees).

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources related to pensions, OPEB and leases in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, charges for services and leases. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

T. Fund Balance

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and amortization and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted Net Position – This category represents the net position of the City, which are restricted by outside parties or enabling legislation.

Unrestricted Net Position or Deficits – This category represents the net position of the City, which do not meet the definition of “restricted” or “net investment in capital assets.” Deficits require future funding.

Governmental fund balance is classified into one of the following five categories: nonspendable, restricted, committed, assigned, or unassigned. These categories are defined below.

Nonspendable Fund Balance – This includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash.

Restricted Fund Balance – This includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Fund Balance (Continued)

Committed Fund Balance – This includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts usually through city ordinance. The City Council is the highest level of decision-making authority for the City of Providence and utilizes City Ordinances to vote on the City's budget and resolutions proposed by the various committees.

Assigned Fund Balance – This includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

U. Fund Balance Flow Assumptions

The City of Providence does not currently have a spending policy regarding the order in which restricted, committed, assigned, and unassigned fund balances are spent when more than one amount is available for the expenditures incurred. Accordingly, by default, the City is following the policy prescribed by GASB Statement No. 54, which specifies that fund balance is reduced first by committed, then by assigned, then by unassigned when expenditures are incurred for purposes for which any unrestricted fund balance could be used. In all situations, the City considers restricted fund balance to be used first when available and when expenditures are incurred that meet the requirements of the restricted fund balance.

V. Accounting 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City employs the following procedures in establishing the General Fund budgetary data reflected in the accompanying required supplementary information:

- At least 60 days prior to July 1, the Mayor submits a proposed operating budget for the upcoming fiscal year to the City Council. The operating budget includes proposed expenditures and the means of financing appropriations over expected revenues.
- The final budget is legally enacted through passage of an ordinance.
- The Mayor is authorized to make minor transfers of budgeted amounts between departments. Significant budget revisions or transfers must be approved by the City Council.

The General and School funds are the only governmental funds that have legally adopted annual budgets. The “actual amounts” presented in the accompanying schedules are presented on a budgetary basis.

The budget for the School Fund is prepared annually and approved by the Providence School Board. The amount of the annual transfer from the General Fund is ultimately determined through the adoption of the General Fund budget. This appropriation does not lapse at year-end.

B. Excess of Expenditures Over Appropriations

- The finance line was overspent by \$7,632.
- The transfers line was overspent by \$20,418.

C. Deficit Fund Balance

At June 30, 2025, the City had a deficit fund balance in the following funds:

Other Special Revenue Funds:

Good Faith Grant	4
Recreation Department	11
Gateway Center Fund	301
Roger Williams Park Casino	320
Redemption Tax Sale Fund	6

The Good Faith Grant, Recreation Department, Gateway Center Fund, Roger Williams Park Casino and Redemption Tax Sale fund deficits will be eliminated through future grant receipts, departmental revenues, or interfund contributions.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. Deposits

The City's custodial credit risk policy is in accordance with RI General Laws, Chapter 35-10.1, depository institutions holding deposits of the state, its agencies, or governmental subdivisions of the state, shall at a minimum, insure or pledge eligible collateral equal to 100% of time deposits with maturities greater than 60 days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators will insure or pledge eligible collateral equal to 100% of deposits, regardless of maturities.

B. Investments

The City policy for pension investments is under the oversight of the Board of Investment Commissioners. The Board contracts with an investment advisory firm and approves any new investment vehicles presented by the consultant. The Board follows all applicable state statutes and Section 17-189 of the City Ordinance, which states, "The Board of Investment Commissioners is authorized and empowered to execute the disposition and investment of the funds which are within its control in any securities and investments as would be acquired by prudent persons of discretion and intelligence in these matters, who are seeking a reasonable income and the preservation of their capital."

Interest Rate Risk

The City does not have a formal investment policy for its pension funds that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's policy is to limit its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentrations

The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer. At June 30, 2025, there were no investments representing 5% or more of the total investment balance of the City.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

C. Custodial Credit Risk

Deposits

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

As of June 30, 2025, the City's entire bank balance of \$238,732 was insured or collateralized.

Cash Equivalents

At June 30, 2025, the City's cash equivalents amounted to \$374,559. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations). The pools all have maturities of less than one year.

Santander Investment	\$ 274
Webster Bank Investment	38
Bank RI CD	291
HarborOne CD	557
State Street	321
US Bank	43,139
BNY Mellon	329,355
Wainwright Investment	584
Total	<u><u>\$ 374,559</u></u>

Investments

As of June 30, 2025, the City had the following investments:

	Total Value	Fair Value	NAV	Maturity in Years		
				Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments at Fair Value:						
U.S. Government Securities	\$ 18,930	\$ 18,930	\$ -	\$ -	\$ 18,930	\$ -
Corporate Bonds	43,752	43,752	-	456	37,927	5,369
Total Interest-Bearing Investment at Fair Value	62,682	<u><u>\$ 62,682</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 456</u></u>	<u><u>\$ 56,857</u></u>	<u><u>\$ 5,369</u></u>
Common Stock	82,108					
Mutual Funds	406,995					
Exchange Traded Funds	5,658					
Total Investments	<u><u>\$ 557,443</u></u>					

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

C. Custodial Credit Risk (Continued)

Investments (Continued)

Presented below is the rating of investments for each debt investment type:

Average Rating	Corporate Bonds	U.S. Government Securities
Aaa	\$ 5,319	\$ 18,930
Aa1	875	-
Aa2	426	-
Aa3	2,046	-
A1	2,684	-
A2	3,430	-
A3	6,021	-
Baa1	3,995	-
Baa2	4,957	-
Baa3	3,990	-
Ba1	782	-
Ba2	731	-
Ba3	444	-
B2	77	-
Unrated	7,975	-
Total	<u>\$ 43,752</u>	<u>\$ 18,930</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2025:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 18,930	\$ 18,930	\$ -	\$ -
Corporate Bonds	43,752	-	43,752	-
Common Stock	82,108	82,108	-	-
Mutual Funds	406,995	406,995	-	-
Exchange Traded Funds	5,658	5,658	-	-
Total Investments by Fair Value Level	<u>\$ 557,443</u>	<u>\$ 513,691</u>	<u>\$ 43,752</u>	<u>\$ -</u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 RECEIVABLES

Receivables as of year-end for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	School Fund	School Grants Fund	Capital Projects	ARPA Fund	Water Supply Board	Nonmajor and Other Funds	Total
Receivables:								
Taxes	\$ 58,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,238
Intergovernmental	45,760	3,908	5,048	-	-	-	6,024	60,740
User Charges	-	-	-	-	-	13,290	-	14,495
Loans	-	-	-	-	-	-	44,410	44,410
Leases	3,319	-	-	-	-	-	93	3,412
Accounts and Other	85,760	3,158	-	74	8	2,918	8,047	99,965
Gross Receivables	193,077	7,066	5,048	74	8	16,208	58,574	281,260
Less Allowance for Uncollectibles:								
Taxes	38,770	-	-	-	-	-	-	38,770
User Charges	-	-	-	-	-	1,469	-	1,469
Loans	-	-	-	-	-	-	3,563	3,563
Accounts and Other	76,176	-	-	-	-	-	-	76,176
Total Allowance	114,946	-	-	-	-	1,469	3,563	119,978
Net Total Receivables	<u>\$ 78,131</u>	<u>\$ 7,066</u>	<u>\$ 5,048</u>	<u>\$ 74</u>	<u>\$ 8</u>	<u>\$ 14,739</u>	<u>\$ 55,011</u>	<u>\$ 161,282</u>

NOTE 5 LEASE RECEIVABLES

The City, acting as lessor, leases real property under long-term, non-cancelable lease agreements. The leases expire at various dates through fiscal year 2042 if all renewal options are exercised. During the year ended June 30, 2025, the City recognized \$827 and \$273 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Governmental Activities		Component Unit Activities	
	Principal	Interest	Principal	Interest
2026	\$ 707	\$ 140	\$ 95	\$ 97
2027	647	110	99	93
2028	643	80	104	88
2029	512	55	109	84
2030	280	34	114	79
2031-2035	623	29	652	310
2036 and Thereafter	-	-	1,048	151
Total	<u>\$ 3,412</u>	<u>\$ 448</u>	<u>\$ 2,221</u>	<u>\$ 902</u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2025, is presented below:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 98,796	\$ 161,415
School Fund	50,473	53,226
School Grants Fund	71,248	75,678
Capital Projects Fund	19,101	7,016
ARPA Fund	664	7,811
Nonmajor Governmental Funds	16,732	35,505
Water Supply Board	-	1,569
Public Building Authority	-	764
School Lunch Program	3,335	6,052
Employee Retirement Plan	58,111	-
Internal Service Fund	82,326	51,750
Total	<u>\$ 400,786</u>	<u>\$ 400,786</u>

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made.

The advance to other funds in the Providence Public Building Authority fund represents the amount due to Providence Public Building Authority from the City under the terms of a financed purchase arrangement. The City's corresponding liability is reflected in internal balances on the statement of net position.

A summary of interfund transfers is presented below:

	Transfers from Other Funds	Transfers to Other Funds
General Fund	\$ 12,692	\$ 164,372
School Fund	145,065	-
School Grants Fund	1,928	3,128
Capital Projects Fund	13,033	3,180
ARPA Fund	-	2,051
Nonmajor Governmental Funds	616	603
Total	<u>\$ 173,334</u>	<u>\$ 173,334</u>

Transfers from the General Fund represents the financing of various programs and activities which consists primarily of the School Fund. Transfers from the School Grants to both the School Fund and General Fund were to fund expenditures related to federal grants activity. Transfers from the Nonmajor governmental funds to primarily other nonmajor governmental funds were to fund various programs and activities related to federal grants activity.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 CAPITAL ASSETS

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

	Beginning Balance	Adjustments/ Increases*	Decreases/ Transfers	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 40,992	\$ -	\$ -	\$ 40,992
Construction in Progress - City	81,441	21,304	90,694	12,051
Construction in Progress - PPBA	11,706	4,361	2,102	13,965
Total Capital Assets Not Being Depreciated	134,139	25,665	92,796	67,008
Capital Assets Being Depreciated and Amortized:				
Buildings	201,205	-	-	201,205
Improvements Other Than Buildings	320,024	159,093	-	479,117
Machinery and Equipment	119,131	4,741	1,019	122,853
Infrastructure	285,874	3,579	-	289,453
PPBA Improved Assets	13,817	2,102	-	15,919
Building - PPBA	407,126	-	-	407,126
Right-to-Use Lease Equipment	18,761	75	315	18,521
Total Capital Assets Being Depreciated and Amortized	1,365,938	169,590	1,334	1,534,194
Less: Accumulated Depreciation and Amortization for:				
Buildings	96,886	3,449	-	100,335
Improvements Other Than Buildings	74,783	14,343	-	89,126
Machinery and Equipment	98,405	7,355	1,019	104,741
Infrastructure	212,533	3,276	-	215,809
PPBA Improved Assets	1,441	691	-	2,132
Buildings - PPBA	165,095	8,378	-	173,473
Right-to-Use Lease Equipment	3,777	1,332	315	4,794
Total Accumulated Depreciation and Amortization	652,920	38,824	1,334	690,410
Total Capital Assets Being Depreciated and Amortized, Net	713,018	130,766	-	843,784
Governmental Activities Capital Assets, Net	\$ 847,157	\$ 156,431	\$ 92,796	\$ 910,792

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 27,280	\$ 589	\$ -	\$ 27,869
Scituate Reservoir Project	18,682	-	-	18,682
Construction in Progress - PPBA	11,706	4,361	2,102	13,965
Construction in Progress	43,553	57,563	48,953	52,163
Total Capital Assets Not Being Depreciated	101,221	62,513	51,055	112,679
Capital Assets Being Depreciated:				
Buildings and Improvements	160,415	4,321	-	164,736
Improvements Other Than Buildings	547,180	40,045	-	587,225
PPBA Improved Assets	13,817	2,102	-	15,919
Machinery and Equipment	57,457	2,165	-	59,622
Total Capital Assets Being Depreciated	778,869	48,633	-	827,502
Less: Accumulated Depreciation for:				
Buildings and Improvements	95,133	3,006	-	98,139
Improvements Other Than Buildings	172,282	7,130	-	179,412
PPBA Improved Assets	1,441	691	-	2,132
Machinery and Equipment	41,641	3,005	-	44,646
Total Accumulated Depreciation	310,497	13,832	-	324,329
Total Capital Assets Being Depreciated, Net	468,372	34,801	-	503,173
Business-Type Activities Capital Assets, Net (Exhibit V)	<u>\$ 569,593</u>	<u>\$ 97,314</u>	<u>\$ 51,055</u>	<u>\$ 615,852</u>
Less PPBA Eliminations				<u>(27,752)</u>
Business-Type Activity Capital Assets				<u>\$ 588,100</u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental Activities:

Executive, Legislative, and Judicial	\$ 1,349
Finance	44
Public Safety	3,023
Public Works	6,658
Recreation	71
Public Land and Parks	2,301
Education	3,704
Community Development	<u>21,674</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 38,824</u></u>

Business-Type Activities:

Providence Public Buildings Authority	\$ 691
Water Supply Board	<u>13,141</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 13,832</u></u>

The nondepreciable capital assets of the PRA are comprised of land with a historical cost basis of \$6,467.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 LONG-TERM OBLIGATIONS

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 30,195	\$ -	\$ 6,105	\$ 24,090	\$ 6,350
PPBA-City	127,540	135,000	8,535	254,005	8,970
Add Unamortized Premiums	19,517	15,717	2,038	33,196	3,199
Total Bonds Payable	<u>177,252</u>	<u>150,717</u>	<u>16,678</u>	<u>311,291</u>	<u>18,519</u>
Notes from Direct Borrowings:					
Revenue Bonds	97,000	125,000	3,875	218,125	4,070
PPBA-City	127,886	-	18,434	109,452	17,708
PPBA - Bond Premiums	16,491	15,548	3,133	28,906	-
Notes Payable	2,129	-	1,322	807	323
Financed Purchases	16,565	4,217	9,917	10,865	4,410
Total Notes From Direct Borrowings	<u>260,071</u>	<u>144,765</u>	<u>36,681</u>	<u>368,155</u>	<u>26,511</u>
Total Bonds, Notes, and Finance Purchases Payable	<u>437,323</u>	<u>295,482</u>	<u>53,359</u>	<u>679,446</u>	<u>45,030</u>
Claims and Judgements	24,605	918	-	25,523	25,523
Compensated Absences	54,381	1,037	-	55,418	5,542
Lease Liability	16,595	75	900	15,770	977
Net Pension Liability	1,465,667	-	29,520	1,436,147	-
Total OPEB Liability	<u>861,967</u>	<u>-</u>	<u>75,625</u>	<u>786,342</u>	<u>130,951</u>
Governmental Activities Long-Term Liabilities	<u>\$ 2,860,538</u>	<u>\$ 297,512</u>	<u>\$ 159,404</u>	<u>\$ 2,998,646</u>	<u>\$ 208,023</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Bonds and Notes from Direct Borrowings:					
Revenue Bonds - Water	159,665	26,300	11,318	174,647	12,745
Net Pension Liability	57,855	-	904	56,951	-
Total OPEB Liability	<u>18,310</u>	<u>-</u>	<u>2,098</u>	<u>16,212</u>	<u>4,469</u>
Business-Type Activities Proprietary Funds Long-Term Liabilities	<u>\$ 235,830</u>	<u>\$ 26,300</u>	<u>\$ 14,320</u>	<u>\$ 247,810</u>	<u>\$ 17,214</u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

The Water Supply Board long-term debt is general obligation debt of the City. However, because it is the intent of the City to have the Board meet the debt service requirements of this debt, such amounts are recorded in the enterprise funds of the City. Similarly, debt of the PPBA that will be met by the Water Supply Board has been recorded as the Water Supply Board's debt.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Providence Redevelopment Agency:					
Bonds Payable:					
Revenue Bonds	\$ 18,695	\$ -	\$ 3,410	\$ 15,285	\$ 3,580
General Obligation Bonds	21,755	-	1,125	20,630	1,150
Total Bonds Payable	40,450	-	4,535	35,915	4,730
Notes from Direct Borrowings:					
Notes Payable	3,575	-	217	3,358	193
Capital Notes	19,478	-	698	18,780	657
Less Unamortized Discount	(192)	-	(6)	(186)	(6)
Total Notes from Direct Borrowings	22,861	-	909	21,952	844
Total Bonds, Notes, and Leases Payable	<u>\$ 63,311</u>	<u>\$ -</u>	<u>\$ 5,444</u>	<u>\$ 57,867</u>	<u>\$ 5,574</u>

Debt service requirements for bonds and notes payable at June 30, 2025, were as follows:

Year Ending June 30,	Governmental Activities			
	Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2026	\$ 15,320	\$ 13,378	\$ 26,511	\$ 4,607
2027	8,285	12,629	25,836	4,245
2028	13,365	12,160	26,847	3,936
2029	13,990	11,541	35,498	3,668
2030	14,665	10,861	13,478	3,374
2031 - 2035	78,740	43,050	76,392	13,194
2036 - 2040	83,200	23,562	87,447	7,135
2041 - 2045	50,530	6,911	47,240	919
Total	<u>\$ 278,095</u>	<u>\$ 134,092</u>	<u>\$ 339,249</u>	<u>\$ 41,078</u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Bonds - Water				
ARRA				
Principal				
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Forgiveness</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 12,745	\$ (1,991)	\$ 2,879	\$ 13,633
2027	12,942	(2,047)	2,673	13,568
2028	13,185	(2,079)	2,429	13,535
2029	13,466	(2,112)	2,178	13,532
2030	13,716	(2,147)	1,870	13,439
2031 - 2035	56,393	(10,613)	5,968	51,748
2036 - 2040	36,531	(10,060)	1,485	27,956
2041 - 2045	15,669	(6,696)	134	9,107
Total	<u>\$ 174,647</u>	<u>\$ (37,745)</u>	<u>\$ 19,616</u>	<u>\$ 156,518</u>

Providence Redevelopment Agency				
Notes from				
Bonds		Direct Borrowings		
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 4,730	\$ 1,605	\$ 844	\$ 1,967
2027	4,940	1,398	814	2,002
2028	5,170	1,167	876	2,029
2029	5,270	925	848	2,051
2030	1,315	678	830	2,070
2031 - 2035	4,800	2,746	5,069	10,355
2036 - 2040	7,785	1,580	3,260	9,306
2041 - 2045	1,905	87	3,087	8,746
2045 - 2049	-	-	3,311	8,524
2050 - 2054	-	-	3,199	6,276
Total	<u>\$ 35,915</u>	<u>\$ 10,186</u>	<u>\$ 22,138</u>	<u>\$ 53,326</u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Payable

The following is a schedule of changes in bonds payable for the year ended June 30, 2025:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding July 1, 2024	Issued	Retired	Balance Outstanding June 30, 2025
Governmental Activities:								
December 2001 - Taxable	12/1/2007	1/15/2026	3.0-6.8	\$ 13,000	\$ 2,005	\$ -	\$ 970	\$ 1,035
2009 Series A QSCB	12/30/2009	6/15/2025	1.9	22,320	1,520	-	1,520	-
2011 Series A	4/28/2011	6/15/2026	3.0-5.9	35,000	6,420	-	3,120	3,300
2010 Series A QSCB	12/7/2010	5/15/2029	2.5	12,280	12,280	-	-	12,280
2010 Series B QSCB	12/7/2010	5/15/2029	2.5	9,665	9,665	-	-	9,665
GO Road Bond 2013								
Series A	1/15/2013	1/15/2033	5.0	39,345	13,045	-	-	13,045
2015 Series A	5/1/2015	5/15/2028	3.0-5.0	146,325	56,575	-	14,265	42,310
2015 Series B	12/1/2015	5/15/2035	2.0-4.0	10,000	6,580	-	495	6,085
2017 Series A	9/15/2017	9/15/2037	3.0-5.0	34,535	27,845	-	1,410	26,435
2017 Series B	9/15/2017	9/15/2037	3.0-5.0	10,000	7,465	-	451	7,014
2019 Series A	6/27/2019	6/15/2039	3.0-5.0	20,000	16,520	-	770	15,750
2019 Series B	6/27/2019	6/15/2039	4.0-5.0	10,000	8,300	-	385	7,915
2020 Series A	3/26/2020	3/26/2040	4.0-5.0	95,000	84,975	-	3,620	81,355
2020 Series B	3/26/2020	3/26/2040	1.0-2.5	20,000	17,281	-	933	16,348
GO Refunding Bonds 2021								
Series A	1/12/2021	1/15/2026	5.0	14,975	5,925	-	2,890	3,035
GO Refunding Bonds 2021								
Series B	1/12/2021	1/15/2028	4.0-5.0	9,740	9,220	-	2,245	6,975
RIHEBC Series 2021 D	5/27/2021	5/15/2041	4.0-5.0	100,690	97,000	-	3,875	93,125
2024 Series A	8/28/2024	9/1/2045	5.0-5.25	135,000	-	135,000	-	135,000
RIHEBC Series 2024 G	9/18/2024	5/15/2044	5.0-5.25%	125,000	-	125,000	-	125,000
Total Governmental Activities Bonds Payable					<u>\$ 382,621</u>	<u>\$ 260,000</u>	<u>\$ 36,949</u>	<u>\$ 605,672</u>
Business-Type Activities:								
Water Revenue Bonds				\$ -	\$ 159,665	\$ 26,300	\$ 11,318	\$ 174,647
Total Business-Type Activities Bonds Payable					<u>\$ 159,665</u>	<u>\$ 26,300</u>	<u>\$ 11,318</u>	<u>\$ 174,647</u>
Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding July 1, 2024	Issued	Retired	Balance Outstanding June 30, 2025
PRA Refunding Bonds 2015								
Series A	3/31/2015	4/1/2029	2.0-5.0	\$ 44,910	\$ 18,695	\$ -	\$ 3,410	\$ 15,285
PRA 2021 Series A	3/31/2021	3/15/2041	2.49-4.557	25,000	21,755	-	1,125	20,630
Total PRA Bonds Payable					<u>\$ 40,450</u>	<u>\$ -</u>	<u>\$ 4,535</u>	<u>\$ 35,915</u>

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Liability

The City leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2036.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 977	\$ 692
2027	1,069	645
2028	1,146	594
2029	1,253	539
2030	1,367	479
2031-2035	8,124	1,330
2036 and thereafter	1,834	38
Total	<u>\$ 15,770</u>	<u>\$ 4,317</u>

Capital Notes – Providence Redevelopment Agency

The following table below shows the changes in capital notes payable for the year ended June 30, 2025. These capital notes are eligible for principal forgiveness through the American Recovery and Reinvestment Act of 2009 (ARRA) and could total \$6,533.

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding July 1, 2024</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Outstanding June 30, 2025</u>
Port of Providence 2006 Series A	5/1/2006	9/1/2036	5.3-5.6	\$ 6,858	6,533	-	698	5,835
Port of Providence 2023 Series A	12/12/2023	9/1/1953	8	8,615	8,615	-	-	8,615
Port of Providence 2023 Series B	12/12/2023	9/1/1953	8	4,330	4,330	-	-	4,330
Total PRA Capital Notes Payable					<u>\$ 19,478</u>	<u>\$ -</u>	<u>\$ 698</u>	<u>\$ 18,780</u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Notes Payable – Governmental Activities

The following are the changes notes payable for the year ended June 30, 2025:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding July 1, 2024	Issued	Retired	Balance Outstanding June 30, 2025
School Building Authority Capital Fund Loan Bond	6/30/2016	6/1/2026	1.9	\$ 1,831	\$ 366	\$ -	\$ 183	\$ 183
Efficient Building Fund Loan	7/8/2016	6/30/2026	1.3-2.9	1,252	660	-	104	556
School Building Authority Capital Fund 2017	12/1/2017	12/1/2026	2.35	342	103	-	35	68
Clean Water Loan	5/4/2023	9/1/2024	2.91	1,000	1,000	-	1,000	-
Total Governmental Activities Notes Payable					<u>\$ 2,129</u>	<u>\$ -</u>	<u>\$ 1,322</u>	<u>\$ 807</u>

Notes Payable – Providence Redevelopment Agency

The following are the changes notes payable for the year ended June 30, 2025:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding July 1, 2024	Issued	Retired	Balance Outstanding June 30, 2025
Clean Water State Revolving Fund Loan	10/1/2020	9/1/2040	1.83-3.32	\$ 2,700	\$ 1,712	\$ -	\$ 161	\$ 1,551
Bank Loan	9/27/2021	9/27/1931	3.48	2,000	1,863	-	56	1,807
Total Providence Redevelopment Agency Notes Payable					<u>\$ 3,575</u>	<u>\$ -</u>	<u>\$ 217</u>	<u>\$ 3,358</u>

Debt Limit

Except as explained below, under Rhode Island law, the City may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the City. Deducted from the computation of aggregate indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the City. The current outstanding debt of the City subject to the 3% debt limit is \$23.1 million and the current 3% debt limit of the City is \$552.2 million based on taxable property as of December 31, 2023, of approximately \$18.4 billion, leaving a remaining borrowing capacity of approximately \$529.2 million.

The state of Rhode Island General Assembly (General Assembly) may, by special act permit the City to incur indebtedness outside the 3% debt limit. Bonds issued either within the 3% debt limit or by special legislation adopted by the General Assembly authorizing the City to incur debt are subject to referendum by the electors of the City. On June 30, 2025, the total outstanding debt of the City issued outside the 3% debt limit was \$1 million, excluding water bonds and sewer bonds which are deemed self-supporting.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Limit (Continued)

In addition to debt authorized within the 3% debt limit and debt authorized by special act of the General Assembly, Rhode Island General Laws Section 45-12-11 authorizes the State Director of Administration, upon petition by a municipality, to authorize such municipality to incur indebtedness in excess of the 3% debt limit whenever the Director shall determine that the sums appropriated by the municipality or its funds available are insufficient to pay the necessary expenses of the municipality. The City has not requested the State Director of Administration to authorize indebtedness of the City under Section 45-12-11.

NOTE 9 FINANCED PURCHASES

Property and equipment carried at approximately \$49,000 with approximately \$34,700 in accumulated depreciation, in the governmental activities is being acquired under financed purchase arrangements.

The City is obligated under various financed purchases to make the following aggregate annual payments:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 4,636
2027	2,998
2028	2,998
2029	672
Total Payments	11,304
Less: Interest	(439)
Principal Balance	<u>\$ 10,865</u>

Financed purchase expenditures amounted to \$4,217 for the fiscal year ended June 30, 2025.

NOTE 10 RESTRICTED ASSETS AND RELATED LIABILITIES

The state of Rhode Island enacted the Public Drinking Water Protection Act of 1987 (the Act) that empowers suppliers of public drinking water to levy a surcharge (the Water Quality Protection Surcharge) of \$0.01 per hundred gallons of water for all customers. The Act was amended numerous times and effective July 1, 2002, the surcharge increased to \$0.0292 per hundred gallons of water for all customers. In addition to the increase, the Water Supply Board will retain 36.1% of the surcharge in its Water Quality Protection fund, remit 57% to the State Water Resources Board and retain 6.9% for general operations.

The restricted assets are pooled with the cash and cash equivalents and investments of other funds maintained by the City. The earnings from pooled cash and cash equivalents and investments are allocated in proportion to each funds' balance.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 FUND BALANCE

The components of fund balance at June 30, 2025, are as follows:

	General	School Fund	School Grants Fund	Capital Projects	ARPA	Nonmajor and Other Funds	Total
Fund Balances:							
Nonspendable:							
Prepayments	\$ 4,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,312
Restricted for:							
Trust	-	-	-	-	-	28,945	28,945
Education	-	-	6,536	-	-	-	6,536
Capital Projects	-	-	-	112,589	-	1,116	113,705
Federal Programs	-	-	-	-	-	9,809	9,809
Public Lands and Parks	-	-	-	-	-	7,329	7,329
Law Enforcement and Fire							
Prevention	-	-	-	-	-	2,874	2,874
Recreation	-	-	-	-	-	946	946
Community Development	-	-	-	-	-	537	537
Committed to:							
Executive, Legislative and Judicial	-	-	-	-	6,945	-	6,945
Education	-	6,515	-	-	-	-	6,515
Capital Projects	-	-	-	-	-	9,359	9,359
Public Lands and Parks	-	-	-	-	-	716	716
Unassigned	28,952	-	-	-	-	(642)	28,310
Total Fund Balances	<u>\$ 33,264</u>	<u>\$ 6,515</u>	<u>\$ 6,536</u>	<u>\$ 112,589</u>	<u>\$ 6,945</u>	<u>\$ 60,989</u>	<u>\$ 226,838</u>

NOTE 12 DEFINED BENEFIT PENSION PLANS

The City contributes to two defined benefit pension plans – the Employees’ Retirement System of the City of Providence (ERS), a single-employer plan; and the Employees’ Retirement System of the State of Rhode Island (the System), a cost-sharing multiple-employer plan. The ERS is presented in the accompanying financial statements as a pension trust fund. A separate financial statement is not issued. The System is not included in the basic financial statements.

Employees’ Retirement System of the City of Providence (ERS)

A. Plan Description

ERS is a single-employer defined benefit pension plan that covers most management employees of the City, except schoolteachers. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living adjustments (COLA) are provided to retirees and beneficiaries at varying percentages ranging from 3% to 6%. Benefits are paid at varying amounts not to exceed 100% of final compensation for Class A (City) employees or 100% of final compensation for Class B at age 63 for police and 60 for fire. Final compensation is the average of the highest four years of base compensation including longevity pay earned by a member during his total service as an employee.

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employees' Retirement System of the City of Providence (ERS) (Continued)

A. Plan Description (Continued)

ERS is governed by an Employee Retirement Board provided by the Providence Home Rule Charter. The ERS consists of elected officials, management, and employee representation and provides for establishing rules and regulations and is responsible for the administration and operation of the City employee retirement system. The Board has the discretion and authority to interpret the Plan and to determine the eligibility and benefits of Participants and beneficiaries pursuant to the provisions of the Plan. On all such matters, the decision of a majority of the then members of the Board shall govern and be binding upon the Employer, Participants, and beneficiaries. The City does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the Employees' Retirement System of the City of Providence.

Membership of the ERS plan consisted of the following at July 1, 2024, the date of the latest actuarial valuation:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	3,313
Inactive Employees Entitled to But Not Yet Receiving Benefits	814
Active Employees	3,087
Total	<u><u>7,214</u></u>

B. Contributions

Class A members are required to contribute 8% of their salary to the Plan for the fiscal year ended June 30, 2025. Police officers are required to contribute 13.5% of their salary to the Plan for the fiscal year ending June 30, 2025. Class B members, other than police officers, are required to contribute 8% of their salary to the Plan if they were hired prior to July 1, 2011, and 9% if they were hired on or after July 1, 2011. The Mayor and City Council contribute to the Plan at a rate of \$350 per year plus 8% of their salary. Additionally, the City shall contribute from time to time amounts sufficient with the contributions of elected officials to provide the special pensions granted to them. The City contributions are determined actuarially. The current year contribution was determined with the July 1, 2024 actuarial valuation.

C. Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employees' Retirement System of the City of Providence (ERS) (Continued)

D. Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

E. Investment Policy

The City policy for pension investments is under the oversight of the Board of Investment Commissioners. The Board contracts with an investment advisory firm and approves any new investment vehicles presented by the consultant. The Board follows all applicable state statutes and Section 17-189 of the City Ordinance, which states, "The Board of Investment Commissioners is authorized and empowered to execute the disposition and investment of the funds which are within its control in any securities and investments as would be acquired by prudent persons of discretion and intelligence in these matters, who are seeking a reasonable income and the preservation of their capital."

The following is a representation of the Board's adopted asset allocation strategy:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	45.25 %	6.28 %
International Developed Markets Equity	12.75	7.00
Core Fixed Income	26.00	0.38
Hedge Fund, GTAA, Risk Parity	16.00	2.35
Total Portfolio	100.00 %	

* Long-Term Returns are provided by Segal Group, Inc. The returns are geometric means.

F. Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employees' Retirement System of the City of Providence (ERS) (Continued)

G. Net Pension Liability

The components of the net pension liability of the Retirement System at June 30, 2025, were as follows:

Total Pension Liability	\$ 1,880,330
Plan Fiduciary Net Position	(609,610)
Net Pension Liability	<u>\$ 1,270,720</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.42%
---	--------

H. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2024 and rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	3.00%, Including Inflation
Investment Rate of Return	7.00%, Net of Pension Plan Investment Expenses, Including Inflation

Mortality rates were based on the following:

Pre-Retirement

- Class A Healthy: PubG-2010 Employee Mortality Table projected generationally from the 2016 base year using Scale MP-2021.
- Class B Health: PubS-2010 Employee Mortality Table projected generationally from the 2016 base year using Scale MP-2021.

Post Retirement

- Class A Healthy Retiree: PubG-2016 Retiree Mortality Tables projected generationally from the 2016 base year using Scale MP-2021.
- Class B Health Retiree: PubS-2016 Retiree Mortality Tables projected generationally from the 2016 base year using Scale MP-2021.
- Class A Disabled Retiree: PubG-2016 Disabled Retiree Mortality Table projected generationally from the 2016 base year using Scale MP-2021.
- Class B Disabled Retiree: PubS-2016 Disabled Retiree Mortality Table projected generationally from the 2016 base year using Scale MP-2021.
- Post-Retirement Survivor: Pub-2016 Contingent Survivor Mortality Table projected generationally from the 2016 base year using Scale MP-2021.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employees' Retirement System of the City of Providence (ERS) (Continued)

H. Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included along with the pension plan's long-term target asset allocation. Since the rates term rates shown above are geometric averages. The impact of asset allocation and rebalancing is not reflected in the expected return. An expected rate of return of 7.00% was used.

I. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

J. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2024	\$ 1,829,899	\$ 525,882	\$ 1,304,017
Changes for the Year:			
Service Cost	30,705	-	30,705
Interest on Total Pension Liability	126,283	-	126,283
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions	6,563	-	6,563
Employer Contributions	-	113,616	(113,616)
Member Contributions	-	19,477	(19,477)
Net Investment Income (Loss)	-	63,935	(63,935)
Benefit Payments, Including Refund to Employee			
Contributions	(113,120)	(113,120)	-
Administrative Expenses	-	(180)	180
Net Changes	50,431	83,728	(33,297)
Balances - June 30, 2025	\$ 1,880,330	\$ 609,610	\$ 1,270,720

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employees' Retirement System of the City of Providence (ERS) (Continued)

K. Sensitivity in the Net Pension Liability

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Net Pension Liability	\$ 1,507,065	\$ 1,270,720	\$ 1,076,333

L. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized pension expense of \$116,091. At June 30, 2025, the City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 15,904	\$ 1,234
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	27,603
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	977	978
Total	<u>\$ 16,881</u>	<u>\$ 29,815</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 7,123
2027	(5,762)
2028	(9,008)
2029	(5,287)
Total	<u>\$ (12,934)</u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employees' Retirement System of the City of Providence (ERS) (Continued)

M. Schedule of Net Position

ASSETS

Cash and Cash Equivalents	\$ 2,165
Investments, at Fair Value:	
Corporate and Foreign Bonds	44,230
U.S. Government Securities	18,930
Corporate Equity Securities	462,938
Total Investments	<u>526,098</u>
Receivables:	
Loans Receivable	26,241
Other	408
Due from Primary Government	58,111
Total Receivables	<u>84,760</u>
Total Assets	613,023

LIABILITIES

Accounts Payable	3,413
Other Payables	-
Due to Primary Government	-
Due to Other Funds	-
Total Liabilities	<u>3,413</u>

NET POSITION

Held in Trust for Pension Benefits	<u><u>\$ 609,610</u></u>
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ADDITIONS

Employer	\$ 113,616
Employees	19,477
Total Contributions	<u>133,093</u>
Investment Earnings:	
Net Appreciation in the Fair Value of Investments	56,389
Interest	83
Dividends	7,464
Total Investment Earnings	<u>63,936</u>
Total Additions	197,029

DEDUCTIONS

Benefits	113,176
Administrative Expenses	239
Total Deductions	<u>113,414</u>

CHANGE IN NET ASSETS

	83,615
Net Position - Beginning of Year	<u>453,622</u>

NET POSITION - END OF YEAR	<u><u>\$ 537,237</u></u>
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CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plan

A. Plan Description

Certain employees of the City of Providence participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

B. Benefit Provisions

The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. For members retiring after July 1, 2024, retiree benefit amounts are based on the average three consecutive years of compensation. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

The plan provides for survivor's benefits for service connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members.

Cost of living adjustments are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plan (Continued)

B. Benefit Provisions (Continued)

The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

C. Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2025, City of Providence teachers were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012, must contribute 11% of their annual covered salary. The state and the City of Providence are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by City of Providence; the rates were 11.42% and 15.54% of annual covered payroll for the fiscal year ended June 30, 2025, for the state and City of Providence, respectively. The City contributed \$26,667, \$29,882 and \$28,083 for the fiscal years ended June 30, 2025, 2024, and 2023, respectively, equal to 100% of the required contribution. The state's share of contribution for fiscal 2025 was \$22,129 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2025, the City reported a liability of \$222,378 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the City as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the City of Providence were as follows:

City's Proportionate Share of the Pension Liability	\$ 222,378
State's Proportionate Share of the Pension Liability	
Associated With the City	<u>161,952</u>
Total Net Pension Liability	<u><u>\$ 384,330</u></u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plan (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The net pension liability was measured as of June 30, 2024, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2024, the City's proportion was 9.33%, which was an increase of 0.29% from the prior year.

For the year ended June 30, 2025, the City recognized gross pension expense of \$55,192 and revenue of \$23,043 for support provided by the state. At June 30, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,518	\$ 5,301
Changes of Assumptions	-	6,836
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	13,639
Contributions Subsequent to Measurement Date	26,677	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	21,286	13,069
Total	<u>\$ 49,481</u>	<u>\$ 38,845</u>

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plan (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

\$26,677 reported as deferred outflows of resources related to pensions resulting from the City's contributions in fiscal year 2025 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (12,330)
2027	1,801
2028	(5,482)
2029	(1,926)
2030	1,611
Thereafter	285
Total	<u><u>\$ (16,041)</u></u>

E. Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	2.75% to 8.25%
Investment Rate of Return	7.00%

Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2024 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

The June 30, 2024, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Global Equity:		
US Equity	25.90 %	5.98 %
International Developed Equity	10.00	6.47
Emerging Market Equity	4.10	8.10
Private Growth:		
Private Equity	12.50	9.37
None-Core RE	2.50	4.92
Income:		
Equity Options	2.00	5.69
Liquid Credit	5.00	4.36
Private Credit	3.00	4.36
Collateralized Loan Obligations (CLO)	2.00	4.36
Crisis Protection Class:		
Treasury Duration	5.00	1.00
Systematic Trend	5.00	4.02
Inflation Protection:		
Core Real Estate	4.00	4.92
Private Infrastructure	4.00	6.02
Volatility Protection:		
IG Fixed Income	3.25	2.60
Securitized Credit	3.25	2.60
Absolute Return	6.50	4.02
Cash	2.00	1.00
Total Portfolio	100.00 %	

* These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plan (Continued)

F. Discount Rate

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.0 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Net Pension Liability	\$ 288,738	\$ 222,378	\$ 162,084

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

Aggregate Pension Information

The City recognized the following amounts related to pension plans as of and for the year ended June 30, 2025:

	Measurement Date	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Employee Retirement System:					
ERS	6/30/2024	\$ 222,378	\$ 49,481	\$ 38,845	\$ 26,834
Providence	6/30/2025	1,270,720	16,881	29,815	116,091
Total		<u>\$ 1,493,098</u>	<u>\$ 66,362</u>	<u>\$ 68,660</u>	<u>\$ 142,925</u>

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Aggregate Pension Information (Continued)

The net pension liability, deferred outflows, deferred inflows, and pension expense were allocated the to the following activities:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Governmental Activities	\$ 1,436,147	\$ 64,672	\$ 66,389	\$ 138,572
Business Activities	56,951	1,690	2,271	4,353
Total	<u>\$ 1,493,098</u>	<u>\$ 66,362</u>	<u>\$ 68,660</u>	<u>\$ 142,925</u>

Teachers Defined Contribution Pension Plan

A. Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

Amounts in the defined contribution plan are available to participants in accordance with the Internal Revenue Service guidelines for such plans.

The City's School District recognized pension expense of \$1,025 for the fiscal year ended June 30, 2025.

The System issues a publicly available financial report that included financial statements and required supplementary information for plans administered by the system. The report can be obtained at <http://www.ersri.org>.

Other City Pension Costs

The City is required to make contributions to the National Pension Plan of the Laborers' International Union of North America, a multi-employer plan. The pension cost incurred by the City for these purposes amounted to \$3,951 for the year ended June 30, 2025.

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The City's Postemployment Medical Benefit Plan is a single-employer defined benefit postretirement health insurance program administered by the City. The City provides for a portion of the lifetime healthcare benefits to substantially all retired employees and their spouses. Healthcare benefits are provided through the City's self-insured health insurance program covering both active and retired employees. The financial activity of these programs is reported as an internal service fund. The Plan does not issue a separate financial report. These benefits are provided for and amended under various provisions of Rhode Island General Law, City Ordinances and the terms of collective bargaining agreements.

B. OPEB Funding Policy

The contribution requirements of plan members and the City are established and may be amended through provisions of Rhode Island General Law, City Ordinances and through collective bargaining. The required contribution is based on pay as you go financing requirements. The plan can cover 100% of the costs of the benefit, however, retirees and their spouses are potentially required to fund a portion of the Plan costs depending upon the class an employee has been assigned and their date of hire. Current employee co-share for the retiree health insurance benefit requires a co-share of .01 of final average salary with a maximum limit of \$400.

The following is a current census of the City benefit participants as of July 1, 2024:

Active Members	4,663
Retirees	<u>4,676</u>
Total	<u><u>9,339</u></u>

C. Total OPEB Liability

The City's total OPEB liability of \$802,554 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2024.

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.50%
Salary Increases	Non-Teachers: 3.5% per year before reflecting longevity. Longevity compensation varies from 3.0% to 11.0% based on years of service, date of hire and Class Teachers: Service-related increases - 13% decreasing over 10 years to an ultimate level of 3%
Healthcare Trend Rates	Medical: 7.5% decreasing by 0.25% for 10 years to an ultimate level of 5.0% Administrative: 3.0%
Mortality Rates	<u>Pre-Retirement</u> Class A Healthy: Pub-2010 General Employee Headcount-Weighted Mortality Tables projected generationally with Scale MP-2021 Class B Healthy: Pub-2010 Safety Employee Headcount-Weighted Mortality Tables projected generationally with Scale MP-2021 Teachers: Pub-2010 Teacher Employee Headcount-Weighted Mortality Tables projected generationally with Scale MP-2021 <u>Post-Retirement</u> Class A Healthy: Pub-2010 General Healthy Retiree Headcount-Weighted Mortality Tables projected generationally with Scale MP-2021 Class B Healthy: Pub-2010 Safety Healthy Retiree Headcount-Weighted Mortality Tables projected generationally with Scale MP-2021 Teachers Healthy: Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Tables projected generationally with Scale MP-2021 Class A Beneficiaries: Pub-2010 General Contingent Survivor Retiree Headcount-Weighted Mortality Tables projected generationally with Scale MP-2021 Class B Beneficiaries: Pub-2010 Safety Contingent Survivor Retiree Headcount-Weighted Mortality Tables projected generationally with Scale MP-2021

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. Actuarial Assumptions and Other Inputs (Continued)

Mortality Rates (Continued)

Post-Retirement (Continued)

Teachers Beneficiaries: Pub-2010 Teacher Contingent Survivor
Retiree Headcount-Weighted Mortality Tables projected
generationally with Scale MP-2021

Class A Disabled Retirees: Pub-2010 Non-Safety Disabled Retirees
Headcount-Weighted Mortality Tables projected generationally with
Scale MP-2021

Class B Disabled Retirees: Pub-2010 Safety Disabled Retirees
Headcount-Weighted Mortality Tables projected generationally with
Scale MP-2021

Teachers Disabled Retirees: Pub-2010 Non-Safety Disabled Retirees
Headcount-Weighted Mortality Tables projected generationally with
Scale MP-2021

E. Changes in the Total OPEB Liability

	Increase (Decrease)		
	Governmental Activities Liability (a)	Business-Type Activities Liability (b)	Total OPEB Liability (a)+(b)
Balances - July 1, 2024	\$ 861,871	\$ 18,406	\$ 880,277
Changes for the Year:			
Service Cost	23,750	490	24,240
Interest on Total OPEB Liability	33,627	693	34,320
Experience (Gain) and Loss	(154,736)	(3,190)	(157,926)
Benefit Payments	(31,625)	(652)	(32,277)
Change of Assumptions	52,831	1,089	53,920
Change in Proportionate Share	624	(624)	
Net Changes	<u>(75,529)</u>	<u>(2,194)</u>	<u>(77,723)</u>
Balances - June 30, 2025	<u>\$ 786,342</u>	<u>\$ 16,212</u>	<u>\$ 802,554</u>

Changes of assumptions reflect the following:

- The per capita cost assumption was updated to reflect the FY2025 premium rates and plan experience from July 1, 2022 through June 30, 2024.
- The percentage of pre-Medicare retirees who are assumed to not be eligible for Medicare upon turning 65 was decreased from 30% to 25% and updated to apply to all groups.
- The healthcare cost trend assumption as updated based on the 2024 Getzen model released by the SOA and adjusted to reflect the expected impact of the Inflation Reduction Act.
- The discount rate was updated from 3.86% to 3.97% based on the Fidelity Municipal 20-year GO Bond Index rate as of June 30, 2024.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.97%) or 1-percentage-point higher (4.97%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 943,529	\$ 802,554	\$ 691,641

G. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 683,902	\$ 802,554	\$ 955,171

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized OPEB expense of (\$43,953). At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 6,229	\$ 244,837
Contributions Subsequent to Measurement Date	40,828	-
Changes of Assumptions	80,427	117,910
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-
Total	<u>\$ 127,484</u>	<u>\$ 362,747</u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The City's contributions subsequent to the measurement date of \$40,827 reported as deferred outflows of resources related to OPEB above will be recognized as a reduction of the total OPEB liability in the subsequent period.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (106,678)
2027	(140,434)
2028	(28,979)
2029	-
Total	<u><u>\$ (276,091)</u></u>

NOTE 14 CONTINGENCIES

The City is involved in numerous lawsuits, claims, and grievances arising in the normal course of business, including claims for property damage, personal injury and personnel practices, disputes over property condemnation proceedings, and suits contesting the legality of certain taxes. In the opinion of City officials, the ultimate disposition of these matters will not have a material adverse effect on the City's basic financial statements. Included in the government-wide financial statements is a provision for claims that are deemed probable.

The City participates in a number of federally-assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. In the opinion of City officials, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying basic financial statements.

The City is committed under contracts for outstanding projects approximating \$257.8 million as of June 30, 2025.

NOTE 15 RELATED PARTY TRANSACTIONS

The City has entered into financed purchase agreements for certain properties from the PPBA. The estimated future minimum payments required under agreements coincide with the principal and interest payments on bonds issued by the PPBA. The agreements terminate between 2020 and 2040. The City, in turn, subleases a portion of this property to the School Department. At the expiration of the financed purchase agreements, the City, at its option, can purchase the properties for a nominal amount (see Notes 6 and 7).

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 RISK MANAGEMENT

The City is self-insured in most areas of risk; due to “stop loss” insurance, the city is responsible for a maximum of \$1 million per claimant per year for healthcare claims. Self-insured risks include general liability, property and casualty, workers’ compensation, unemployment, and employee health insurance claims. The City does, however, purchase commercial insurance for all buildings of the PPBA. The City’s Counsel defends the City in any lawsuits that arise from the normal course of operations. At no time during the past three years have insurance settlements exceeded coverage.

The City’s health insurance program provides coverage to the City’s employees and retirees through United Healthcare and Blue Cross – Blue Shield of Rhode Island (BCBS). In 1997, the City first went to a self-insured program with BCBS and United Health Care. BCBS and United Health Care act as third-party agents for the City in the payment of the various claim plans used by the City. Costs incurred for the operation of BCBS and United Health Care plans are accounted for in an internal service fund. Costs to the City are paid by all funds based on “working rates” established by a third party medical consultant.

The City is required to record liabilities for self-insured claims if it is probable that a loss has been incurred and the amount can be reasonably estimated. The City has established a liability based on historical trends of previous years, where available, and attorney’s estimates of pending matters and lawsuits in which the City is involved.

Changes in the risk management liability for the fiscal years ended June 30, 2025 and June 30, 2024, are below. Legal claims and incurred but not reported claims for health benefits are recorded in the City’s internal service fund. Accrued workers’ compensation claims are recorded on the entity-wide statements. This schedule presents the activity for all self-insured risks.

	2025	2024
Beginning of the Year	\$ 24,605	\$ 30,267
Incurred Claims	126,561	123,612
Less: Payment of Claims Attributable to Events of Both the Current and Prior Fiscal Years:		
Health, Legal, and Workers' Compensation	125,643	129,274
Total	<u>\$ 25,523</u>	<u>\$ 24,605</u>
Legal Claims	\$ -	\$ -
Health - IBNR	20,438	19,791
Workers' Compensation	5,085	4,814
Total	<u>\$ 25,523</u>	<u>\$ 24,605</u>

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 RESTATEMENTS AND CHANGES IN ACCOUNTING PRINCIPLES

Effective July 1, 2024, the City implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was understated by \$10,806 in the governmental activities. The effect of the implementation of this standard is shown in the table below.

During fiscal year 2025, it was determined that the accounting for the lease between the City and the Providence Public Building Authority (PPBA) was not appropriately recorded. As a result, the advance from the City of \$507,807 was removed, the unexpended construction funds liability of \$71,974 was removed, and capital assets, net of accumulated depreciation, associated with the master lease totaling \$24,082 were added.

During fiscal year 2025, it was determined that the project acquisition promissory notes payable (PAP notes) should not be recorded in PPBA's. While the PAP notes provide a legal basis for the arrangement, they do not represent a transaction under U.S. GAAP. Accordingly, PAP notes payable totaling \$236,816 were removed.

During fiscal year 2025, management elected for PPBA to be closed to Governmental Activities.

The Governmental Activities, Business-Type Activities and Providence Public Buildings Authority net positions have been restated as follows:

	Governmental Activities	Business-type Activities	Providence Public Buildings Authority
Net Position as Previously Reported at July 1, 2024	\$ (1,968,868)	\$ 424,755	\$ 20,459
Adjustment:			
Implementation of GASB Statement No. 101	(10,806)	-	-
Removal of Long-term Advance from PPBA	-	-	(507,807)
Removal of Unexpended Bond Proceeds	-	-	71,974
Removal of PAP Notes	-	-	236,816
Addition of Capital Assets	-	-	24,082
Closing of Public Building Authority into Governmental Activities	20,459	(20,459)	-
Balance as Restated, Beginning of Year	<u>\$ (1,959,215)</u>	<u>\$ 404,296</u>	<u>\$ (154,476)</u>

NOTE 18 ABATEMENTS

As of June 30, 2025, the City provides tax abatements through multiple programs:

- Title 44 Program
- Historic Property Stabilization Ordinance
- Tax Stabilization for Commercial and Residential Property

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 18 ABATEMENTS (CONTINUED)

Program:	Title 44 Program	Historic Property Stabilization Ordinance	Tax Stabilization for Commercial and Residential Property	Neighborhood Revitalization Act	Real Property Tax Stabilization Program
Purpose of program:	To encourage the restoration of historical landmark properties and mills in the arts and entertainment district.	To encourage the rehabilitation of historic commercial and industrial buildings to productive use.	To encourage the investment in building improvements and/or new construction by owners of property requiring environmental remediation, is historically preserved, or is used for affordable housing, manufacturing, commercial, or residential purposes.	To encourage and promote the use of vacant and/or underutilized property through new construction or rehabilitation of qualifying properties for residential and commercial purposes.	To encourage and promote the use of vacant and/or underutilized property through new construction or rehabilitation of qualifying properties for residential and commercial purposes.
Tax being abated:	Real and Personal Property Tax	Real and Personal Property Tax	Real and Personal Property Tax	Real and Personal Property Tax	Real and Personal Property Tax
Authority under which abatement agreement is entered into:	The State of Rhode Island General Laws Section 44-3-31.2	The State of Rhode Island General Laws Section 44-3-9	The State of Rhode Island General Laws Section 44-3-9	The State of Rhode Island General Laws Section 44-3-9	The State of Rhode Island General Laws Section 44-3-9
Criteria to be eligible to receive abatement:	Eligibility is based on taxable properties designated on the landmark list as approved by ordinance in the City of Providence, and shall be eligible if certified by the city building inspector as in need of substantial rehabilitation.	Eligible property must be in need of substantial rehabilitation, at least 50% of the current replacement value of the structure, as determined by the Director of Department of Inspections and Standards, and located in the historic district as determined by the City Council.	Eligible property must be located in the I-195 redevelopment district, located in the Capital Center Special Development District, or include new construction with a construction valuation of at least \$10,000,000, or the rehabilitation of commercial or multi-family residential property with a cost of construction of at least \$10,000,000.	Eligible properties include new construction (excluding land acquisition costs) or the rehabilitation of commercial, mixed-use, or multi-family residential property between \$250,000 and \$3,000,000 located in opportunity neighborhoods, or commercial corridors that abut or are contiguous with opportunity neighborhoods.	Eligible Property shall mean all real property together with any and all buildings, structures, and/or improvement now or in the future located in the City of Providence and which are subject to a qualifying new construction or rehabilitation project as outlined in Section 3.
How recipients' taxes are reduced:	Through a reduction of the property's assessed value.	Through a reduction of the property's assessed value.	Through the fixing of the assessed value prior to the improvement.	Through the fixing of the assessed value prior to the improvement.	Through the fixing of the assessed value prior to the improvement.
How amount of abatement is determined:	The benefit is based on a fixed rate reduction of \$33.44 applied to the tangible property value over a ten-year period.	The benefit is an amount equal to the lesser of \$0.35 per square foot or the tax assessed for the year.	The benefit will be based upon a percentage of the total tax at the annual tax rate.	The benefit will be based upon a percentage of the total tax at the annual tax rate over a six year phase-in period.	The benefit will be based upon a percentage of the total tax at the annual tax rate.
Provisions for recapturing abated taxes:	None	None	None	None	None
Types of commitments made by the City other than to reduce taxes:	None	None	None	None	None
Gross dollar amount (accrual basis) by which the City's taxes were reduced as a result of the abatement agreement/program:	\$8,883	\$3,383	\$3,216	\$206	\$2,283

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF PROVIDENCE, RHODE ISLAND
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)

	Budgeted Amounts		Actual	Variance Positive/ (Negative)
	Original	Final		
REVENUES				
Tax Revenues:				
Property Taxes	\$ 379,439	\$ 379,439	\$ 384,179	\$ 4,740
Interest on Overdue Taxes	4,500	4,500	4,706	206
Total	383,939	383,939	388,885	4,946
Payments in Lieu of Taxes	37,274	37,274	39,807	2,533
Tax Stabilization Plans	18,211	18,211	15,254	(2,957)
State Revenue	73,370	73,370	78,929	5,559
Fines	4,250	4,250	4,825	575
Investment Interest	3,942	3,942	3,449	(493)
Miscellaneous	6,617	6,617	8,669	2,052
Total Tax Revenues	143,664	143,664	150,933	7,269
Executive, Legislative, and Judicial:				
Law Department	25	25	73	48
City Clerk	17	17	6	(11)
Probate Court	199	199	228	29
Housing Court	20	20	22	2
Total Executive, Legislative, and Judicial	261	261	329	68
Finance:				
City Collector	465	465	333	(132)
City Controller	15	15	21	6
City Assessor	300	300	377	77
Total Finance	780	780	731	(49)
Public Safety:				
Police Department	8,870	8,870	6,745	(2,125)
Fire Department	1,092	1,092	1,245	153
Communications	750	750	705	(45)
Parking Administration	3,170	3,170	2,401	(769)
Traffic Engineering	295	295	448	153
Total Public Safety	14,177	14,177	11,544	(2,633)
Building Inspection Department:				
Building Inspection Administration	9,028	9,028	12,298	3,270
Zoning Board of Review	38	38	27	(11)
Building Board of Review	3	3	8	5
Total Building Inspection Department	9,069	9,069	12,333	3,264

**CITY OF PROVIDENCE, RHODE ISLAND
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance Positive/ (Negative)
	Original	Final		
REVENUES (CONTINUED)				
Public Works:				
Environmental Control	\$ 53	\$ 53	\$ 46	\$ (7)
Highway	237	237	485	248
Sewer Construction and Maintenance	24	24	20	(4)
Total Public Works	314	314	551	237
Public Lands and Parks:				
North Burial Ground	340	340	239	(101)
Other Departments:				
Recorder of Deeds	4,376	4,376	3,985	(391)
Vital Statistics	213	213	175	(38)
Bureau of Licenses	1,676	1,676	1,592	(84)
Emergency Management	238	238	211	(27)
WSB Reimbursement	839	839	839	-
Room Tax	2,503	2,503	2,915	412
Meals and Beverage Tax	8,025	8,025	9,588	1,563
Tax Stabilization	80	80	135	55
Planning and Urban Development	-	-	29	29
Arts, Culture, Film, and Tourism	134	134	168	34
Providence Place Mall	1,048	1,048	1,163	115
Voluntary Payments in Lieu of Taxes	13,669	13,669	15,180	1,511
Port Providence	1,200	1,200	1,583	383
Total Other Departments	34,001	34,001	37,563	3,562
Public Properties	228	228	228	-
Issuance of Debt	1,291	1,291	4,568	3,277
TRANSFERS				
Transfer from Rescue Runs	6,300	6,300	7,586	1,286
Transfer from False Alarm Fund	200	200	-	(200)
Transfer from Police Detail Fund	2,750	2,750	2,487	(263)
Transfer from Fire Detail	200	200	234	34
Transfers from North Burial Ground	260	260	334	74
Transfer from ARPA Fund	2,000	2,000	2,051	51
Total Transfers	11,710	11,710	12,692	982
Total Revenues and Transfers	<u>\$ 599,774</u>	<u>\$ 599,774</u>	620,596	<u>\$ 20,822</u>

Budgetary revenues are different than GAAP revenues because:

Funds consolidated with the General Fund under GASB 54 22,407

Issuance of Leases 14

Total Revenues and Other Financing Sources as Reported on the
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds - Exhibit IV

\$ 643,017

CITY OF PROVIDENCE, RHODE ISLAND
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive/ (Negative)
EXPENDITURES				
Executive, Legislative, and Judicial:				
Mayor's Office	\$ 4,027	\$ 4,027	\$ 3,238	\$ 789
City Council	779	779	674	105
City Sergeant	121	121	113	8
City Clerk	1,871	1,871	1,826	45
Law Department	8,151	8,151	8,651	(500)
Municipal Court	1,775	1,775	1,550	225
Probate Court	792	792	666	126
Housing Court	472	472	482	(10)
Contingencies - Mayor	50	50	20	30
Total Executive, Legislative, and Judicial	18,038	18,038	17,220	818
Finance:				
Finance Director	1,474	1,474	1,519	(45)
City Controller	1,745	1,745	1,732	13
Employees Retirement Office	613	613	613	-
Data Processing	7,711	7,711	7,087	624
City Collector	2,446	2,446	2,204	242
City Assessor	2,493	2,493	2,460	33
Board of Tax Assessment Review	17	17	17	-
Treasury Department	868	868	751	117
Personnel	1,894	1,894	1,796	98
Equity, Inclusion and Belonging	173	173	98	75
Heat, Light, and Power	4,898	4,898	8,091	(3,193)
Debt Service	71,056	71,056	75,313	(4,257)
Employee Death Benefit	130	130	848	(718)
Workers Compensation	2,508	2,508	3,081	(573)
Unemployment Compensation	200	200	248	(48)
Total Finance	98,226	98,226	105,858	(7,632)
Public Safety:				
Commissioner of Public Safety	1,594	1,594	1,368	226
Police Department	111,516	111,516	109,925	1,591
Fire Department	97,902	97,902	93,190	4,712
Communications Department	11,116	11,116	10,792	324
Traffic Engineering	1,655	1,655	1,502	153
Total Public Safety	223,783	223,783	216,777	7,006

**CITY OF PROVIDENCE, RHODE ISLAND
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts			Variance Positive/ (Negative)
	Original	Final	Actual	
EXPENDITURES (CONTINUED)				
Building Inspection Department:				
Building Inspection Administration	\$ 2,002	\$ 2,002	\$ 1,987	\$ 15
Structures and Zoning Division	2,270	2,270	2,155	115
Plumbing, Drainage, and Gas Piping Division	483	483	191	292
Electrical Installations Division	401	401	410	(9)
Zoning Board of Review	20	20	24	(4)
Building and Housing Board of Review	14	14	12	2
Total Building Inspection Department	5,190	5,190	4,779	411
Public Works:				
Public Works Administration	1,252	1,252	1,286	(34)
Engineering and Sanitation	1,463	1,463	1,100	363
Environmental Control	16,013	16,013	16,736	(723)
Highway	5,983	5,983	5,148	835
Snow Removal	2,179	2,179	2,388	(209)
Parking Administration	682	682	721	(39)
Sewer Construction and Maintenance	1,558	1,558	1,464	94
Garage Maintenance and Equipment Repair	1,215	1,215	1,142	73
Total Public Works	30,345	30,345	29,985	360
Recreation:				
Recreation	3,500	3,500	3,230	270
Recreation Seasonal	2,088	2,088	2,058	30
Total Recreation	5,588	5,588	5,288	300
Public Lands and Parks:				
Grounds Maintenance Services	8,428	8,428	8,033	395
Forestry Services	1,808	1,808	1,582	226
Zoological Services	3,594	3,594	3,696	(102)
Park Environmental Services (Greenhouse)	720	720	762	(42)
Park Programming (Roger Williams Park)	631	631	611	20
Superintendent of Parks	2,030	2,030	2,360	(330)
North Burial Grounds	826	826	856	(30)
Total Public Lands and Parks	18,037	18,037	17,900	137
Other Departments:				
Recorder of Deeds	608	608	627	(19)
Vital Statistics	336	336	357	(21)
Board of Canvassers	1,217	1,217	1,171	46
Bureau of Licenses	1,119	1,119	803	316

CITY OF PROVIDENCE, RHODE ISLAND
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)

	Budgeted Amounts			Variance Positive/ (Negative)
	Original	Final	Actual	
EXPENDITURES (CONTINUED)				
Other Departments (Continued):				
Emergency Management	\$ 797	\$ 797	\$ 814	\$ (17)
Planning and Urban Development	3,185	3,185	2,817	368
Office of Economic Opportunity	1,680	1,680	1,511	169
Administration to City Council	2,582	2,582	2,165	417
Internal Auditor	1,021	1,021	797	224
Archives	788	788	628	160
Human Relations Commission	142	142	123	19
Department of Human Services	2,700	2,700	1,708	992
Office of Arts, Culture, Film, and Tourism	1,809	1,809	1,649	160
Providence Housing Authority	7	7	5	2
League of Cities	69	69	70	(1)
Ceremonies	9	9	5	4
P.E.R.A.	719	719	437	282
Purchasing	770	770	650	120
Sustainability	896	896	924	(28)
Nondepartmental	847	847	3,290	(2,443)
Total Other Departments	21,301	21,301	20,551	750
Grants:				
Providence Public Library	4,250	4,250	4,250	-
Community Centers	2,422	2,422	2,400	22
Grants (Transfer to Mary Sharpe)	25	25	25	-
Total Grants	6,697	6,697	6,675	22
Public Property and Purchasing:				
Public Properties	11,601	11,601	9,932	1,669
TRANSFERS				
Transfers to School Department - Local Appropriation	135,547	135,547	138,365	(2,818)
Transfers to School Department - State Intervention	-	-	5,500	(5,500)
Transfer to Retiree Benefits	26,987	26,987	28,987	(2,000)
Deficit Reduction	100	100	-	100
Transfer to Other Department	-	-	10,200	(10,200)
Total Transfers	162,634	162,634	183,052	(20,418)
Total Expenditures and Transfers	\$ 601,440	\$ 601,440	618,017	\$ (16,577)
Budgetary expenditures are different than GAAP expenditures because:				
Funds consolidated with the General Fund under GASB 54			22,284	
Issuance of Leases			14	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV				
			\$ 640,315	

**CITY OF PROVIDENCE, RHODE ISLAND
SCHOOL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance Positive/ (Negative)
	Original	Final		
REVENUES				
Federal and State Revenue	\$ 273,173	\$ 273,173	\$ 294,552	\$ 21,379
Other Revenue	7,785	7,785	14,726	6,941
Transfers from Other Funds	147,678	147,678	143,865	(3,813)
Total Revenues	428,635	428,635	453,143	24,508
EXPENDITURES				
Education	428,635	428,635	453,034	(24,399)
Total Expenditures	428,635	428,635	453,034	(24,399)
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109</u>	<u>\$ 109</u>

Budget - GAAP Reconciliation: A reconciliation of revenues and expenditures between the accounting treatment required by GAAP and budgetary requirements is as follows:

	School Unrestricted	
	Revenues	Expenditures
Balance, Budgetary Basis - June 30, 2025	\$ 453,143	\$ 453,034
Issuance of Leases	61	61
State Teachers' Retirement On-Behalf Payments	22,129	22,129
Balance, GAAP Basis - June 30, 2025	<u>\$ 475,333</u>	<u>\$ 475,224</u>

CITY OF PROVIDENCE, RHODE ISLAND
EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF PROVIDENCE (ERS)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 30,705	\$ 28,857	\$ 26,467	\$ 25,527	\$ 24,774	\$ 21,139	\$ 19,541	\$ 19,667	\$ 20,248	\$ 18,405
Interest	126,283	121,865	119,361	115,174	111,807	109,930	107,615	105,421	102,963	100,333
Differences Between Expected and Actual Experience	6,563	21,963	(4,935)	23,551	17,287	(10,499)	2,142	5,781	11,541	(4,367)
Changes of Assumptions	-	-	-	-	-	203,265	-	-	-	60,313
Benefit Payments, Including Refunds of Member Contributions	(113,120)	(109,716)	(105,311)	(105,438)	(107,619)	(101,076)	(102,828)	(103,818)	(103,088)	(108,193)
Net Change in Total Pension Liability	50,431	62,969	35,582	58,814	46,249	222,759	26,470	27,051	31,664	66,491
Total Pension Liability - Beginning	1,829,899	1,766,930	1,731,348	1,672,534	1,626,285	1,403,526	1,377,056	1,350,005	1,318,341	1,251,850
Total Pension Liability - Ending	1,880,330	1,829,899	1,766,930	1,731,348	1,672,534	1,626,285	1,403,526	1,377,056	1,350,005	1,318,341
Plan Fiduciary Net Position:										
Contributions - Employer	113,616	104,943	100,323	93,585	90,484	86,723	83,357	78,123	72,396	70,704
Contributions - Member	19,477	18,193	16,896	14,611	13,479	12,842	12,654	12,246	11,419	12,043
Net Investment Income	63,935	59,030	39,781	(39,747)	82,659	(4,961)	15,249	24,026	34,880	7,849
Benefit Payments, Including Refunds of Member Contributions	(113,120)	(109,716)	(105,311)	(105,438)	(107,619)	(101,076)	(102,828)	(103,818)	(103,088)	(108,193)
Administrative Expense	(180)	(190)	(216)	(250)	(213)	(184)	(176)	(223)	(250)	(184)
Net Change in Plan Fiduciary Net Position	83,728	72,260	51,473	(37,239)	78,790	(6,656)	8,256	10,354	15,357	(17,781)
Plan Fiduciary Net Position - Beginning	525,882	453,622	402,149	439,388	360,598	367,254	358,998	348,644	333,287	351,068
Plan Fiduciary Net Position - Ending	609,610	525,882	453,622	402,149	439,388	360,598	367,254	358,998	348,644	333,287
Net Pension Liability - Ending	<u>\$ 1,270,720</u>	<u>\$ 1,304,017</u>	<u>\$ 1,313,308</u>	<u>\$ 1,329,199</u>	<u>\$ 1,233,146</u>	<u>\$ 1,265,687</u>	<u>\$ 1,036,272</u>	<u>\$ 1,018,058</u>	<u>\$ 1,001,361</u>	<u>\$ 985,054</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.74%	25.67%	25.67%	23.23%	26.27%	22.17%	26.17%	26.07%	25.83%	25.28%
Covered Payroll	\$ 200,973	\$ 191,000	\$ 178,118	\$ 168,624	\$ 168,841	\$ 159,505	\$ 155,596	\$ 145,815	\$ 143,311	\$ 145,874
Net Pension Liability as a Percentage of Covered Payroll	682.73%	737.32%	737.32%	788.26%	730.36%	793.51%	666.00%	698.18%	698.73%	675.28%

CITY OF PROVIDENCE, RHODE ISLAND
EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF PROVIDENCE (ERS)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 112,272	\$ 104,943	\$ 100,323	\$ 93,585	\$ 88,955	\$ 84,867	\$ 80,763	\$ 76,444	\$ 72,396	\$ 70,704
Contributions in Relation to the Actuarially Determined Contribution	113,616	104,943	100,323	93,585	90,484	86,723	83,357	78,123	72,396	70,704
Contribution Deficiency (Excess)	<u>\$ (1,344)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,529)</u>	<u>\$ (1,856)</u>	<u>\$ (2,594)</u>	<u>\$ (1,679)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 200,973	\$ 191,000	\$ 178,118	\$ 168,624	\$ 168,841	\$ 159,505	\$ 155,596	\$ 145,815	\$ 143,311	\$ 145,874
Contributions as a Percentage of Covered Payroll	56.53%	54.94%	56.32%	55.50%	53.59%	54.37%	53.57%	53.58%	50.52%	48.47%

Notes to Schedule:

Valuation Date: July 1, 2024
Measurement Date: June 30, 2025

Actuarially determined contribution (ADC) rates are calculated as of the beginning of the fiscal year (July 1) for the fiscal year immediately following the current fiscal year. Actuarial valuations are performed every year. The assumptions shown below are those used in the July 1, 2024 actuarial valuation which developed the FY 2025 ADC. Assumptions used to determine contributions in the past may not have been the same.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Individual entry age normal
Amortization Method	Level dollar for the 1995 deferral liability and level percentage of payroll for the remaining unfunded liability
Remaining Amortization Period	8 years for the 1995 deferral liability and 17 years for the remaining unfunded liability.
Asset Valuation Method	5-year smoothed market with a 20% corridor
Inflation	3.00%
Salary Increases	3.00%, including inflation, but prior to reflecting increases due to longevity
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation
Cost of Living Adjustment	10-year freeze as of January 1, 2013 and 3% thereafter; capped at the lesser of (a) current base compensation of same active position and (b) 150% of RI state median income
Retirement Age	Rates vary by participant age and service
Mortality	Class A Employees: PubG-2016 Employee Mortality Table projected generationally from the 2016 base year using Scale MP-2021. Class A Retiree: PubG-2016 Retiree Mortality Table projected generationally from the 2016 base year using Scale MP-2021. Class A Beneficiary: Pub-2016 Contingent Survivor Mortality Table projected generationally from the 2016 base year using Scale MP-2021. Class A Disabled Retiree: PubG-2016 Disabled Retiree Mortality Table Projected generationally from the 2016 base year using Scale MP-2021. Class B Employees: PubS-2016 Employee Mortality Table projected generationally from the 2016 base year using Scale MP-2021. Class B Retiree: PubS-2016 Retiree Mortality Table projected generationally from the 2016 base year using Scale MP-2021. Class B Beneficiary: Pub-2016 Contingent Survivor Mortality Table projected generationally from the 2016 base year using Scale MP-2021. Class B Disabled Retiree: PubS-2016 Disabled Retiree Mortality Table Projected generationally from the 2016 base year using Scale MP-2021.

**CITY OF PROVIDENCE, RHODE ISLAND
EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF PROVIDENCE (ERS)
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.93%	14.30%	11.30%	(11.10%)	27.00%	(2.00%)	4.50%	(1.83%)	0.46%	2.60%

CITY OF PROVIDENCE, RHODE ISLAND
EMPLOYEES RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (ERS)
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST EIGHT FISCAL YEARS*
(IN THOUSANDS)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's Proportion of the Net Pension Liability	9.33%	9.04%	8.37%	8.95%	9.17%	9.10%	9.01%	8.99%
City's Proportionate Share of the Net Pension Liability	\$ 222,378	\$ 219,505	\$225,951	\$210,586	\$292,896	\$290,336	\$286,187	\$282,998
State's Proportionate Share of the Net Pension Liability Associated With the City	<u>161,952</u>	<u>158,702</u>	<u>167,107</u>	<u>156,168</u>	<u>217,628</u>	<u>217,492</u>	<u>213,475</u>	<u>213,878</u>
Total	<u><u>\$ 384,330</u></u>	<u><u>\$ 378,207</u></u>	<u><u>\$ 393,058</u></u>	<u><u>\$ 366,754</u></u>	<u><u>\$ 510,524</u></u>	<u><u>\$ 507,828</u></u>	<u><u>\$ 499,662</u></u>	<u><u>\$ 496,876</u></u>
City's Covered Payroll	\$ 210,409	\$ 191,584	\$ 187,680	\$ 190,112	\$ 184,089	\$ 164,929	\$ 154,253	\$ 140,752
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	95%	87%	83%	90%	63%	57%	54%	50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.10%	65.80%	62.10%	66.50%	54.30%	54.60%	54.01%	54.06%

Notes:

- 1) The amounts presented for each fiscal year were determined as of the June 30, measurement date prior to the fiscal year-end.
- 2) This schedule is intended to show information for 10 years. Additional information will be added as it becomes available.

**CITY OF PROVIDENCE, RHODE ISLAND
EMPLOYEES RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (ERS)
SCHEDULE OF THE CITY'S CONTRIBUTIONS
LAST EIGHT FISCAL YEARS*
(IN THOUSANDS)**

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 26,677	\$ 29,882	\$28,083	\$24,083	\$24,677	\$22,715	\$21,525	\$20,980
Contributions in Relation to the Actuarially Determined Contribution	<u>26,677</u>	<u>29,882</u>	<u>28,083</u>	<u>24,083</u>	<u>24,677</u>	<u>22,715</u>	<u>21,525</u>	<u>20,980</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 190,721	\$ 210,409	\$191,584	\$187,680	\$190,112	\$184,089	\$164,929	\$154,253
Contributions as a Percentage of its Covered Payroll	14.0%	14.2%	14.7%	12.8%	13.0%	12.3%	13.1%	13.6%

Notes:

- 1) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.
- 2) This schedule is intended to show information for 10 years. Additional information will be added as it becomes available.

CITY OF PROVIDENCE, RHODE ISLAND
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability:							
Service Cost	\$ 24,240	\$ 25,444	\$ 45,961	\$ 40,771	\$ 26,281	\$ 26,084	\$ 23,533
Interest on the Total OPEB Liability	34,321	31,822	26,622	29,620	39,638	41,499	37,115
Changes of Benefit Terms							
Experience (Gains) Losses	(157,926)	10,382	(310,808)	(1,487)	(9,441)	-	49,105
Changes of Assumptions	53,920	(25,266)	(256,877)	13,973	211,978	24,984	(45,456)
Benefit Payments	(32,277)	(38,585)	(34,756)	(35,115)	(31,943)	(33,205)	(29,355)
Net Change in Total OPEB Liability	(77,722)	3,797	(529,858)	47,762	236,513	59,362	34,942
Total OPEB Liability - Beginning	880,277	876,480	1,406,338	1,358,576	1,122,063	1,062,701	1,027,759
Total OPEB Liability - Ending	<u>\$ 802,555</u>	<u>\$ 880,277</u>	<u>\$ 876,480</u>	<u>\$ 1,406,338</u>	<u>\$ 1,358,576</u>	<u>\$ 1,122,063</u>	<u>\$ 1,062,701</u>

The City does not have any assets accumulated in a trust for payment of OPEB expenses.

*Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

SUPPLEMENTAL, COMBINING, AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Community Development – is used to account for Administrative and Program Expenses and Program Income primarily related to the following federally funded programs: Community Development Block Grant and Lead Grant.

PEDC Fund – is used to account for Administrative and Program Expenses and Program Income primarily related to loans and grants for business start-ups, expansion, and operating costs (Industrial, Commercial and Operating Accounts).

Other P&D – is used to account for Good Faith Deposits – Deposits to secure vacant lots of the PRA until closing. There is also the Lead Fund which is primarily for expenses and income related to federally funded programs that supply loans to homeowners for remediation work, income from federal grants and City Bond dollars.

Other Special Revenue Funds – is used to account for various smaller special revenue funds used by the City.

Skating Rink – is used to account for the operations of the Skating Rink.

WDO – is used to account for proceeds received from the federal government for workforce development services.

Capital Proceeds Fund – is used to account for various smaller operations. It primarily consists of a Trust Fund that has spending stipulations for various City operations, and proceeds received for public safety and seizure.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Permanent Funds – are used to account for permanent trust funds.

CITY OF PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025
(IN THOUSANDS)

	Community Development	PEDC	Other P & D	Other Special Revenue Fund	Skating Rink	WDO	Capital Proceeds Fund	Permanent Funds	Totals
ASSETS									
Cash and Cash Equivalents	\$ 5,171	\$ 3,172	\$ 2,087	\$ 34,995	\$ 161	\$ 94	\$ 596	\$ 2,188	\$ 48,464
Investments	-	-	-	1,454	-	-	-	27,136	28,590
Receivables, Net:									
Loans	8,733	5,873	-	-	-	-	-	-	14,606
Intergovernmental	1,818	-	1,503	2,094	-	567	-	-	5,982
Leases	-	-	-	93	-	-	-	-	93
Other	875	-	60	390	7	-	-	93	1,425
Due from Other Funds	3,550	1,806	435	1,346	80	-	9,041	474	16,732
Other Assets	-	327	-	-	-	-	-	-	327
Total Assets	\$ 20,147	\$ 11,178	\$ 4,085	\$ 40,372	\$ 248	\$ 661	\$ 9,637	\$ 29,891	\$ 116,219
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Warrants and Accounts Payable	\$ 6,029	\$ 42	\$ 1,418	\$ 1,362	\$ 39	\$ 320	\$ -	\$ 33	\$ 9,243
Accrued Liabilities	-	-	-	-	1	36	-	-	37
Unearned Revenue	8,753	437	7	152	-	-	-	-	9,349
Due to Other Funds	4,424	2,030	2,461	25,062	198	139	278	913	35,505
Total Liabilities	19,206	2,509	3,886	26,576	238	495	278	946	54,134
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - leases	-	-	-	63	-	-	-	-	63
Unavailable revenue - other receivables	-	-	-	1,033	-	-	-	-	1,033
Total Deferred Inflow of Resources	-	-	-	1,096	-	-	-	-	1,096
FUND BALANCES									
Restricted	941	8,669	199	12,626	10	166	-	28,945	51,556
Committed	-	-	-	716	-	-	9,359	-	10,075
Unassigned	-	-	-	(642)	-	-	-	-	(642)
Total Fund Balances	941	8,669	199	12,700	10	166	9,359	28,945	60,989
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 20,147	\$ 11,178	\$ 4,085	\$ 40,372	\$ 248	\$ 661	\$ 9,637	\$ 29,891	\$ 116,219

CITY OF PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Community Development	PEDC	Other P & D	Other Special Revenue Funds	Skating Rink	WDO	Capital Proceeds Fund	Permanent Funds	Totals
REVENUES									
Departmental	\$ -	\$ -	\$ -	\$ 1,025	\$ 562	\$ 514	\$ -	\$ 455	\$ 2,556
Intergovernmental	9,554	-	4,810	9,817	-	3,226	-	-	27,407
Investment and Rental Income	-	198	773	934	-	-	212	3,569	5,686
Other	-	22	-	1,932	-	-	201	-	2,155
Total Revenues	9,554	220	5,583	13,708	562	3,740	413	4,024	37,804
EXPENDITURES									
Current:									
Executive, Legislative, and Judicial	-	-	-	4	-	-	-	428	432
Public Safety	-	-	-	4,996	-	3,727	-	-	8,723
Building Inspection	-	-	-	213	-	-	-	-	213
Recreation	-	-	-	635	568	-	10	-	1,213
Public Lands and Parks	-	-	-	2,210	-	-	-	46	2,256
Grants	-	-	-	1,665	-	-	-	-	1,665
Education	-	-	-	1,394	-	-	-	-	1,394
Community Development	9,554	325	5,530	1,638	-	-	-	-	17,047
Noncurrent:									
Capital Outlays	-	-	-	981	-	-	-	139	1,120
Total Expenditures	9,554	325	5,530	13,736	568	3,727	10	613	34,063
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(105)	53	(28)	(6)	13	403	3,411	3,741
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	478	-	-	-	138	616
Transfers Out	-	-	-	(131)	-	-	-	(472)	(603)
Total Other Financing Sources (Uses)	-	-	-	347	-	-	-	(334)	13
NET CHANGE IN FUND BALANCE	-	(105)	53	319	(6)	13	403	3,077	3,754
Fund Balance - Beginning of Year	941	8,774	146	12,381	16	153	8,956	25,868	57,235
FUND BALANCE - END OF YEAR	<u>\$ 941</u>	<u>\$ 8,669</u>	<u>\$ 199</u>	<u>\$ 12,700</u>	<u>\$ 10</u>	<u>\$ 166</u>	<u>\$ 9,359</u>	<u>\$ 28,945</u>	<u>\$ 60,989</u>

**CITY OF PROVIDENCE, RHODE ISLAND
COMMUNITY DEVELOPMENT
COMBINING BALANCE SHEET
JUNE 30, 2025
(IN THOUSANDS)**

	Community Development Block Grant	Lead Grant	Totals
ASSETS			
Cash and Cash Equivalents	\$ 2,989	\$ 2,182	\$ 5,171
Loans	3,518	5,215	8,733
Intergovernmental	1,769	49	1,818
Other Receivables	832	43	875
Due from Other Funds	<u>2,808</u>	<u>742</u>	<u>3,550</u>
Total Assets	<u><u>\$ 11,916</u></u>	<u><u>\$ 8,231</u></u>	<u><u>\$ 20,147</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Warrants and Accounts Payable	\$ 4,377	\$ 1,652	\$ 6,029
Unearned Revenue	3,538	5,215	8,753
Due to Other Funds	<u>3,381</u>	<u>1,043</u>	<u>4,424</u>
Total Liabilities	11,296	7,910	19,206
FUND BALANCES			
Restricted	<u>620</u>	<u>321</u>	<u>941</u>
Total Liabilities and Fund Balances	<u><u>\$ 11,916</u></u>	<u><u>\$ 8,231</u></u>	<u><u>\$ 20,147</u></u>

**CITY OF PROVIDENCE, RHODE ISLAND
COMMUNITY DEVELOPMENT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Community Development Block Grant	Lead Grant	Totals
REVENUES			
Intergovernmental	\$ 8,318	\$ 1,236	\$ 9,554
Total Revenues	<u>8,318</u>	<u>1,236</u>	<u>9,554</u>
EXPENDITURES			
Community Development	<u>8,318</u>	<u>1,236</u>	<u>9,554</u>
Total Expenditures	<u>8,318</u>	<u>1,236</u>	<u>9,554</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>620</u>	<u>321</u>	<u>941</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 620</u></u>	<u><u>\$ 321</u></u>	<u><u>\$ 941</u></u>

**CITY OF PROVIDENCE, RHODE ISLAND
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025
(IN THOUSANDS)**

	Good Faith Grant	Recreation Department	Grants Fund	Public Safety Grants	FCACFP Parks Department	Police Animal Dog Pound	Harbor Moorings Fund	Economic Opportunity Grants	Partnerships- Development Grant	PVD Gives Commission	Healthy Communities Grants
ASSETS											
Cash and Cash Equivalents	\$ -	\$ 10	\$ 198	\$ 839	\$ 86	\$ 141	\$ 1	\$ 132	\$ 261	\$ 3	\$ 3,540
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, Net:											
Intergovernmental	-	13	-	835	14	-	-	-	66	-	1,166
Leases	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	19	-	4	-	-	23	-	-
Due from Other Funds	-	58	-	7	-	-	-	-	-	-	34
Total Assets	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ 198</u>	<u>\$ 1,700</u>	<u>\$ 100</u>	<u>\$ 145</u>	<u>\$ 1</u>	<u>\$ 132</u>	<u>\$ 350</u>	<u>\$ 3</u>	<u>\$ 4,740</u>
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Warrants and Accounts Payable	\$ -	\$ 2	\$ -	\$ 699	\$ 45	\$ 34	\$ -	\$ -	\$ 112	\$ -	\$ 295
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	4	90	-	125	51	-	-	-	2	-	36
Total Liabilities	4	92	-	824	96	34	-	-	114	-	331
DEFERRED INFLOWS OF RESOURCES											
Unavailable Revenue - Leases	-	-	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-	-	1,033
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	1,033
FUND BALANCES (DEFICIT)											
Restricted	-	-	198	876	4	111	1	132	236	3	3,376
Committed	-	-	-	-	-	-	-	-	-	-	-
Unassigned	(4)	(11)	-	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	<u>(4)</u>	<u>(11)</u>	<u>198</u>	<u>876</u>	<u>4</u>	<u>111</u>	<u>1</u>	<u>132</u>	<u>236</u>	<u>3</u>	<u>3,376</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances (Deficit)	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ 198</u>	<u>\$ 1,700</u>	<u>\$ 100</u>	<u>\$ 145</u>	<u>\$ 1</u>	<u>\$ 132</u>	<u>\$ 350</u>	<u>\$ 3</u>	<u>\$ 4,740</u>

**CITY OF PROVIDENCE, RHODE ISLAND
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

	Building Inspection	Gateway Center Fund	Waterplace Park Revolving Fund	Fire National Hwy Grant Fund	Public Safe/Fire Detect Inspect	Park Museum Fund	Roger Williams Park Casino	Botanical Gardens Center Project	Parks Mary E. Sharpe Fund	NG Johnson Playground Fund	North Burial Ground Fund	Botanical Gardens Operations	Recreation Support Fund
ASSETS													
Cash and Cash Equivalents	\$ 24,650	\$ 3	\$ 1	\$ 11	\$ 279	\$ 244	\$ 119	\$ 133	\$ 274	\$ 3	\$ 202	\$ 779	\$ 409
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, Net:													
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	93	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	2	6	9	14	21	-	20	42	2
Due from Other Funds	-	-	-	-	5	43	-	1	-	-	16	6	2
Total Assets	\$ 24,650	\$ 3	\$ 94	\$ 11	\$ 286	\$ 293	\$ 128	\$ 148	\$ 295	\$ 3	\$ 238	\$ 827	\$ 413
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Warrants and Accounts Payable	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ 10	\$ 1	\$ -	\$ -	\$ -	\$ 14	\$ 31	\$ 11
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	23,984	300	-	-	-	-	447	-	-	-	17	4	-
Total Liabilities	23,984	304	-	-	-	10	448	-	-	-	31	35	11
DEFERRED INFLOWS OF RESOURCES													
Unavailable Revenue - Leases	-	-	63	-	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	63	-	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICIT)													
Restricted	666	-	-	11	286	-	-	148	295	3	207	792	-
Committed	-	-	31	-	-	283	-	-	-	-	-	-	402
Unassigned	-	(301)	-	-	-	-	(320)	-	-	-	-	-	-
Total Fund Balances (Deficit)	666	(301)	31	11	286	283	(320)	148	295	3	207	792	402
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 24,650	\$ 3	\$ 94	\$ 11	\$ 286	\$ 293	\$ 128	\$ 148	\$ 295	\$ 3	\$ 238	\$ 827	\$ 413

**CITY OF PROVIDENCE, RHODE ISLAND
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

	RI State Council On Acts Fund	Park Development Capital Fund	City Council Parks & Recreation	Substance Abuse/Other Sources	Speed Camera Traffic & School Safety	Recorder Digitization Holdings	State Adoptive Seizure	Federal Adoptive Seizure Fund	RI Historical Records Tr Fund	Insp. & Stds. Rent Escrow Fund	Redemption Tax Sale Fund	Student Activity Funds	Totals
ASSETS													
Cash and Cash Equivalents	\$ 1	\$ -	\$ 371	\$ -	\$ 285	\$ 247	\$ 339	\$ 133	\$ 110	\$ 16	\$ 57	\$ 1,118	\$ 34,995
Investments	-	-	1,176	278	-	-	-	-	-	-	-	-	1,454
Receivables, Net:													
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	2,094
Leases	-	-	-	-	-	-	-	-	-	-	-	-	93
Other	-	-	224	-	-	-	-	-	4	-	-	-	390
Due from Other Funds	-	-	-	-	390	699	3	-	82	-	-	-	1,346
Total Assets	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,771</u>	<u>\$ 278</u>	<u>\$ 675</u>	<u>\$ 946</u>	<u>\$ 342</u>	<u>\$ 133</u>	<u>\$ 196</u>	<u>\$ 16</u>	<u>\$ 57</u>	<u>\$ 1,118</u>	<u>\$ 40,372</u>
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Warrants and Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ 2	\$ -	\$ 16	\$ 63	\$ -	\$ 1,362
Unearned Revenue	-	-	152	-	-	-	-	-	-	-	-	-	152
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	2	25,062
Total Liabilities	-	-	152	-	-	-	23	2	-	16	63	2	26,576
DEFERRED INFLOWS OF RESOURCES													
Unavailable Revenue - Leases	-	-	-	-	-	-	-	-	-	-	-	-	63
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-	1,033
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-	-	1,096
FUND BALANCES (DEFICIT)													
Restricted	1	-	1,619	278	675	946	319	131	196	-	-	1,116	12,626
Committed	-	-	-	-	-	-	-	-	-	-	-	-	716
Unassigned	-	-	-	-	-	-	-	-	-	-	(6)	-	(642)
Total Fund Balances (Deficit)	<u>1</u>	<u>-</u>	<u>1,619</u>	<u>278</u>	<u>675</u>	<u>946</u>	<u>319</u>	<u>131</u>	<u>196</u>	<u>-</u>	<u>(6)</u>	<u>1,116</u>	<u>12,700</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,771</u>	<u>\$ 278</u>	<u>\$ 675</u>	<u>\$ 946</u>	<u>\$ 342</u>	<u>\$ 133</u>	<u>\$ 196</u>	<u>\$ 16</u>	<u>\$ 57</u>	<u>\$ 1,118</u>	<u>\$ 40,372</u>

**CITY OF PROVIDENCE, RHODE ISLAND
OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Good Faith Grant	Recreation Department	Grants Fund	Public Safety Grants	FCACFP Parks Department	Police Animal Dog Pound	Harbor Moorings Fund	Economic Opportunity Grants	Partnerships- Development Grant	PVD Gives Commission	Healthy Communities Grants
REVENUES											
Departmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	331	102	4,573	208	-	-	-	1,657	-	1,336
Investment and Rental Income	-	-	-	-	-	-	-	-	-	-	129
Other	-	-	25	391	-	-	-	-	-	-	305
Total Revenues	-	331	127	4,964	208	49	-	-	1,657	-	1,770
EXPENDITURES											
Current:											
Executive, Legislative, and Judicial	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	13	4,154	-	127	-	-	-	-	-
Building Inspection	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	382	-	-	-	-	-	-	-	-	-
Public Lands and Parks	-	-	-	-	220	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	1,665
Education	-	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	1,638	-	-
Noncurrent:											
Capital Outlays	-	-	-	754	-	-	-	-	227	-	-
Total Expenditures	-	382	13	4,908	220	127	-	-	1,865	-	1,665
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(51)	114	56	(12)	(78)	-	-	(208)	-	105
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	(121)	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	(121)	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(51)	114	56	(12)	(78)	-	-	(329)	-	105
Fund Balance - Beginning of Year	(4)	40	84	820	16	189	1	132	565	3	3,271
FUND BALANCE - END OF YEAR	<u>\$ (4)</u>	<u>\$ (11)</u>	<u>\$ 198</u>	<u>\$ 876</u>	<u>\$ 4</u>	<u>\$ 111</u>	<u>\$ 1</u>	<u>\$ 132</u>	<u>\$ 236</u>	<u>\$ 3</u>	<u>\$ 3,376</u>

**CITY OF PROVIDENCE, RHODE ISLAND
OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Building Inspection	Gateway Center Fund	Waterplace Park Revolving Fund	Fire National Hwy Grant Fund	Public Safe/Fire Detect Inspect	Park Museum Fund	Roger Williams Park Casino	Botanical Gardens Center Project	Parks Mary E. Sharpe Fund	NG Johnson Playground Fund	North Burial Ground Fund	Botanical Gardens Operations	Recreation Support Fund
REVENUES													
Departmental	\$ 196	\$ 5	\$ 9	\$ -	\$ -	\$ 97	\$ -	\$ 146	\$ -	\$ -	\$ -	\$ 260	\$ 248
Intergovernmental	-	106	-	-	-	89	-	-	-	-	-	8	-
Investment and Rental Income	23	1	3	-	10	10	155	2	9	-	3	397	12
Other	-	-	-	-	109	5	-	-	267	-	280	32	-
Total Revenues	219	112	12	-	119	201	155	148	276	-	283	697	260
EXPENDITURES													
Current:													
Executive, Legislative, and Judicial	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	189	-	-	-	-	-	-	-	-
Building Inspection	213	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	162
Public Lands and Parks	-	187	309	-	-	341	219	-	182	-	118	634	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:													
Capital Outlays	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	213	187	309	-	189	341	219	-	182	-	118	634	162
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	6	(75)	(297)	-	(70)	(140)	(64)	148	94	-	165	63	98
OTHER FINANCING SOURCES (USES)													
Transfers In	-	-	-	-	-	-	-	-	-	-	-	10	-
Transfers Out	-	-	-	-	-	-	-	(10)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	(10)	-	-	-	10	-
NET CHANGE IN FUND BALANCE (DEFICIT)	6	(75)	(297)	-	(70)	(140)	(64)	138	94	-	165	73	98
Fund Balance - Beginning of Year	660	(226)	328	11	356	423	(256)	10	201	3	42	719	304
FUND BALANCE - END OF YEAR	<u>\$ 666</u>	<u>\$ (301)</u>	<u>\$ 31</u>	<u>\$ 11</u>	<u>\$ 286</u>	<u>\$ 283</u>	<u>\$ (320)</u>	<u>\$ 148</u>	<u>\$ 295</u>	<u>\$ 3</u>	<u>\$ 207</u>	<u>\$ 792</u>	<u>\$ 402</u>

**CITY OF PROVIDENCE, RHODE ISLAND
OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	RI State Council On Acts Fund	Park Development Capital Fund	City Council Parks & Recreation	Substance Abuse/Other Sources	Speed Camera Traffic & School Safety	Recorder Digitization Holdings	State Adoptive Seizure	Federal Adoptive Seizure Fund	RI Historical Records Tr Fund	Insp. & Stds. Rent Escrow Fund	Redemption Tax Sale Fund	Student Activity Funds	Totals
REVENUES													
Departmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ 1,025
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	1,407	9,817
Investment and Rental Income	-	1	105	22	-	33	11	4	4	-	-	-	934
Other	-	-	261	-	-	-	217	40	-	-	-	-	1,932
Total Revenues	-	1	366	22	-	33	228	44	19	-	-	1,407	13,708
EXPENDITURES													
Current:													
Executive, Legislative, and Judicial	-	-	4	-	-	-	-	-	-	-	-	-	4
Public Safety	-	-	-	-	286	-	202	25	-	-	-	-	4,996
Building Inspection	-	-	-	-	-	-	-	-	-	-	-	-	213
Recreation	-	49	-	-	-	42	-	-	-	-	-	-	635
Public Lands and Parks	-	-	-	-	-	-	-	-	-	-	-	-	2,210
Grants	-	-	-	-	-	-	-	-	-	-	-	-	1,665
Education	-	-	-	-	-	-	-	-	-	-	-	1,394	1,394
Community Development	-	-	-	-	-	-	-	-	-	-	-	-	1,638
Noncurrent:													
Capital Outlays	-	-	-	-	-	-	-	-	-	-	-	-	981
Total Expenditures	-	49	4	-	286	42	202	25	-	-	-	1,394	13,736
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	-	(48)	362	22	(286)	(9)	26	19	19	-	-	13	(28)
OTHER FINANCING SOURCES (USES)													
Transfers In	-	-	-	-	384	84	-	-	-	-	-	-	478
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	(131)
Total Other Financing Sources (Uses)	-	-	-	-	384	84	-	-	-	-	-	-	347
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(48)	362	22	98	75	26	19	19	-	-	13	319
Fund Balance - Beginning of Year	1	48	1,257	256	577	871	293	112	177	-	(6)	1,103	12,381
FUND BALANCE - END OF YEAR	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,619</u>	<u>\$ 278</u>	<u>\$ 675</u>	<u>\$ 946</u>	<u>\$ 319</u>	<u>\$ 131</u>	<u>\$ 196</u>	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ 1,116</u>	<u>\$ 12,700</u>

CITY OF PROVIDENCE, RHODE ISLAND
PERMANENT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025
(IN THOUSANDS)

	North Burial Ground Perp Care	Fire Insurance	Dexter Donation Trust	Mary Swift Bragunn Trust	Locust Grove Cemetery Trust	Anna H. Mann Trust	Gladys Potter Trust	Samuel Tingley Trust	Parks Community Benefits Reserve	MH Gould Trust	Elizabeth Angell Gould Trust	City of Providence Port Trust	C.H. Smith (Superior Court)
ASSETS													
Cash and Cash Equivalents	\$ 767	\$ 37	\$ 57	\$ -	\$ 8	\$ 40	\$ -	\$ 9	\$ 38	\$ -	\$ 616	\$ -	\$ 218
Investments	8,794	-	4,004	115	-	873	142	811	-	84	256	410	4,418
Receivables, Net:	-	-	-	-	-	-	-	-	40	-	-	-	-
Due from Other Funds	20	-	-	-	-	-	-	-	202	-	-	-	-
Total Assets	<u>\$ 9,581</u>	<u>\$ 37</u>	<u>\$ 4,061</u>	<u>\$ 115</u>	<u>\$ 8</u>	<u>\$ 913</u>	<u>\$ 142</u>	<u>\$ 820</u>	<u>\$ 280</u>	<u>\$ 84</u>	<u>\$ 872</u>	<u>\$ 410</u>	<u>\$ 4,636</u>
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Warrants and Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13
Due to Other Funds	862	-	-	-	3	48	-	-	-	-	-	-	-
Total Liabilities	<u>862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>
FUND BALANCES													
Restricted	8,719	37	4,061	115	5	865	142	820	280	84	872	410	4,623
Total Fund Balances	<u>8,719</u>	<u>37</u>	<u>4,061</u>	<u>115</u>	<u>5</u>	<u>865</u>	<u>142</u>	<u>820</u>	<u>280</u>	<u>84</u>	<u>872</u>	<u>410</u>	<u>4,623</u>
Total Liabilities and Fund Balances	<u>\$ 9,581</u>	<u>\$ 37</u>	<u>\$ 4,061</u>	<u>\$ 115</u>	<u>\$ 8</u>	<u>\$ 913</u>	<u>\$ 142</u>	<u>\$ 820</u>	<u>\$ 280</u>	<u>\$ 84</u>	<u>\$ 872</u>	<u>\$ 410</u>	<u>\$ 4,636</u>

**CITY OF PROVIDENCE, RHODE ISLAND
PERMANENT FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

	Emeline Owen Vinton Trust	Fredrick A. Vinton Trust Fund	Ebenizer Knight Dexter Trust Fund	Edward F. Ely Exp Trust	H. B. Anthony Exp Trust	Abbey A. King Trust	Sustainability Fund	Ward 10 Community Benefits Reserve	North Burial Ground Res Fund	School Comm Dwight Mem	Ellen Barnes	Charles H Smith	Total
ASSETS													
Cash and Cash Equivalents	\$ 1	\$ 2	\$ 4	\$ 65	\$ -	\$ 26	\$ 44	\$ 23	\$ 187	\$ 44	\$ 1	\$ 1	\$ 2,188
Investments	-	-	5,223	1,491	51	464	-	-	-	-	-	-	27,136
Receivables, Net:	-	-	-	-	-	-	47	6	-	-	-	-	93
Due from Other Funds	-	-	-	-	-	-	239	13	-	-	-	-	474
Total Assets	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 5,227</u>	<u>\$ 1,556</u>	<u>\$ 51</u>	<u>\$ 490</u>	<u>\$ 330</u>	<u>\$ 42</u>	<u>\$ 187</u>	<u>\$ 44</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 29,891</u>
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Warrants and Accounts Payable	\$ -	\$ -	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ 33
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	913
Total Liabilities	-	-	-	13	-	-	-	7	-	-	-	-	946
FUND BALANCES													
Restricted	1	2	5,227	1,543	51	490	330	35	187	44	1	1	28,945
Total Fund Balances	<u>1</u>	<u>2</u>	<u>5,227</u>	<u>1,543</u>	<u>51</u>	<u>490</u>	<u>330</u>	<u>35</u>	<u>187</u>	<u>44</u>	<u>1</u>	<u>1</u>	<u>28,945</u>
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 5,227</u>	<u>\$ 1,556</u>	<u>\$ 51</u>	<u>\$ 490</u>	<u>\$ 330</u>	<u>\$ 42</u>	<u>\$ 187</u>	<u>\$ 44</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 29,891</u>

CITY OF PROVIDENCE, RHODE ISLAND
PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	North Burial Ground Perp Care	Fire Insurance	Dexter Donation Trust	Mary Swift Bragunn Trust	Locust Grove Cemetery Trust	Anna H. Mann Trust	Gladys Potter Trust	Samuel Tingley Trust	Parks Community Benefits Reserve	MH Gould Trust	Elizabeth Angell Gould Trust	City of Providence Port Trust	C.H. Smith (Superior Court)
REVENUES													
Departmental	\$ 97	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154	\$ -	\$ -	\$ -	\$ -
Investment and Rental Income	1,212	1	507	9	-	108	13	108	1	6	105	35	558
Total Revenues	1,309	1	507	9	-	108	13	108	155	6	105	35	558
EXPENDITURES													
Executive, Legislative, and Judicial	-	-	262	-	-	3	-	3	-	-	22	1	61
Public Lands and Parks	31	-	-	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	139	-	-	-	-	-
Total Expenditures	31	-	262	-	-	3	-	142	-	-	22	1	61
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,278	1	245	9	-	105	13	(34)	155	6	83	34	497
OTHER FINANCING SOURCES (USES)													
Transfers In	-	-	138	-	-	-	-	-	-	-	-	-	-
Transfers Out	(334)	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(334)	-	138	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	944	1	383	9	-	105	13	(34)	155	6	83	34	497
Fund Balance - Beginning of Year	7,775	36	3,678	106	5	760	129	854	125	78	789	376	4,126
FUND BALANCE - END OF YEAR	<u>\$ 8,719</u>	<u>\$ 37</u>	<u>\$ 4,061</u>	<u>\$ 115</u>	<u>\$ 5</u>	<u>\$ 865</u>	<u>\$ 142</u>	<u>\$ 820</u>	<u>\$ 280</u>	<u>\$ 84</u>	<u>\$ 872</u>	<u>\$ 410</u>	<u>\$ 4,623</u>

**CITY OF PROVIDENCE, RHODE ISLAND
PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Emeline Owen Vinton Trust	Fredrick A. Vinton Trust Fund	Ebenizer Knight Dexter Trust Fund	Edward F. Ely Exp Trust	H. B. Anthony Exp Trust	Abbey A. King Trust	Sustainability Fund	Ward 10 Community Benefits Reserve	North Burial Ground Res Fund	School Comm Dwight Mem	Ellen Barnes	Charles H Smith	Total
REVENUES													
Departmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ 455
Investment and Rental Income	-	-	657	190	4	46	1	-	6	2	-	-	3,569
Total Revenues	-	-	657	190	4	46	180	25	6	2	-	-	4,024
EXPENDITURES													
Executive, Legislative, and Judicial	-	-	16	59	-	1	-	-	-	-	-	-	428
Public Lands and Parks	-	-	-	-	-	-	-	15	-	-	-	-	46
Capital	-	-	-	-	-	-	-	-	-	-	-	-	139
Total Expenditures	-	-	16	59	-	1	-	15	-	-	-	-	613
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	641	131	4	45	180	10	6	2	-	-	3,411
OTHER FINANCING SOURCES (USES)													
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	138
Transfers Out	-	-	(138)	-	-	-	-	-	-	-	-	-	(472)
Total Other Financing Sources (Uses)	-	-	(138)	-	-	-	-	-	-	-	-	-	(334)
NET CHANGE IN FUND BALANCE	-	-	503	131	4	45	180	10	6	2	-	-	3,077
Fund Balance - Beginning of Year	1	2	4,724	1,412	47	445	150	25	181	42	1	1	25,868
FUND BALANCE - END OF YEAR	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 5,227</u>	<u>\$ 1,543</u>	<u>\$ 51</u>	<u>\$ 490</u>	<u>\$ 330</u>	<u>\$ 35</u>	<u>\$ 187</u>	<u>\$ 44</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 28,945</u>

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INTERNAL SERVICE FUNDS

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for resources used to pay legal claims and the self-insured medical claims incurred.

Legal Accrual – is used for the accrual of legal claims payable.

Active Benefits – is used to account for self-insured health claims incurred by active employees.

Retiree Benefits – is used to account for self-insured health claims incurred by retiree's.

CITY OF PROVIDENCE, RHODE ISLAND
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025
(IN THOUSANDS)

	Legal Accrual	Active Benefits	Retiree Benefits	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 4,621	\$ 3,685	\$ 8,306
Receivables, Net	-	2,299	70	2,369
Due from Other Funds	13,825	40,190	28,311	82,326
Other Assets	-	2,268	-	2,268
Total Assets	<u>\$ 13,825</u>	<u>\$ 49,378</u>	<u>\$ 32,066</u>	<u>\$ 95,269</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ -	\$ 527	\$ 3,711	\$ 4,238
Risk Management Claims Payable	13,525	5,128	1,785	20,438
Due to Other Funds/Other Payables	300	30,113	21,337	51,750
Total Liabilities	<u>13,825</u>	<u>35,768</u>	<u>26,833</u>	<u>76,426</u>
NET POSITION				
Unrestricted	<u>-</u>	<u>13,610</u>	<u>5,233</u>	<u>18,843</u>
Total Liabilities and Net Position	<u>\$ 13,825</u>	<u>\$ 49,378</u>	<u>\$ 32,066</u>	<u>\$ 95,269</u>

CITY OF PROVIDENCE, RHODE ISLAND
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Legal Accrual	Active Benefits	Retiree Benefits	Total
OPERATING REVENUES				
Charges for Sales and Services	\$ -	\$ 14,470	\$ 5,781	\$ 20,251
Other	-	74,240	34,545	108,785
Total Operating Revenues	-	88,710	40,326	129,036
OPERATING EXPENSES				
Health Claims	-	85,669	40,892	126,561
OPERATING INCOME (LOSS)	-	3,041	(566)	2,475
NONOPERATING REVENUES				
Investment Income	-	-	-	-
Total Nonoperating Expenses	-	-	-	-
CHANGE IN NET POSITION	-	3,041	(566)	2,475
Net Position - Beginning of Year	-	10,569	5,799	16,368
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 13,610</u>	<u>\$ 5,233</u>	<u>\$ 18,843</u>

CITY OF PROVIDENCE, RHODE ISLAND
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Internal Service Funds			
	Legal Accrual	Active Benefits	Retiree Benefits	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers and Other	\$ -	\$ 88,710	\$ 40,326	\$ 129,036
Cash Paid to Vendors	-	(86,846)	(40,176)	(127,022)
Net Cash Provided by Operating Activities	-	1,864	150	2,014
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	1,864	150	2,014
Cash and Cash Equivalents - Beginning of Year	-	2,757	3,535	6,292
Cash and Cash Equivalents, Unrestricted - End of Year	-	4,621	3,685	8,306
CASH AND CASH EQUIVALENTS, RESTRICTED - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ -	\$ 3,041	\$ (566)	\$ 2,475
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
(Increase) Decrease in:				
Receivables	-	(286)	6	(280)
Due from Other Funds	(1,125)	(1,701)	(813)	(3,639)
Increase (Decrease) in:				
Accounts Payable and Accrued Expenses	-	55	1,040	1,095
Due to Other Funds	-	1,299	417	1,716
Risk Management Claims Payable	1,125	(544)	66	647
Net Cash Used by Operating Activities	<u>\$ -</u>	<u>\$ 1,864</u>	<u>\$ 150</u>	<u>\$ 2,014</u>

OTHER SCHEDULE

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CITY OF PROVIDENCE, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

<u>Year</u>	Property Taxes Receivable July 1, 2024	Current Year Assessment	Transfers Addendums (Net)	Abatements and Adjustments	Amount to be Collected	Collections Net of Refunds	Property Taxes Receivable June 30, 2025
2025	\$ -	\$ 397,407	\$ -	\$ 5,686	\$ 391,721	\$ 383,460	\$ 8,261
2024	5,091	-	-	(520)	5,611	3,950	1,661
2023	1,295	-	-	(237)	1,532	387	1,145
2022	1,622	-	-	(15)	1,637	141	1,496
2021	1,428	-	-	-	1,428	105	1,323
2020	1,534	-	-	7	1,527	70	1,457
2019	1,889	-	-	5	1,884	105	1,779
2018	1,848	-	-	20	1,828	115	1,713
2017	2,618	-	-	23	2,595	117	2,478
2016	2,770	-	-	34	2,736	103	2,633
2015 and Prior	29,819	-	-	80	29,739	588	29,151
Subtotal	49,914	<u>\$ 397,407</u>	<u>\$ -</u>	<u>\$ 5,083</u>	<u>\$ 442,238</u>	<u>\$ 389,141</u>	53,097
Less: Estimated Allowance for Uncollectable Accounts	<u>37,991</u>						<u>38,770</u>
Net Property Taxes Receivable	<u>\$ 11,923</u>						<u>\$ 14,327</u>

CITY OF PROVIDENCE, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

Collections

Year	July - August 2024 Collections Subject to 60-Day FY24 Accrual	September - June 2025 Collections	Total FY 2025 Collections	July - August 2025 Collections Subject to 60-Day FY25 Accrual
2025	\$ -	\$ 383,460	\$ 383,460	\$ 1,224
2024	1,224	2,726	3,950	23
2023	43	344	387	73
2022	39	102	141	3
2021	40	65	105	13
2020	24	46	70	6
2019	28	77	105	14
2018	28	87	115	14
2017	21	96	117	14
2016	18	85	103	11
2015 and Prior	245	343	588	59
Total	<u>\$ 1,710</u>	<u>\$ 387,431</u>	<u>\$ 389,141</u>	<u>\$ 1,454</u>

CITY OF PROVIDENCE, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

Schedule of Net Assessed Property Value by Category Assessed December 31, 2023		
Description of Property	Valuations	Levy
Real Property	\$ 17,626,854	\$ 315,771
Motor Vehicle	-	-
Tangible Property	1,623,219	86,680
Total	19,250,073	402,451
Exemptions and Adjustments	843,179	5,044
Net Assessed Value	<u>\$ 18,406,894</u>	<u>\$ 397,407</u>

Reconciliation of Current Year Property Tax Revenue	
Current Year Collections	\$ 389,141
Revenue Received 60 Days Subsequent to Fiscal Year Ending June 30, 2025	1,454
Subtotal	<u>390,595</u>
Prior Year Revenue Received in Current Year (2024 60-Day Rule)	<u>(1,710)</u>
Current Year Property Tax Revenue	<u>\$ 388,885</u>

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ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT

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CITY OF PROVIDENCE, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
YEAR ENDED JUNE 30, 2025

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 384,684,000	\$ -
Last Year's Levy Tax Collection	2,749,000	-
Prior Years Property Tax Collection	1,452,000	-
Interest & Penalty	4,705,719	-
PILOT & Tax Treaty (excluded from levy) Collection	18,323,538	-
Other Local Property Taxes	-	-
Licenses and Permits	14,961,675	-
Fines and Forfeitures	5,329,664	-
Investment Income	5,728,835	-
Departmental	31,508,878	-
Rescue Run Revenue	7,745,823	-
Police & Fire Detail	13,484,272	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	306,412
Impact Aid	-	-
Medicaid	-	11,593,140
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	15,425,132
CDBG	8,318,385	-
COPS Grants	142,127	-
SAFER Grants	1,724,552	-
Other Federal Aid Funds	6,034,149	38,369,040
COVID - ESSER	-	4,468,185
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	47,417
COVID - ARPA	30,840,526	-
MV Excise Tax Reimbursement	-	-
State PILOT Program	37,273,505	-
Distressed Community Relief Fund	7,107,546	-
Library Resource Aid	1,528,268	-
Library Construction Aid	-	-
Public Service Corporation Tax	2,684,345	-
Meals & Beverage Tax / Hotel Tax	10,658,937	-
LEA Aid	-	294,551,960
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	34,709,657	-
State Food Service Revenue	-	113,169
Incentive Aid	-	-
Property Revaluation Reimbursement	377,100	-
Other State Revenue	1,908,597	2,651,474
Motor Vehicle Phase Out	34,130,583	-
Tangible Property Reimbursement	6,101,330	-
Cannabis Tax Distribution	456,233	-
Other Revenue	5,945,754	8,298,464
Local Appropriation for Education	-	138,365,019
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	5,499,996
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 680,615,000	\$ 519,689,409
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	12,706,000	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 12,706,000	\$ -

See accompanying Notes to Annual Supplemental Transparency Report (MTP2)

CITY OF PROVIDENCE, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2) (CONTINUED)
YEAR ENDED JUNE 30, 2025

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation - Group A	\$ 17,307,096	\$ 6,083,460	\$ 8,448,915	\$ 2,105,783	\$ 5,272,924	\$ -	\$ 6,688,462	\$ 13,100,251	\$ 41,679,956
Compensation - Group B	-	-	-	-	-	-	-	-	7,432,264
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation - Volunteer	-	-	-	-	-	-	-	-	-
Overtime - Group A	242,465	18,469	-	7,560	17,505	-	387,983	506,402	6,158,315
Overtime - Group B	-	-	-	-	-	-	-	-	1,114,004
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	10,010,123
Active Medical Insurance - Group A	3,183,058	845,723	192,701	271,330	717,942	-	1,148,059	2,163,864	4,855,118
Active Medical Insurance - Group B	-	-	-	-	-	-	-	-	878,263
Active Medical Insurance - Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance - Group A	143,966	64,571	11,682	16,380	53,849	-	98,172	169,491	334,900
Active Dental Insurance - Group B	-	-	-	-	-	-	-	-	60,536
Active Dental Insurance - Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	1,174,892	455,260	112,964	157,399	402,313	-	551,151	1,058,093	1,384,154
Life Insurance	14,863	5,987	704	1,338	6,199	-	8,664	13,525	40,926
State Defined Contribution - Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits - Group A	1,172,513	181,015	11,119	38,184	177,336	-	400,683	565,675	329,537
Other Benefits - Group B	-	-	-	-	-	-	-	-	59,611
Other Benefits - Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group A	4,826,306	1,934,565	455,839	671,049	1,676,195	-	2,047,245	3,336,701	32,497,073
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	5,870,888
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	376,685	230,843	16,013	49,788	211,104	-	509,917	703,019	380,905
Purchased Services	3,912,825	1,324,064	17,761,013	-	672,385	-	10,159,629	659,388	1,180,335
Materials/Supplies	2,085,839	24,291	19,527	23,585	25,582	-	608,547	632,373	2,226,296
Software Licenses	-	-	-	3,171,092	-	-	-	-	-
Capital Outlays	1,497,703	-	74,670	155,637	-	-	92,216	-	243,489
Insurance	265,171	-	-	-	-	-	-	-	-
Maintenance	1,793,972	15,058	-	6,923	6,427	-	329,417	265,021	1,444,145
Vehicle Operations	8,510	-	-	-	-	-	35,502	-	222,639
Utilities	307,457	56,637	66,692	587,144	169,911	-	1,254,103	3,632,852	1,178,144
Contingency	594,966	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	2,388,364	-	-
Trash Removal & Recycling	-	-	-	-	-	-	5,761,324	-	-
Claims & Settlements	2,279,097	-	-	-	-	-	-	-	-
Community Support	6,677,959	-	-	-	-	-	-	-	-
Other Operation Expenditures	7,579,085	525,068	4,145,272	107,068	1,809,319	4,250,000	37,347	759,142	4,112,987
Tipping Fees	-	-	-	-	-	-	242,671	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 55,445,430	\$ 11,765,010	\$ 31,317,113	\$ 7,371,263	\$ 11,218,989	\$ 4,250,000	\$ 32,749,457	\$ 27,565,797	\$ 123,694,611

See accompanying Notes to Annual Supplemental Transparency Report (MTP2)

CITY OF PROVIDENCE, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2) (CONTINUED)
YEAR ENDED JUNE 30, 2025

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation - Group A	\$ 34,242,065	\$ 5,311,307	\$ 908,247	\$ -	\$ -	\$ -	\$ 141,149,466	\$ 158,828,690
Compensation - Group B	1,558,585	-	-	-	-	-	9,090,849	30,502,414
Compensation - Group C	-	-	-	-	-	-	-	33,805,044
Compensation - Volunteer	-	-	-	-	-	-	-	-
Overtime - Group A	8,900,238	484,058	5,536	-	-	-	16,728,531	73,213
Overtime - Group B	445,012	-	-	-	-	-	1,559,016	93,389
Overtime - Group C	-	-	-	-	-	-	-	1,009,810
Police & Fire Detail	742,892	-	-	-	-	-	10,753,015	-
Active Medical Insurance - Group A	7,286,375	795,427	133,156	-	-	-	21,592,752	25,265,383
Active Medical Insurance - Group B	364,319	-	-	-	-	-	1,242,582	4,604,790
Active Medical Insurance - Group C	-	-	-	-	-	-	-	9,697,906
Active Dental Insurance - Group A	361,714	63,542	9,123	-	-	-	1,327,390	1,459,326
Active Dental Insurance - Group B	17,906	-	-	-	-	-	78,443	252,930
Active Dental Insurance - Group C	-	-	-	-	-	-	-	1,500,840
Payroll Taxes	880,307	436,594	68,170	-	-	-	6,681,288	18,331,017
Life Insurance	34,164	4,860	916	-	-	-	132,146	116,808
State Defined Contribution - Group A	-	-	-	-	-	-	-	89,183
State Defined Contribution - Group B	-	-	-	-	-	-	-	130,264
State Defined Contribution - Group C	-	-	-	-	-	-	-	3,014
Other Benefits - Group A	78,801	253,295	21,612	-	-	-	3,229,771	3,570,637
Other Benefits - Group B	3,940	-	-	-	-	-	63,551	420,924
Other Benefits - Group C	-	-	-	-	-	-	-	5,700,305
Local Defined Benefit Pension - Group A	36,151,022	1,612,479	291,221	-	-	-	85,499,697	1,660,819
Local Defined Benefit Pension - Group B	1,776,123	-	-	-	-	-	7,647,012	2,253,420
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	11,661,761
State Defined Benefit Pension - Group A	-	-	-	-	-	-	-	21,794,816
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	3,789,809
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	67,857
Other Defined Benefit / Contribution	169,749	320,021	25,439	-	-	-	2,993,483	-
Purchased Services	443,837	4,087	7,643	-	-	-	36,125,206	129,403,765
Materials/Supplies	2,011,523	262,126	57,835	-	-	-	7,977,524	3,667,053
Software Licenses	-	-	-	-	-	-	3,171,092	1,008,025
Capital Outlays	110,660	-	999,109	-	-	-	3,173,484	2,062,875
Insurance	-	-	-	-	-	-	266,171	1,053,238
Maintenance	93,575	533,911	410,215	-	-	-	4,898,666	26,520,258
Vehicle Operations	14,715	8,637	-	-	-	-	290,003	-
Utilities	792,916	879,543	250,821	-	-	-	9,176,220	6,293,031
Contingency	-	-	-	-	-	-	594,966	-
Street Lighting	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	2,388,364	-
Trash Removal & Recycling	-	-	-	-	-	-	5,761,324	-
Claims & Settlements	-	-	-	-	-	-	2,279,097	969,817
Community Support	-	-	-	-	-	-	5,677,959	-
Other Operation Expenditures	1,189,229	-	119,326	-	-	-	24,633,843	3,197,608
Tipping Fees	-	-	-	-	-	-	242,671	-
Local Appropriation for Education	-	-	-	138,365,019	-	-	138,365,019	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	5,499,996	-	-	5,499,996	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt-Principal	-	-	-	-	29,820,768	-	29,820,768	-
Municipal Debt-Interest	-	-	-	-	14,859,323	-	14,859,323	-
School Debt-Principal	-	-	-	-	21,591,390	-	21,591,390	-
School Debt-Interest	-	-	-	-	9,041,768	-	9,041,768	-
Retiree Medical Insurance-Total	-	-	-	-	-	28,987,153	28,987,153	7,352,374
Retiree Dental Insurance-Total	-	-	-	-	-	-	-	-
OPEB Contribution-Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 97,769,669	\$ 10,969,887	\$ 3,308,370	\$ 143,865,015	\$ 75,313,261	\$ 28,987,153	\$ 665,591,015	\$ 518,415,000

Financing Uses: Transfer to Capital Funds	\$ 20,698,178	\$ -
Financing Uses: Transfer to Other Funds	1,859,807	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 22,557,985	\$ -
Net Change in Fund Balance¹	5,172,000	1,274,409
Fund Balance¹ - beginning of year	\$40,338,000	\$15,098,611
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	155,000	-
Prior period adjustments	32,000	-
Misc. Adjustment	-	56,111
Fund Balance¹ - beginning of year adjusted	40,525,000	15,098,000
Rounding	-	-
Fund Balance¹ - end of year	\$ 45,697,000	\$ 16,372,399

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See accompanying Notes to Annual Supplemental Transparency Report (MTP2)

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING SCHEDULE OF REPORTABLE GOVERNMENT SERVICES WITH RECONCILIATION TO MTP2
MUNICIPAL
YEAR ENDED JUNE 30, 2025

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2024						\$ 40,338,000	\$ -	\$ 40,338,000	
<i>No funds removed from RGS for fiscal 2024</i>						-	-	-	
<i>Funds added to RGS for Fiscal 2024</i>						155,000	32,000	187,000	
<i>No misc. adjustments made for fiscal 2024</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2025 adjusted						<u>\$ 40,493,000</u>	<u>32,000</u>	<u>\$ 40,525,000</u>	
General Fund (funds 101, 252, 256, 283, 284, 651, 653, 654, 657, 658, 664, 815, 818, 842, 850, 852, 866, 871, 87)	\$ 630,311,000	\$ 12,706,000	\$ 475,943,000	\$ 164,372,000	\$ 2,702,000	\$ 30,562,000	\$ -	\$ 30,562,000	\$ 33,264,000
CDBG (company 4, fund 231-1010)	8,318,000	-	8,318,000	-	-	620,000	-	620,000	620,000
Public Safety Grants (250)	4,964,000	-	4,908,000	-	56,000	820,000	-	820,000	876,000
WDO (261)	3,740,000	-	3,726,000	-	14,000	152,000	-	152,000	166,000
ARPA Fund (263)	31,240,000	-	26,939,000	2,051,000	2,250,000	4,663,000	32,000	4,695,000	6,945,000
Healthy Communities Grants (277)	1,770,000	-	1,665,000	-	105,000	3,271,000	-	3,271,000	3,376,000
State Adoptive Seizures (830)	228,000	-	202,000	-	26,000	293,000	-	293,000	319,000
Federal Adoptive Seizures (840)	44,000	-	25,000	-	19,000	112,000	-	112,000	131,000
Totals per audited financial statements	\$ 680,615,000	\$ 12,706,000	\$ 521,726,000	\$ 166,423,000	\$ 5,172,000	\$ 40,493,000	\$ 32,000	\$ 40,525,000	\$ 45,697,000
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 138,365,019	\$ (138,365,019)	\$ -	\$ -	\$ -	\$ -	\$ -
Reclassify transfer of supplemental municipal appropriation to Education Department as expenditure on MTP2	-	-	5,499,996	(5,499,996)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 680,615,000	\$ 12,706,000	\$ 665,591,015	\$ 22,557,985	\$ 5,172,000	\$ 40,493,000	\$ 32,000	\$ 40,525,000	\$ 45,697,000

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See accompanying Notes to Annual Supplemental Transparency Report (MTP2)

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING SCHEDULE OF REPORTABLE GOVERNMENT SERVICES WITH RECONCILIATION TO MTP2
EDUCATION DEPARTMENT
YEAR ENDED JUNE 30, 2025

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change In Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance ¹ - per MTP-2 at June 30, 2024						\$ 15,098,611	-	\$ 15,098,611	
Misc. adjustments made for fiscal 2024						(611)	-	(611)	
Fund Balance ¹ - per MTP-2 at June 30, 2025 adjusted						\$ 15,098,000	-	\$ 15,098,000	
School Unrestricted Fund	\$ 330,207,000	\$ 145,126,408	\$ 475,224,000	\$ -	\$ 109,408	\$ 6,406,000	\$ -	\$ 6,406,000	\$ 6,515,408
Enterprise Fund - School lunch - exhibit VI	18,114,000	-	17,279,000	-	835,000	1,634,000	-	1,634,000	2,469,000
SBA School Capital Project Fund (supplemental stmt)	-	-	-	-	-	(283,000)	-	(283,000)	(283,000)
School Grants Funds	48,206,000	1,928,000	46,708,000	3,128,000	298,000	6,238,000	-	6,238,000	6,536,000
Student Activity Funds	1,407,000	-	1,394,000	-	13,000	1,103,000	-	1,103,000	1,116,000
Totals per audited financial statements	\$ 397,934,000	\$ 147,054,408	\$ 540,605,000	\$ 3,128,000	\$ 1,255,408	\$ 15,098,000	\$ -	\$ 15,098,000	\$ 16,353,408
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 138,365,019	\$ (138,365,019)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplemental appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	5,499,996	(5,499,996)	-	-	-	-	-	-	-
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(22,129,000)	-	(22,129,000)	-	-	-	-	-	-
Indirect costs elimination	-	(1,200,000)	-	(1,200,000)	-	-	-	-	-
Elimination of transfers reflected in audit removed from MTP2	-	(1,928,000)	-	(1,928,000)	-	-	-	-	-
Audit adjustment to correct SAF fund balance	36,000	-	-	-	36,000	-	-	-	36,000
Adjustment by Auditors to adjust fund starting balance	(17,000)	-	-	-	(17,000)	-	-	-	(17,000)
Issuance of lease reclassification	-	(61,000)	(61,000)	-	-	-	-	-	-
Rounding	393	(393)	-	-	1	-	-	-	1
Totals Per MTP2	\$ 519,689,409	\$ -	\$ 518,415,000	\$ -	\$ 1,274,409	\$ 15,098,000	\$ -	\$ 15,098,000	\$ 16,372,409
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variance between MTP2 and UCOA	\$ (308)		\$ 366						
Totals per UCOA Validated Totals Report 12/23/25	\$ 519,689,101		\$ 518,415,366						

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See accompanying Notes to Annual Supplemental Transparency Report (MTP2)

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CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2025

NOTE 1 BASIS OF PRESENTATION

The Annual Supplemental Transparency Report (MTP2) is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the Annual Supplemental Transparency Report (MTP2) was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2 REPORTABLE GOVERNMENT SERVICES

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The Annual Supplemental Transparency Report (MTP2) includes a reconciliation to the fund level statements.

NOTE 3 ALLOCATIONS

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4 EMPLOYEE GROUPS – COMPENSATION AND BENEFIT COSTS

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2025

NOTE 4 EMPLOYEE GROUPS – COMPENSATION AND BENEFIT COSTS (CONTINUED)

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department – police officers (e.g., uniform personnel – including, leadership positions)
- Fire Department – fire fighters (e.g., uniform personnel – including, leadership positions)
- Centralized Dispatch Department – civilian dispatchers only
- Education Department – professional staff providing direct services to students
- For the remaining departments – all employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department, and it includes administrative and support staff.

Other postemployment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5 EDUCATION REVENUE AND EXPENDITURES

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the following website for the State Division of Municipal Finance: <http://www.municipalfinance.ri.gov/>.

STATISTICAL SECTION

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STATISTICAL SECTION INFORMATION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- Demographic and economic information is intended 1) to assist users in understanding the socioeconomic environment, and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- Operating information is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

CITY OF PROVIDENCE, RHODE ISLAND
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net Investment In Capital Assets	\$ 204,262	\$ 243,237	\$ 238,126	\$ 224,920	\$ 164,496	\$ 584,965	\$ 500,461	\$ 580,602	\$ 650,799	\$ 547,705
Restricted	-	17,543	18,809	19,235	18,823	83,969	180,523	144,249	92,038	231,879
Unrestricted	(1,361,585)	(1,421,539)	(2,241,691)	(2,222,401)	(2,226,946)	(2,707,767)	(2,799,402)	(2,767,732)	(2,722,511)	(2,594,089)
Total Governmental Activities										
Net Assets	\$ (1,157,323)	\$ (1,160,759)	\$ (1,984,756)	\$ (1,978,246)	\$ (2,043,627)	\$ (2,038,833)	\$ (2,118,418)	\$ (2,042,881)	\$ (1,979,674)	\$ (1,814,505)
Business-Type Activities:										
Net Investment In Capital Assets	\$ 256,129	\$ 256,129	\$ 294,003	\$ 319,820	\$ 336,526	\$ 329,505	\$ 357,815	\$ 374,800	\$ 351,705	\$ 375,297
Restricted	51,642	49,188	55,216	49,373	42,005	47,891	57,761	71,558	67,961	53,473
Unrestricted	(39,005)	(26,639)	(61,370)	(69,383)	(71,921)	(38,442)	(45,275)	(45,536)	5,089	1,778
Total Business-Type Activities										
Net Assets	\$ 268,766	\$ 278,678	\$ 287,849	\$ 299,810	\$ 306,610	\$ 338,954	\$ 370,301	\$ 400,822	\$ 424,755	\$ 430,548
Primary Government:										
Net Investment In Capital Assets	\$ 460,391	\$ 499,366	\$ 532,129	\$ 544,740	\$ 501,022	\$ 914,470	\$ 858,276	\$ 955,402	\$ 1,002,504	\$ 923,002
Restricted	51,642	66,731	74,025	68,608	60,828	131,860	238,284	215,807	159,999	285,352
Unrestricted	(1,400,590)	(1,448,178)	(2,303,061)	(2,291,784)	(2,298,867)	(2,746,209)	(2,844,677)	(2,813,268)	(2,717,422)	(2,592,311)
Total Primary Government										
Net Assets	\$ (888,557)	\$ (882,081)	\$ (1,696,907)	\$ (1,678,436)	\$ (1,737,017)	\$ (1,699,879)	\$ (1,748,117)	\$ (1,642,059)	\$ (1,554,919)	\$ (1,383,957)

CITY OF PROVIDENCE, RHODE ISLAND
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Executive, Legislative, and Judicial	\$ 54,515	\$ 66,564	\$ 61,615	\$ 30,296	\$ 34,029	\$ 34,232	\$ 68,697	\$ 94,731	\$ 89,220	\$ 61,171
Finance	27,561	20,693	31,118	28,105	57,997	55,688	52,722	45,778	46,556	56,994
Public Safety	219,557	218,980	221,138	217,100	260,313	287,300	290,807	219,001	192,165	178,448
Building Inspection	4,960	4,800	4,149	4,106	4,568	4,561	4,690	4,569	4,408	4,752
Public Works	12,360	15,875	13,376	28,452	30,995	32,081	32,693	32,913	36,024	36,112
Recreation	3,362	3,631	4,326	4,481	4,840	4,623	6,148	6,176	6,391	6,505
Public Land and Parks	37,119	28,908	29,847	36,842	45,117	37,129	48,702	44,589	47,788	30,819
Education	430,501	430,468	445,724	441,456	453,307	551,514	494,656	518,931	564,102	532,835
Community Development	27,758	25,924	16,673	18,865	23,021	22,963	21,165	25,208	49,252	6,964
Interest on Long-Term Debt	21,908	20,182	14,860	15,978	12,622	15,195	22,028	21,545	20,584	56,490
Total Governmental Activities Expenses	839,601	836,025	842,826	825,681	926,809	1,045,286	1,042,308	1,013,441	1,056,490	971,090
Business-Type Activities:										
PPBA	14,574	11,919	11,950	12,945	14,406	17,143	16,054	16,400	15,817	-
Water Supply Board	59,635	60,274	60,483	62,489	66,165	60,548	65,135	67,107	70,003	70,654
Civic Center	-	-	-	-	-	-	-	-	-	-
Non-Major School Lunch Program	16,010	17,442	16,552	16,988	16,052	15,841	17,006	20,832	19,193	17,279
Total Business-Type Activities Expenses	90,219	89,635	88,985	92,422	96,623	93,532	98,195	104,339	105,013	87,933
Total Primary Government Expenses	929,820	925,660	931,811	918,103	1,023,432	1,138,818	1,140,503	1,117,780	1,161,503	1,059,023
Component Unit:										
Providence Redevelopment Agency	-	-	10,928	9,070	12,336	12,805	14,027	11,312	16,824	14,168
Total Component Unit	-	-	10,928	9,070	12,336	12,805	14,027	11,312	16,824	14,168

**CITY OF PROVIDENCE, RHODE ISLAND
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Charges for Services:										
Executive, Legislative, and Judicial	355	344	347	377	364	306	465	463	423	370
Finance	5,312	5,578	5,799	7,413	5,817	6,184	7,778	6,037	6,779	6,378
Public Safety	21,621	26,075	27,696	32,144	32,031	22,363	31,055	27,554	32,280	38,516
Building Inspection	7,872	6,871	8,441	7,402	6,354	6,721	8,513	6,450	9,538	12,529
Public Works	295	218	330	262	219	367	291	2,203	917	934
Recreation	1,350	1,417	1,324	1,421	1,312	1,319	1,529	1,484	1,569	1,190
Public Land and Parks	2,109	1,825	2,683	1,716	4,330	1,197	1,875	1,946	2,008	2,152
Education	367	34	41	-	39	21	10	57	1	153
Community Development	10,310	9,893	1,001	1,420	1,281	714	1,355	1,110	643	712
Operating Grants and Contributions:										
Executive, Legislative, and Judicial	2	6	12	4	66	84	241	6	4	211
Finance	-	-	-	-	-	189	-	-	-	-
Public Safety	2,378	2,453	8,786	11,108	1,901	49,798	30,723	53,792	53,825	34,250
Public Works						-	-	-	363	2,449
Recreation	589	575	730	589	830	1,563	450	256	315	331
Public Land and Parks	-	-	-	190	125	568	69	106	151	392
Education	297,205	312,170	323,305	332,577	350,919	429,069	389,316	435,528	465,646	433,247
Community Development	20,017	16,569	14,393	16,044	14,226	14,692	14,852	18,078	17,087	20,583
Capital Grants and Contributions:										
Public Works	2,083	6,656	4,088	4,024	11,998	9,772	11,606	36,517	20,195	5,064
Public Land and Parks	486	1,849	924	636	1,245	144	69	-	-	99
Total Governmental Activities										
Program Revenue	372,351	392,533	399,900	417,327	433,057	545,071	500,197	591,587	611,744	559,560

**CITY OF PROVIDENCE, RHODE ISLAND
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenue:										
Business-Type Activities:										
Charges for Services:										
PPBA	\$ 22,405	\$ 13,815	\$ 13,784	\$ 14,826	\$ 15,386	\$ 15,333	\$ 19,150	\$ 15,134	\$ 13,896	\$ -
Water Supply Board	71,011	73,404	76,512	72,330	69,796	81,349	88,655	94,492	88,038	91,108
Non-Major School Lunch Program	16,759	16,918	16,796	16,989	15,903	16,852	19,055	18,373	17,203	18,114
Capital Grants and Contributions:										
Water Supply Board	471	391	4,229	916	523	684	789	1,117	924	1,827
Total Business-Type Activities										
Program Revenues	110,646	104,528	111,321	105,061	101,608	114,218	127,649	129,116	120,061	111,049
Total Primary Government										
Program Revenues	503,179	504,428	511,221	522,388	534,665	659,289	627,846	720,703	731,805	670,609
Program Revenue:										
Component Unit:										
Charges for Services:										
Providence Redevelopment Agency	-	-	10,555	11,644	11,370	13,893	25,447	17,382	16,519	21,416
Capital Grants and Contributions:										
Providence Redevelopment Agency	-	-	-	-	-	-	-	3,946	5,369	6,122
Total Component Unit										
Program Revenues	-	-	10,815	11,644	11,370	13,893	25,447	21,328	21,888	27,538
Net (Expense) Revenue:										
Governmental Activities	(467,250)	(443,492)	(442,926)	(408,354)	(493,752)	(500,215)	(421,854)	(542,111)	(444,746)	(411,530)
Business-type Activities	20,427	14,893	22,336	12,639	4,985	20,686	23,310	30,921	15,048	23,116
Total Primary Government Net Expense	(446,823)	(428,599)	(420,590)	(395,715)	(488,767)	(479,529)	(398,544)	(511,190)	(429,698)	(388,414)
Component Unit:										
Providence Redevelopment Agency										
Net Expense	-	-	(373)	2,574	(966)	1,088	14,135	7,301	5,064	13,370

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**CITY OF PROVIDENCE, RHODE ISLAND
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes	\$ 344,012	\$ 357,666	\$ 357,649	\$ 351,543	\$ 353,387	\$ 352,504	\$ 358,402	\$ 360,691	\$ 372,583	\$ 390,518
Payments in Lieu of Taxes	39,139	40,698	40,964	41,003	21,366	42,320	42,727	40,578	45,856	55,249
Grants and Contributions Not Restricted to Specific Programs	17,586	16,978	22,479	25,118	33,301	16,851	39,144	51,441	51,734	53,560
Investment Income	117	2,598	1,926	1,488	1,918	6,739	(1,956)	7,313	9,756	12,484
Gain (Loss) on Disposal	-	-	-	-	-	-	-	-	-	-
Miscellaneous	13,944	13,364	12,395	15,774	18,399	23,968	24,209	34,036	40,121	44,429
Transfers	-	1,103	1,016	250	-	-	-	-	-	-
Total Governmental Activities	414,798	432,407	436,429	435,176	428,371	442,382	462,526	494,059	520,050	556,240
Business-Type Activities:										
Investment Earnings	-	-	-	673	1,573	647	1,893	5,395	8,859	3,136
Miscellaneous	2,218	543	1,465	(1,101)	242	10	-	-	26	-
Transfers	-	(1,103)	(1,016)	(250)	-	-	-	-	-	-
Special Items:										
Annexation	-	-	-	-	-	10,326	-	-	-	-
Total Business-Type Activities	2,218	(560)	449	(678)	1,815	10,983	1,893	5,395	8,885	3,136
Total Primary Government	417,016	431,847	436,878	434,498	430,186	453,365	464,419	499,454	528,935	559,376
Component Unit:										
Miscellaneous	-	-	-	-	-	68	293	82	48	75
Investment Earnings	-	-	-	-	-	-	-	-	68	355
Total Component Unit	-	-	-	-	-	68	293	82	116	430
Changes In Net Position:										
Governmental Activities	(52,452)	(11,085)	(6,497)	26,822	(65,381)	(57,833)	40,672	(48,052)	75,304	144,710
Business-Type Activities	22,645	14,333	22,785	11,961	6,800	31,669	25,203	36,316	23,933	26,252
Total Primary Government	\$ (29,807)	\$ 3,248	\$ 13,739	\$ 38,783	\$ (58,581)	\$ (25,076)	\$ 65,875	\$ (11,736)	\$ 99,237	\$ 170,962
Component Unit	\$ -	\$ -	\$ (373)	\$ 2,574	\$ (966)	\$ 1,156	\$ 14,428	\$ 7,383	\$ 5,180	\$ 13,800
Total Component Unit	\$ -	\$ -	\$ (373)	\$ 2,574	\$ (966)	\$ 1,156	\$ 14,428	\$ 7,383	\$ 5,180	\$ 13,800

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CITY OF PROVIDENCE, RHODE ISLAND
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Designated for Future Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,622	\$ 4,312
Unreserved/Unassigned	(3,158)	2,279	11,462	20,405	25,141	28,818	29,645	29,800	26,940	28,952
Total General Fund	<u>\$ (3,158)</u>	<u>\$ 2,279</u>	<u>\$ 11,462</u>	<u>\$ 20,405</u>	<u>\$ 25,141</u>	<u>\$ 28,818</u>	<u>\$ 29,645</u>	<u>\$ 29,800</u>	<u>\$ 30,562</u>	<u>\$ 33,264</u>
All Other Governmental Funds:										
Nonspendable	\$ 17,032	\$ 136	\$ 136	\$ 136	\$ 136	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	39,117	55,356	53,490	51,283	61,158	180,734	163,494	117,585	59,546	170,681
Committed	9,877	10,114	8,894	9,238	9,109	23,349	24,738	24,614	14,706	23,535
Unassigned	-	-	-	(7)	(19,005)	(174)	(132)	625	5,914	(642)
Total All Other Government Funds	<u>\$ 66,026</u>	<u>\$ 65,606</u>	<u>\$ 62,520</u>	<u>\$ 60,650</u>	<u>\$ 51,398</u>	<u>\$ 203,909</u>	<u>\$ 188,100</u>	<u>\$ 142,824</u>	<u>\$ 80,166</u>	<u>\$ 193,574</u>

CITY OF PROVIDENCE, RHODE ISLAND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Taxes	\$ 343,993	\$ 356,050	\$ 359,547	\$ 353,386	\$ 352,750	\$ 353,326	\$ 359,938	\$ 363,471	\$ 373,188	\$ 388,885
Departmental Revenue	325,438	340,919	348,779	357,819	85,208	103,332	116,341	113,991	126,912	143,438
Federal and State Grants and Reimbursements	104,375	111,057	114,651	131,826	400,009	478,213	490,634	597,641	591,023	517,614
Investment and Rental Income	1,173	3,626	4,206	2,193	2,391	6,911	(1,577)	6,627	12,283	12,356
Fines and Forfeitures	6,294	5,228	4,772	4,427	3,136	1,820	4,456	2,710	3,719	4,825
State Fiscal Stabilization Funds	-	-	-	-	-	-	-	-	-	-
Other	9,366	4,481	4,413	3,420	5,867	7,776	5,528	11,824	16,730	19,689
Total Revenues	790,639	821,361	836,368	853,071	849,361	951,378	975,320	1,096,264	1,123,855	1,086,807
Expenditures:										
Current:										
Executive, Legislative, and Judicial	15,834	24,553	20,872	14,572	14,569	17,016	48,956	74,696	71,428	84,808
Finance	43,199	45,378	45,685	47,555	51,067	48,337	50,671	52,921	53,315	59,532
Public Safety	173,208	172,922	181,208	188,637	187,015	200,571	189,346	202,028	215,031	236,513
Building Inspection	4,454	4,262	3,947	3,894	3,918	3,515	4,085	4,244	4,320	4,992
Public Works	19,180	21,798	22,100	21,705	20,960	22,121	23,359	24,577	29,248	30,554
Recreation	3,208	3,487	4,196	4,447	4,800	4,594	5,752	6,136	6,311	6,501
Public Lands And Parks	19,641	20,050	22,174	24,083	26,368	22,297	26,536	29,154	32,487	30,820
Other Departments	9,942	10,868	11,530	14,639	16,150	13,804	15,527	18,423	18,337	20,551
Grants	4,563	4,963	5,880	6,716	6,518	6,882	7,648	10,064	8,166	8,340
Education	399,087	412,405	427,156	436,905	436,046	493,720	510,878	551,068	579,302	523,265
Community Development	21,299	18,274	8,150	11,719	10,967	11,228	11,478	12,670	12,824	17,047
Noncurrent:										
Capital Outlays	11,821	15,650	13,788	6,328	147,354	34,896	68,703	92,929	83,140	57,528
Debt Service Principal Payments	42,815	47,050	45,347	46,550	29,661	38,640	44,859	45,907	51,215	23,224
Debt Service Interest and Other Payments	22,797	21,975	21,573	18,497	33,502	20,264	24,725	23,368	21,011	12,031
Total Expenditures	791,048	823,635	833,606	846,247	988,895	937,885	1,032,523	1,148,185	1,186,135	1,115,706
Excess of Revenues (Under) Expenditures	(409)	(2,274)	2,762	6,824	(139,534)	30,652	(57,203)	(51,921)	(62,280)	(28,899)

**CITY OF PROVIDENCE, RHODE ISLAND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources (Uses):										
Capital Leases Issued	\$ 6,043	\$ 3,846	\$ 12,111	\$ -	\$ 5,498	\$ 6,546	\$ 6,213	\$ 699	\$ 675	\$ 4,217
Issuance of Leases	-	-	-	-	-	-	16,933	-	-	75
Capital Notes Issued	464	2,342	-	-	-	-	-	-	1,000	-
Bond Proceeds	-	-	-	-	115,000	127,660	-	-	-	125,000
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-	-
Payment to Refunding Bonds Escrow Agent	-	-	-	-	-	(26,262)	-	-	-	-
Premium on Bond Issued	-	-	-	-	15,090	23,374	-	-	-	15,717
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Real Estate	-	-	-	-	-	-	-	-	-	-
Transfers In	127,980	128,787	136,211	131,737	141,571	147,356	156,858	161,062	165,545	173,334
Transfers Out	(127,980)	(127,684)	(135,195)	(131,487)	(141,571)	(147,356)	(156,858)	(154,962)	(165,545)	(173,334)
Proceeds On Refunding Bonds Issued	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	6,507	7,291	13,127	250	135,588	131,318	23,146	6,799	1,675	145,009
Special Items										
Proceeds from Sale	-	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balance	\$ 6,098	\$ 5,017	\$ 15,889	\$ 7,074	\$ (3,946)	\$ 161,970	\$ (34,057)	\$ (45,122)	\$ (60,605)	\$ 116,110
Debt Service as a Percentage of Noncapital Expenditures	8.4%	8.5%	8.2%	7.7%	7.5%	6.5%	7.2%	6.6%	6.5%	3.3%

CITY OF PROVIDENCE, RHODE ISLAND
TAX REVENUES BY SOURCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS)
(UNAUDITED)

Tax Year	Real Estate	Tangible Taxes
2016	\$ 256,943	\$ 49,034
2017	271,500	49,552
2018	273,056	50,147
2019	272,616	50,108
2020	277,754	52,444
2021	271,745	56,382
2022	278,704	58,906
2023	290,637	63,589
2024	300,532	62,812
2025	306,362	72,248
Change 2016-2025	<u>19.2%</u>	<u>47.3%</u>

Source: City Records

CITY OF PROVIDENCE, RHODE ISLAND
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

Fiscal Year	Real Property	Tangible Personal Property	Motor Vehicle	Exemptions	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2016	\$ 9,481,855	\$ 911,150	\$ 720,527	\$ (286,566)	\$ 10,826,966	2.06%	\$ 30.66	\$ 12,770,148	97.09%
2017	10,172,367	948,202	741,502	(345,404)	11,516,667	6.37%	35.62	12,770,148	97.09%
2018	10,503,161	944,578	670,664	(554,322)	11,564,081	0.41%	34.48	13,699,296	95.43%
2019	10,846,517	979,269	572,751	(800,160)	11,598,377	0.30%	30.66	12,398,537	100.00%
2020	13,256,605	1,023,291	648,844	(1,308,126)	13,620,614	17.44%	29.80	14,928,740	100.00%
2021	12,616,182	1,077,652	623,858	(3,066,381)	11,251,311	-17.39%	30.50	14,317,692	100.00%
2022	12,668,817	1,125,525	651,117	(2,854,774)	11,590,684	3.02%	30.50	14,445,459	100.00%
2023	17,339,319	1,258,452	-	(4,321,886)	14,275,884	23.17%	19.09	17,339,319	100.00%
2024	17,425,047	1,328,579	-	(4,261,206)	14,492,420	1.52%	21.91	18,753,626	100.00%
2025	17,626,854	1,623,219	-	(843,207)	18,406,894	27.01%	21.91	19,250,073	100.00%

Source: City Records

Weighted Average Rate Calculation

Tot. R/E	\$ 17,626,854
Tangible	1,623,219
Excise	-
Tot. Assessment	<u>\$ 19,250,073</u>

		% of Assessment	Tax Rate	Tot. Direct Rate
Tot. Res. R/E Owner-Occupied	\$ 8,453,212	43.91%	\$ 10.46	\$ 4.59
Tot. Res. R/E Non-Owner-Occupied	4,493,179	23.34%	18.35	4.28
Comm. R/E	4,680,462	24.31%	35.10	8.53
Tangible	1,623,219	8.43%	53.40	4.50
Excise	-	0.00%	-	-
	<u>\$ 19,250,072</u>	<u>100.00%</u>		<u>\$ 21.91</u>

**CITY OF PROVIDENCE, RHODE ISLAND
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2025			Percentage of Total City Taxable Assessed Value	Taxpayer	2016			Percentage of Total City Taxable Assessed Value
	Taxable Assessed Value	Rank	Value			Taxable Assessed Value	Rank	Value	
Narragansett Electric Company (PPL)	\$ 585,188,342	1	1.94%		Narragansett Electric Co.	\$ 412,951,423	1	5.73%	
National Grid Lng LP (Lng)	328,505,789	2	1.09%		OMNI Rhode Island	77,054,283	2	0.75%	
Dominion Energy Manchester Street Inc.	116,346,590	3	0.38%		Prospect Charter Care*	65,162,473	3	0.65%	
Prospect Chartercare RWMC, LLC*	90,951,711	4	0.30%		Westminster Partners	62,113,988	4	0.60%	
Blue Cross & Blue Shield	65,179,449	5	0.22%		1 Financial Holdings	59,016,117	5	0.57%	
Promenade Street Owner LLC	45,806,207	6	0.15%		One Citizens Plaza Holdings	49,442,983	6	0.49%	
Triton Terminaling LLC	77,725,382	7	0.26%		Regency Plaza I, LLC	48,913,439	7	0.48%	
WT Terminal Providence LLC	49,446,502	8	0.16%		Motiva Enterprises	39,155,406	8	0.47%	
Coxcom Inc	74,206,600	9	0.25%		CoxCom	29,604,500	9	0.45%	
Regency Plaza I LLC	54,354,550	10	0.18%		AtIhena Providence Place	53,328,361	10	0.45%	
Omni Rhode Island LLC	66,939,800	11	0.22%		Textron Realty Corporation	42,854,577	11	0.42%	
Sea-3 Providence, LLC	51,235,900	12	0.17%		Blue Cross & Blue Shield*	37,799,953	12	0.40%	
HGIT 50 Park Row West LLC	49,821,700	13	0.16%		CJUF III MJH Providence LLC	29,135,032	13	0.35%	
Brown University	48,181,300	14	0.16%		Avalon Properties Inc	35,403,098	14	0.34%	
Walter L Bronhard	32,204,754	15	0.11%		Verizon Online LLC	20,805,000	15	0.32%	
261, LLC*	38,498,408	16	0.13%		ARC Hospitality Providence	30,147,693	16	0.31%	
100 Westminster Partners LLC	47,308,000	17	0.16%		10 Memorial Boulevard Owner	31,236,986	17	0.30%	
TFG Providence Center Property LLC*	59,469,900	18	0.20%		PRI I LP	23,552,476	18	0.23%	
Providence Financial Plaza LLC	24,716,694	19	0.08%		Laurelmead	23,057,399	19	0.22%	
Vertex Pharmaceuticals Inc.	32,249,431	20	0.11%		GD Thayer LLC	22,681,856	20	0.22%	
Total	<u>\$ 1,938,337,009</u>		6.41%			<u>\$ 1,193,417,043</u>		13.77%	

* Indicates a Tax Stabilization Agreement

Source: City Records

**CITY OF PROVIDENCE, RHODE ISLAND
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30:	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 351,854,213	\$ 330,475,210	93.92%	\$ 7,292,122	\$ 337,767,332	96.00%
2017	\$ 364,264,528	\$ 344,482,858	94.57%	\$ 7,438,702	\$ 351,921,560	96.61%
2018	\$ 363,953,371	\$ 348,884,056	95.86%	\$ 4,682,103	\$ 353,566,159	97.15%
2019	\$ 358,895,513	\$ 344,202,602	95.91%	\$ 4,451,347	\$ 348,653,949	97.15%
2020	\$ 357,927,849	\$ 339,684,148	94.90%	\$ 8,472,129	\$ 348,156,277	97.27%
2021	\$ 371,036,056	\$ 352,378,672	94.97%	\$ 7,781,600	\$ 360,160,272	97.07%
2022	\$ 380,750,940	\$ 362,970,056	95.33%	\$ 4,623,034	\$ 367,593,090	96.54%
2023	\$ 386,279,404	\$ 369,519,719	95.66%	\$ 4,084,873	\$ 373,604,592	96.72%
2024	\$ 397,678,717	\$ 378,955,066	95.29%	\$ 3,832,981	\$ 382,788,047	96.26%
2025	\$ 412,153,984	\$ 393,241,502	95.41%	\$ -	\$ 393,241,502	95.41%

Source: City Tax Collector Records

CITY OF PROVIDENCE, RHODE ISLAND
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

Governmental Activities														Business-Type Activities				
Fiscal Year	General Obligation Bonds	Revenue Bonds	PPBA Debt	Special Obligation Tax Increment	Capital Notes and Leases	Notes Payable	Net Bond Premium	Claims & Judgements	Compensated Absences	Lease Liability	Net Pension Liability	Net OPEB Liability	Deferred Items from Financing	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Net Debt Per Capita
2016	\$ 83,961	\$ 49,644	\$ 294,314	\$ -	\$ 34,768	\$ 2,749	\$ -	\$ 40,416	\$ 34,896	\$ -	\$ 1,195,385	\$ 270,979	\$ -	\$ 103,545	\$ -	\$ 2,110,657	**	**
2017	76,105	44,420	265,566	-	33,676	4,808	-	44,679	36,198	-	1,233,184	300,109	-	116,740	-	2,155,485	**	**
2018	67,920	37,558	280,038	-	39,341	5,102	-	49,704	36,737	-	1,250,276	1,007,294	-	111,387	-	2,885,357	**	**
2019	59,380	33,441	304,952	-	33,979	4,679	-	28,872	38,941	-	1,270,496	1,039,243	-	120,361	-	2,934,344	**	**
2020	50,475	30,770	402,798	-	33,931	2,399	-	31,696	41,516	-	1,496,433	1,094,998	-	114,526	-	3,299,542	**	**
2021	46,750	100,690	368,928	-	24,979	2,083	26,004	22,816	44,185	24,979	1,467,958	1,329,894	-	148,025	-	3,607,291	**	**
2022	41,640	100,690	336,975	-	25,847	1,767	23,853	32,874	44,267	16,229	1,481,140	1,378,641	-	140,404	-	3,624,327	**	**
2023	36,045	100,690	304,883	-	21,096	1,499	21,669	30,267	42,341	15,462	1,478,989	858,074	-	143,497	-	3,054,512	**	**
2024	30,195	97,000	271,917	-	16,565	2,129	19,517	24,605	43,573	16,595	1,465,667	861,967	-	159,665	-	3,009,395	**	**
2025	24,090	218,125	392,363	-	10,865	807	33,196	25,523	55,418	15,770	1,436,147	786,342	-	174,647	-	3,173,293	**	**

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

* Amounts were included in general obligation bonds.

** Information not available.

CITY OF PROVIDENCE, RHODE ISLAND
DIRECT GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED JUNE 30, 2025
 (IN THOUSANDS)
 (UNAUDITED)

Governmental Unit	Debt Outstanding
General Obligation Debt:	
General Obligation Bonds	\$ 24,090
Revenue Bonds	218,125
Bond Premiums	33,196
Notes Payable	807
Capital Leases	10,865
Lease Liability	15,770
Total Direct Debt	<u>\$ 302,853</u>

Note: The City of Providence is not subject to the debt of overlapping governments.

CITY OF PROVIDENCE, RHODE ISLAND
LEGAL DEBT MARGIN INFORMATION
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2025

Taxable Property	\$ 18,406,894
Debt Limit (3% of Taxable Property)	552,207
Debt Applicable to Limit:	
General Obligation Bonds	23,055
Less: Debt Not Subject to 3% Limit	<u>1,035</u>
Total Net Debt Applicable to Limit	<u>22,020</u>
Legal Debt Margin	<u><u>\$ 530,187</u></u>

**CITY OF PROVIDENCE, RHODE ISLAND
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS AND CURRENT YEAR COMPUTATION
(IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 331,415	\$ 334,360	\$ 350,081	\$ 363,552	\$ 347,951	\$ 408,618	\$ 407,506	\$ 347,721	\$ 428,277	\$ 434,773	\$ 552,207
Total Net Debt Applicable to Limit	37,090	27,185	33,610	32,125	30,100	28,955	42,185	34,110	30,215	26,185	22,020
Legal Debt Margin	294,325	307,175	316,471	331,427	317,851	379,663	365,321	313,611	398,062	408,588	530,187
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13%	9%	11%	10%	9%	8%	12%	11%	8%	6%	4%
Debt Outstanding Issued Outside the 3% Debt Limit*	\$ 55,170	\$ 48,921	\$ 42,495	\$ 35,795	\$ 29,280	\$ 21,520	\$ 4,565	\$ 3,765	\$ 2,915	\$ 2,005	\$ 1,035

* The State of Rhode Island General Assembly has, by Special Act, permitted the City to incur indebtedness outside the 3% debt limit.
This amount excludes water and sewer bonds that are deemed self-supporting.

CITY OF PROVIDENCE, RHODE ISLAND
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
 (IN THOUSANDS)
 (UNAUDITED)

Water Supply Board							Providence Public Building Authority Revenue				
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Fiscal Year	Collections	Debt Service		Coverage
				Principal	Interest				Principal	Interest	
2016	\$ 71,011	\$ 56,953	\$ 14,058	**	**	**	2016	\$ 22,405	\$ 22,368	\$ 14,009	0.62
2017	73,404	57,371	16,033	**	**	**	2017	13,815	28,748	11,476	0.34
2018	76,102	60,483	15,619	**	**	**	2018	13,784	30,063	10,977	0.34
2019	72,330	59,429	12,901	**	**	**	2019	14,826	29,789	12,152	0.35
2020	69,796	63,042	6,754	**	**	**	2020	15,386	31,674	12,348	0.35
2021	81,349	57,125	24,224	**	**	**	2021	15,333	33,870	16,642	0.30
2022	88,655	65,135	23,520	**	**	**	2022	12,305	31,953	15,598	0.26
2023	94,492	67,107	27,385	**	**	**	2023	15,134	32,092	15,968	0.31
2024	88,038	70,003	18,035	**	**	**	2024	13,896	32,966	14,425	0.29
2025	91,108	70,654	20,454	**	**	**	2025	16,562	30,102	18,573	0.34

** Not available.

**CITY OF PROVIDENCE, RHODE ISLAND
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30	Population***	Personal Income	Per Capita Income****	Median Age***	School Enrollment**	Unemployment(*) Rate
2016	179,207	(1)	\$ 21,512	28.8	23,867	5.5%
2017	178,710	(1)	25,169	28.8	24,093	4.3%
2018	178,042	(1)	25,169	29	27,548	4.1%
2019	178,042	(1)	25,169	29	27,931	3.7%
2020	178,042	(1)	25,169	29	23,836	12.6%
2021	180,609	\$ 54,947	25,169	30.6	22,537	5.9%
2022	180,609	56,179	25,169	30.6	21,830	3.1%
2023	180,609	58,572	25,169	30.6	21,063	2.9%
2024	190,807	58,572	25,169	32.3	19,403	4.3%
2025	196,829	66,772	25,169	32.9	19,868	4.8%

(1) Unavailable

* Source: Rhode Island Department of Labor and Training

** RI Department of Education

*** Source: U.S. Bureau of the Census

**** Source: U.S. Bureau of Economic Analysis

CITY OF PROVIDENCE, RHODE ISLAND
PRINCIPAL EMPLOYERS
2013 AND 2004
(UNAUDITED)

Employer	2013*			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Brown University	4,600	1	4.30%	3,251	2	2.78%
Rhode Island Hospital	4,200	2	3.93%	6,063	1	5.19%
Life Span (Mgmt. Svcs. including Miriam Mgmt Svcs.)	1,990	3	1.86%			
Women & Infants Hospital	1,800	4	1.68%	2,800	4	2.40%
Roger Williams Medical Center	1,470	5	1.38%	1,340	6	1.15%
The Miriam Hospital	1,263	6	1.18%	2,161	5	1.85%
Belo Corp/Providence Journal	870	7	0.81%	964	11	0.82%
Mars 2000	850	8	0.80%			
Providence College	799	9	0.75%			
AAA Southern New England	700	10	0.66%			
Johnson & Wales University	700	11	0.66%	1,200	8	1.03%
Butler Hospital	699	12	0.65%	800	16	0.68%
H. Carr & Sons Inc.	500	13	0.47%			
National Grid	450	14	0.42%	1,304	10	1.12%
Employment 2000	400	15	0.37%			
Verizon Wireless	400	16	0.37%			
Gilbane Building Co.	400	17	0.37%			
Wal-Mart Stores	350	18	0.33%			
Jewel Case Corp.	300	19	0.28%			
Nordstrom Inc.	300	20	0.28%			

* Most recent information available

Sources: Commerce RI (f/k/a Rhode Island Economic Development Corp.)

CITY OF PROVIDENCE, RHODE ISLAND
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTIONAL PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Functions/Program	Full-Time Equivalent Employees as of June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Executive, Legislative, Judicial and Finance:										
City Council	15	15	15	15	15	15	15	15	15	15
City Council Administration	20	19	19	19	15	15	13	13	13	13
Internal Auditor	3	3	3	3	3	3	3	2	2	2
City Sergeant	1	1	1	1	1	1	1	1	1	1
City Clerk	13	13	12	12	12	10	10	10	10	11
Human Resources (Personnel)	22	19	20	20	18	18	18	17	17	16
Finance	19	19	20	20	18	20	24	23	21	19
Information Technology	19	18	19	19	18	19	20	19	15	16
Legal	30	31	33	32	33	33	32	33	27	26
Courts	28	26	26	26	26	26	25	25	24	23
Retirement	5	5	5	5	5	5	4	4	4	4
Board Tax Assessment	5	5	5	5	5	5	5	5	5	5
City Treasurer	4	4	5	5	5	5	5	5	5	5
City Collector	15	15	15	15	15	15	15	15	15	15
City Assessor	16	16	16	16	17	17	17	17	18	18
Recreation and Public Land and Parks:										
Neighborhood Parks & Recreation Svs	65	65	64	63	52	52	45	45	44	44
Recreation	32	32	32	30	30	29	21	19	16	13
Zoo	34	34	34	31	31	31	31	31	31	31
Forestry	15	15	15	15	15	15	15	14	13	13
Parks	33	31	32	29	39	39	36	38	39	54
Botanical	7	11	11	11	11	11	11	11	9	8
Public Property	38	40	35	38	37	36	32	31	30	30
Public Safety:										
Police Department	581	531	573	553	582	544	563	538	559	526
Commissioner's Office	7	8	10	10	10	10	10	9	8	8
Firefighters' Department	483	411	399	433	460	475	438	439	463	508
Communication	69	69	67	67	67	67	67	67	67	67
Emergency Mgmt./Homeland Security	5	5	5	5	7	5	5	5	5	5

**CITY OF PROVIDENCE, RHODE ISLAND
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTIONAL PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Functions/Program	Full-Time Equivalent Employees as of June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Works:										
Administration	10	9	10	9	9	9	9	8	9	8
Engineering	12	10	10	10	10	10	9	10	9	8
Environmental Control	12	12	10	10	10	10	9	8	8	8
Highway and Bridge Maintenance	54	54	50	50	9	49	49	49	49	49
Sewer Maintenance	14	11	10	10	10	10	10	10	9	9
Miscellaneous					0	0	0	0	0	0
Garage	7	7	7	7	7	7	7	7	7	7
Parking Administration	4	4	4	4	4	4	4	4	3	3
Traffic Engineering	11	11	12	11	10	10	9	9	9	9
Building Inspection	48	49	49	50	50	50	52	53	54	54
Miscellaneous:										
Recorded Deeds	5	5	5	5	5	5	5	5	5	5
Planning & Development	27	42	45	44	44	44	45	44	46	48
Office of Economic Opportunity	9	9	6	6	6	5	7	5	0	-
Arts, Culture & Tourism	6	7	5	5	5	6	6	6	5	4
Human Relations	1	1	1	1	1	1	1	1	1	1
Human Services	20	13	10	10	11	8	11	10	10	9
PERA	5	6	6	6	6	3	3	3	1	1
Board of Canvassers	9	9	9	9	9	9	9	9	9	9
Board of Licenses	13	12	12	12	12	12	13	11	11	11
Vital Statistics	4	4	5	4	4	4	3	4	4	4
City Archivist	5	5	5	4	4	4	4	4	4	3
Office of Diversity, Equity, Inclusion	1	4	3	2	-	-	-	-	-	-
Sustainability	7	6	6	-	-	-	-	-	-	-
Housing Authority	8									
School Department	3,091	3,449	3,531	3,461	3,338	3,437	3,425	3,400	3,316	3,265
Total	4,901	5,134	5,302	5,228	5,111	5,218	5,171	5,111	5,045	5,011

Source: City Records.

CITY OF PROVIDENCE, RHODE ISLAND
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
 (IN THOUSANDS)
 (UNAUDITED)

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police:										
Calls for Service	110	114	111	114	120	115	152	131	130	124
Fire:										
Total Fire Calls	48	48	50	49	99	98	67	44	47	46
Total Rescue Calls					37	34	0	-	-	-
Building Safety:										
Total Building Permits	12	13	9	9	9	8	8	8	9	9
Total Value All Permits	1,262,403	1,576,591	429,560	372,730	363,900	310,800	305,314	328,428	368,662	397,535
Public Service:										
Residential Garbage Collected (Ton)	76	75	74	73	75	68	66	64	63	61

Source: City Records

CITY OF PROVIDENCE, RHODE ISLAND
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety:										
Fire, Fire Stations	15	15	15	15	15	15	15	15	15	15
Fire trucks	23	23	23	23	23	23	23	23	23	23
Public Works:										
Bridges	27	27	27	27	27	27	27	27	27	27
Streets (Miles)	370	370	370	370	370	370	370	370	370	370
Manholes	20	20	20	20	20	20	20	20	20	20
Catch Basins	12	12	12	12	12	12	12	12	12	12
Drain Inlets	4	4	4	4	4	4	4	4	4	4
Parks & Recreation:										
Acreage	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Parks	124	124	124	124	124	124	124	124	124	124
Golf Course	2	2	2	2	2	2	2	2	2	2
Baseball/Softball Diamonds	40	40	40	40	40	40	40	40	40	40
Greenhouse	6	6	6	6	6	6	6	6	6	6
Soccer/Football Fields	11	11	11	11	11	11	11	11	11	11
Water Parks	9	9	9	9	9	9	9	9	9	9
Museum	1	1	1	1	1	1	1	1	1	1
Swimming pools	6	6	6	6	6	6	6	6	6	6
Recreation Centers	10	10	10	10	10	10	10	10	10	10
Zoo	1	1	1	1	1	1	1	1	1	1
Community Centers										
Water:										
Lakes	10	10	10	10	10	10	10	10	10	10
Wastewater:										
Sanitary Sewer Lines (Miles)	300	300	300	300	300	300	300	300	300	300

Source: City Records

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APPENDIX C

DEFINITIONS

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DEFINITIONS

The following are definitions of certain of the terms defined in the Master Indenture or the Financing Agreement and used in this Official Statement.

“Accreted Value” means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Indenture authorizing such Capital Appreciation Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

“Act” means the Rhode Island Health and Educational Building Corporation Act, being and constituting Chapter 38.1 of Title 45, as amended of the Rhode Island General Laws.

“Administrative Fund” means such fund so designated, created and established by the Applicable Series Indenture pursuant to Section 5.02 of the Master Indenture.

“Agreement” means the Financing Agreement between the Corporation and a Borrower executed and delivered in connection with the issuance of a portion of an Applicable Series of Bonds, as from time to time amended or supplemented in accordance with the terms and provisions of the Master Indenture and of the Agreement.

“Allocable Portion” means each Borrower’s proportionate share of certain obligations arising under the Applicable Series of Bonds from time to time and the respective Agreements, particularly with respect to the Applicable Arbitrage Rebate Fund, the costs of issuance of such Series of Bonds, and the payment of principal, interest and redemption price of such Series of Bonds as particularly determined by the Applicable Series Indenture.

“Applicable” means (i) with respect to any Series Indenture, the Series Indenture relating to particular Bonds, (ii) with respect to any Series of Bonds, the Series of Bonds issued under a Series Indenture for a particular Borrower or Borrowers, (iii) with respect to any Agreement, the Agreement entered into by and between a Borrower and the Corporation, (iv) with respect to a Borrower, the Borrower for which a Series of Bonds is issued, (v) with respect to any Construction Fund, Debt Service Fund, Arbitrage Fund or Costs of Issuance Account in a Construction Fund, the Fund or Account established in a particular Series Indenture, and with respect to a particular Construction Account in a Construction Fund, means the Construction Account established and undertaken with respect to each Applicable Borrower, (vi) with respect to a Credit Facility or Liquidity Facility, the Credit Facility or Liquidity Facility, if any, identified in the Applicable Series Indenture, (vii) with respect to State Housing Aid, the amounts payable to the Corporation on account of a Borrower, (viii) with respect to State Basic Education Aid, the amounts payable to the Corporation on account of a Borrower, and (ix) with respect to Borrower Bonds, the Borrower Bonds issued and delivered to the Corporation by a Borrower as required by the Agreement.

“Appreciated Value” means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Applicable Series Indenture authorizing such Deferred Income Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Arbitrage Rebate Fund” means each such fund so designated, created and established by the Applicable Series Indenture pursuant to the Master Indenture.

“Authorized Newspaper” means The Bond Buyer or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five days (other than legal holidays) in each calendar week in the Borough of Manhattan, City and State of New York, designated by the Corporation.

“Authorized Officer” means (i) in the case of the Corporation, the Chair, the Vice-Chair, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Corporation to perform such act or execute such document; (ii) in the case of a Borrower, when used with reference to any act or document, means the person identified in the Master Indenture or in the Applicable Agreement as authorized to perform such act or execute such document, and in all other cases means the Director of Finance, Treasurer or Chief Financial Officer of the Borrower or an officer or employee of a Borrower authorized in a written instrument signed by the Director of Finance, Treasurer; and (iii) in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

“Basic Debt Service Payment” means all amounts payable pursuant to the Applicable Agreement, including in particular the Applicable Borrower Bonds.

“Bond” or “Bonds” means any of the bonds of the Corporation authorized and issued pursuant to the Master Indenture and to an Applicable Series Indenture.

“Bond Counsel” means an attorney or a law firm, appointed by the Corporation with respect to a particular Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

“Bond Year” means unless otherwise stated in the Applicable Series Indenture a period of twelve (12) consecutive months beginning May 15 in any calendar year and ending on May 14 of the succeeding calendar year.

“Bondholder,” “Holder of Bonds” or “Holder” or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any Bond.

“Book-Entry Bond” means a Bond authorized to be issued to, and issued to and registered in the name of, a Depository directly or indirectly for the beneficial owners thereof.

“Borrower” or “Borrowers” means with respect to an Applicable Series of Bonds, each or all of the cities, towns and regional school districts for whose benefit the Corporation shall have issued all or a portion of such Series and with whom the Corporation shall have executed one or more Agreements.

“Borrower Bonds” means the bonds, notes, or other evidences of indebtedness, which, if not required by law to be in the form of a bond or note certificate, may be represented by a Financing Agreement.

“Borrower Resolution” means, collectively, the ordinances or resolutions of the Applicable Borrower authorizing the execution and delivery of the Agreement, the borrowing of the Loan proceeds, and the issuance and delivery to the Corporation of the Borrower Bonds.

“Borrower Tax Certificate” means the certificate of a Borrower to be delivered pursuant to the Applicable Agreement and to be dated the date of delivery of the Corporation Bonds.

“Business Day” under the Master Indenture, means any day which is not a Saturday, Sunday or a day on which banking institutions chartered by the State or the United States of America are legally authorized to close in the State or in the City of New York; provided, however, that, with respect to Option Bonds or Variable Interest Rate Bonds of a Series, such term means any day which is not a Saturday, Sunday or a day on which the New York Stock Exchange, banking institutions chartered by the State or the United States of America, the Trustee or the issuer of a Credit Facility or Liquidity Facility for such Bonds are legally authorized to close.

“Business Day”, under the Agreement, means any day which is not a Saturday, Sunday or a day on which banking institutions chartered by the State or the United States of America are legally authorized to close in the State or in the City of New York.

“Capital Appreciation Bond” means any Bond as to which interest is compounded on each Valuation Date therefor and is payable only at the maturity or prior redemption thereof.

“Code” means the Internal Revenue Code of 1986, as amended and the applicable Treasury regulations promulgated thereunder.

“Construction Account” means each such account in a Construction Fund so designated, created and established for each Applicable Borrower by the Applicable Series Indenture pursuant to the Master Indenture.

“Construction Fund” means each such fund so designated, created and established by the Applicable Series Indenture pursuant to the Master Indenture.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated the date of issuance of the Corporation Bonds, executed and delivered by the Borrower, and the Dissemination agent, if any, as amended, modified, supplemented, restated or replaced from time to time.

“Corporation” means the Rhode Island Health and Educational Building Corporation, a public body corporate and agency of the State created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Corporation.

“Corporation Bonds” means the series of bonds of the Corporation issued in whole or in part to finance the Loans made under the Agreement, together with any bonds of the Corporation duly issued in exchange or replacement therefor.

“Corporation Fee” means a fee payable to the Corporation in an amount set forth in the Financing Agreement.

“Cost” shall have the meaning as set forth in the Act.

“Credit Facility” means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, municipal bond insurance policy or other agreement, facility or insurance or guaranty arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a saving and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Corporation, pursuant to which the Corporation is entitled to obtain moneys to pay the principal, purchase price or Redemption Price of Bonds due in accordance with their terms or tendered for purchase or redemption, plus, accrued interest thereon to the date of payment, purchase or redemption thereof, in accordance with the Master Indenture and with the Series Indenture authorizing such Bonds whether or not the Corporation is in default under the Master Indenture.

“Custodian” shall mean any bank or trust company selected in accordance with the Master Indenture custodian of moneys to be held under the provisions of the Master Indenture, and may include the Trustee;

“Defeasance Security” means (a) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligations, (b) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations and (c) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two nationally recognized Rating Agencies in the highest rating category for such Exempt Obligation;

provided, however, that (1) such term shall not include any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof.

“Deferred Income Bond” means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semi-annually on each Interest Payment Date.

“Depository” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Indenture authorizing a Series of Bonds to serve as securities depository for the Bonds of such Series.

“Escrow Agreement” means the Escrow Agreement, if any, dated as of the date of issuance of the Corporation Bonds, by and between the Borrower and the escrow agent thereunder, as such agreement may be amended from time to time in accordance with its terms.

“Exempt Obligation” means (i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Master Indenture, carries a rating no lower than the rating carried by general obligation bonds of the State, (ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (iii) a share or interest in an open-end investment company or association or investment trust wholly comprised of any of the foregoing obligations which is registered in an open-end investment company or association or investment trust wholly comprised of such obligations which is registered under the Federal Investment Company Act of 1940 and which company association or trust shall comply with the provisions of Rhode Island General Laws Section 35-10-11 or any other applicable general or special law relating to investments.

“Existing Indebtedness” means the bonds or notes issued by or on behalf of the Borrower described in Exhibit B to the Applicable Agreement, which bonds or notes have financed or refinanced the Project, if any.

“Facility Provider” means the issuer of a Credit Facility or a Liquidity Facility delivered to the Applicable Trustee.

“Federal Agency Obligation” means (i) an obligation issued by any federal agency or instrumentality, (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency, (iii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (iv) a share or interest in an open-end investment company or association or investment trust wholly comprised of such obligations which is registered under the Federal Investment Company Act of 1940 and which company association or trust shall comply with the provisions of Rhode Island General Laws Section 35-10-11 or any other applicable general or special law relating to investments.

“Fiscal Year” means the fiscal year commencing July 1 of each calendar year and ending June 30 of the next succeeding calendar year.

“Fitch” means Fitch, Inc., a corporation organized and created under the laws of the State of Delaware and its successors and assigns.

“General Obligation Pledge” means the pledge of the full faith and credit and taxing power of a Borrower to the Corporation pursuant to an Applicable Agreement to secure the Borrower’s obligations under such Agreement.

“General Treasurer” means the General Treasurer of the State.

“Government Obligation” means (i) a direct obligation of the United States of America, (ii) an obligation the principal of and interest on which are fully guaranteed as to payment of principal and interest by the United States of America, (iii) an obligation to which the full faith and credit of the United States of America are pledged, (iv) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of

the principal of or interest on any of the foregoing and (v) a share or interest in a an open end investment company or association or investment trust wholly comprised of any of the foregoing obligations which is registered under the Federal Investment Company Act of 1940 and which company, association or trust shall comply with the provisions of Rhode Island General Laws Section 35-10-11 or any other applicable general or special law relating to investments.

“Indenture” or “Master Indenture” means the Master Trust Indenture between the Corporation and the Trustee providing for the Borrower’s Revenue Bond Financing Program, as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms and provisions thereof.

“Interest Commencement Date” means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Applicable Series Indenture authorizing such Bond, after which interest accruing on such Bond shall be payable on the Interest Payment Date immediately succeeding such Interest Commencement Date and semi-annually thereafter on each Interest Payment Date.

“Interest Payment Date” means, unless otherwise provided in the Applicable Series Indenture, May 15 and November 15 of each Bond Year.

“Investment Agreement” means a repurchase agreement or other agreement for the investment of moneys with a Qualified Financial Institution provided a specific written agreement governs the transaction and the Agreement satisfies the requirements set forth in the Master Indenture.

“Liquidity Facility” means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Corporation, pursuant to which moneys are to be obtained upon the terms and conditions contained therein for the purchase or redemption of Option Bonds tendered for purchase or redemption in accordance with the terms of the Master Indenture and of the Applicable Series Indenture authorizing such Bonds.

“Loan” means the loan in the Principal Amount made to the Applicable Borrower from the proceeds of the Corporation Bonds pursuant to the Agreement.

“Maximum Interest Rate” means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Series Indenture authorizing such Bond, that shall be the maximum rate at which such Bond may bear interest at any time.

“Memorandum of Understanding” means the Second Amended and Restated Memorandum of Understanding dated September 26, 2012 by and among the Corporation, the General Treasurer and the State Controller and acknowledged by the Rhode Island Department of Elementary and Secondary Education of the State, as amended, modified, supplemented, restated or replaced from time to time, providing for payment of the State's share of school housing project costs as determined in accordance with Rhode Island General Laws Sections 16-7-35 through 16-7-47, as amended, and providing for the intercept of State Basic Education Aid payable pursuant to 16-7-15 through 16-7-34.3 of the General Laws, and any future legislation providing for such State Housing Aid and State Basic Education Aid payments.

“Minimum Interest Rate” means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, set forth in the Series Indenture authorizing such Bond, that shall be the minimum rate at which such Bonds may bear interest at any time.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, or its successors and assigns.

“Notice of Terms” means a notice setting forth and confirming the definitive principal amounts, maturity dates and interest rates of the Borrower Bonds and certain other terms of the Loan.

“Option Bond” means any Bond which by its terms may be tendered by and at the option of the Holder thereof for redemption by the Corporation prior to the stated maturity thereof or for purchase thereof, or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Series Indenture authorizing such Bonds.

“Outstanding” when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered under the Master Indenture and under any Applicable Series Indenture except: (i) any Bond cancelled by the Applicable Trustee at or before such date; (ii) any Bond deemed to have been paid in accordance with Section 12.01 of the Master Indenture; (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Master Indenture; and (iv) Option Bonds tendered or deemed tendered in accordance with the provisions of the Series Indenture authorizing such Bonds on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Master Indenture and in the Series Indenture authorizing such Bonds.

“Paying Agent” means, with respect to the Bonds of any Series, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions of the Master Indenture and of a Series Indenture or any other resolution of the Corporation adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

“Permitted Collateral” means (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligations, (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations, or (iii) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Bests Insurance Guide or a nationally recognized Rating Agency in the highest rating category.

“Permitted Investments” means any of the following: (i) Government Obligations; (ii) Federal Agency Obligations; (iii) Exempt Obligations; (iv) Uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State and having its principal office or a deposit-taking facility in the State; (v) Collateralized certificates of deposit and bank deposits that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are rated by at least one nationally recognized Rating Agency in at least the second highest rating category, and (b) are fully collateralized by Permitted Collateral; (vi) Investment Agreements that are fully collateralized by Permitted Collateral; (vii) Ocean State Investment Pool created pursuant to Section 35-10.2-1 through 35-10.2-11 of the Rhode Island General Laws; (viii) any other investments expressly permitted by State of Rhode Island Law as well any future amendments to applicable State of Rhode Island Law; (ix) U.S. dollar denominated commercial paper issued or guaranteed by a U.S. or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs with minimum ratings of A-1/P-1 (or the equivalent) by at least one nationally recognized Rating Agency; (x) negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state chartered bank, credit union or savings association, or by a federally or state-licensed branch of a foreign bank or financial institution with minimum ratings of A-/A3 (or the equivalent) or A-1/P-1 (or the equivalent) by at least one nationally recognized Rating Agency; (xi) U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a U.S. or foreign corporation, financial institution, non-profit, or other entity with minimum ratings of A-/A3 (or the equivalent) or A-1/P-1 (or the equivalent) by at least one nationally recognized Rating Agency; and (xii) Bankers’ Acceptances issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank with minimum ratings of A-1/P-1 (or the equivalent) by any one Rating Agency.

“Principal Amount” means the original aggregate principal amount of the Loan as evidenced by the Borrower Bonds which shall be an amount equal to the total principal amount shown as payable in the Anticipated Repayment Schedule attached as Exhibit D to the Applicable Agreement; provided that such Loan amount may be revised to an amount not greater than the maximum amount authorized by the Borrower shown in Exhibit D to the Agreement by the Corporation delivering a notice to the Borrower to reflect the final sizing of the escrow, if any, to be established to provide for the payment of the Refunded Bonds or Notes, if any, and any allocation of original issue discount or bond premium allocated to the Borrower.

“Projects” means “project” as defined in the Act and as it relates to the Borrower and may include costs that are not eligible for reimbursement under Rhode Island General Laws Chapter 16-7.

“Proportionate Share” means the proportion that the outstanding principal amount of the Borrower Bonds bears to the outstanding principal amount of the Corporation Bonds. In the event that the Borrower’s Loan is not financed simultaneously with other loans to other Borrowers, the Proportionate Share is 100%.

“Qualified Financial Institution”, means any of the following entities that has an equity capital of at least \$125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least \$125,000,000: (i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers, and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds; (ii) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds; (iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such entity, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds; (iv) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Corporation; or (v) a corporation whose obligations, including any investments of any moneys held under the Master Indenture purchased from such corporation, are insured by an insurer that meet the applicable rating requirements set forth above.

“Rating Agency” means each of Moody’s, S&P and Fitch in each case, which has assigned a rating on a Series of Bonds at the request of the Corporation and who continues to apply a rating on such Bonds at the time in question, or their respective successors and assigns and any other rating agency nationally recognized for skill and expertise in rating the credit of obligations such as the Bonds.

“Record Date” means, unless the Series Indenture relating to the Applicable Series of Bonds provides otherwise, the fifteenth (15th) day (whether or not a Business Day) preceding an Interest Payment Date.

“Redemption Price”, when used with respect to a Bond, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant to the Master Indenture or to the Applicable Series Indenture.

“Refunded Bonds or Notes” means all or a portion of the Existing Indebtedness, if any, which is to be refunded with the proceeds of the Corporation Bonds, as set forth in Exhibit B to the Applicable Agreement.

“Refunding Bonds” means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered on original issuance pursuant to the Master Indenture, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Master Indenture.

“Remarketing Agent” means the person appointed by or pursuant to a Series Indenture authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Series Indenture relating to such Option Bonds.

“Remarketing Agreement” means, with respect to Option Bonds of a Series, an agreement between the Corporation and the Remarketing Agent relating to the remarketing of such Bonds.

“Revenues” means (i) the Basic Debt Service Payment paid by a Borrower pursuant to the Applicable Agreement, which includes amounts payable by each Borrower under the Applicable Borrower Bonds, (ii) the Applicable State Housing Aid to the extent received by the Corporation with respect to Applicable Borrower Bonds, (iii) Applicable State Basic Education Aid to the extent received by the Corporation to pay Applicable Borrower Bonds, and (iv) the right to receive the same and the proceeds thereof and of such right.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Corporation, or its successors and assigns.

“School Building Authority Statutory Fee” or “SBA Statutory Fee” means the fee that the Corporation is required to assess pursuant to Rhode Island General Laws Section 16-105-7 in order to fund operations of the School Building Authority established pursuant to Chapter 16-105.

“Serial Bonds” means, with respect to Bonds of a Series, the Bonds so designated in an Applicable Series Indenture.

“Series” means all of the Bonds authenticated and delivered on original issuance and pursuant to the Master Indenture and to the Applicable Series Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Master Indenture, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

“Series 2026 C Bonds” means the Corporation’s Public Schools Revenue Bond Financing Program Revenue Bonds, Series 2026 C (City of Providence Issue).

“Series Indenture” means an indenture between the Corporation and the Trustee providing for the issuance of a Series of Bonds entered into pursuant to the Master Indenture.

“Sinking Fund Installment” means, as of any date of calculation, when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Master Indenture or by the Series Indenture pursuant to which such Bonds were issued, to be paid on a single future May 15 or November 15 for the retirement of any Outstanding Bonds of said Series which mature after said future May 15 or November 15, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond, and said future May 15 or November 15 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment, and when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Series Indenture pursuant to which such Bonds were issued, to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Rate Interest Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

“Special Obligation Pledge” means the pledge of monies to the extent they become legally available by appropriation by the Borrower or otherwise, and which does not constitute a pledge of the full faith and credit and taxing power of the Borrower, made by a Borrower to the Corporation pursuant to an Applicable Agreement to secure the Borrower’s obligations under such Agreement.

“Standby Purchase Agreement” means an agreement by and between the Corporation and another person or by and among the Corporation, one or more Borrowers and another person, pursuant to which such person is obligated to purchase an Option Bond tendered for purchase.

“State” means the State of Rhode Island.

“State Aid Custody Account” means the account held by the Custodian under the Custody Agreement for the deposit of State Housing Aid and State Basic Education Aid prior to the transfer of such funds to the Trustee and other bond trustees for Corporation bonds which are secured by State Basic Education Aid and State Basic Education Aid.

“State Approvals” means the approval of the Council on Elementary and Secondary Education, or its successor, of the Project.

“State Basic Education Aid” shall mean aid for the basic education program provided by the State pursuant to Sections 16-7-15 through 16-7-34.3 of the Rhode Island General Laws and pursuant to all acts supplementing such sections or pursuant to any other law hereafter enacted providing for funds to cities, towns and regional school districts in lieu of or in substitution for the funds presently provided pursuant to such sections.

“State Housing Aid” shall mean aid provided by the State pursuant to Sections 16-7-40, 16-7-41 and 16-7-44 of the Rhode Island General Laws and pursuant to all acts supplementing such sections or pursuant to any other law hereafter enacted providing for funds to cities, towns and regional school districts in lieu of or in substitution for the funds presently provided pursuant to such sections.

“State’s Portion” shall mean the portion of the Borrower Bond debt service payments payable by the State as determined by application of the “school housing ratio” for a Borrower, as in effect from time to time pursuant to Chapter 7 of Title 16 of the General Laws of Rhode Island and all acts supplementing such Chapter or pursuant to any other law hereafter enacted providing for funds to cities, towns and regional school districts and regulations promulgated thereunder.

“Supplemental Indenture” means any indenture of the Corporation amending or supplementing the Indenture, any Applicable Series Indenture or any Supplemental Indenture executed, delivered and becoming effective in accordance with the terms and provisions of the Master Indenture.

“Tax-Exempt Securities” means a certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 CFR part 344 and any municipal bond (other than a qualified private activity bond), the interest on which is excluded from federal gross income.

“Term Bonds” means, with respect to Bonds of a Series, the Bonds so designated in an Applicable Series Indenture and payable from Sinking Fund Installments.

“Trust Estate” means the proceeds from the sale of an Applicable Series of Bonds, the Applicable Revenues, the Applicable State Housing Aid, the Applicable State Basic Education Aid to the extent received by the Corporation with respect to Applicable Borrower Bonds; all funds authorized by the Master Indenture and established pursuant to an Applicable Series Indenture, other than an Applicable Arbitrage Rebate Fund and the Applicable Administrative Fund, all as pledged and assigned to the Trustee pursuant to the Master Indenture.

“Trustee” means the bank or trust company appointed in the capacity as Trustee for the Bonds pursuant to the Master Indenture or any Supplemental Indenture and having the duties, responsibilities and rights provided for therein, and its successor or successors any other bank or trust company which may at any time be substituted in its place pursuant thereto.

“Underwriter” means the underwriter or underwriters that have contracted to purchase the Corporation Bonds upon initial issuance.

“Valuation Date” means (i) with respect to any Capital Appreciation Bond, the date or dates set forth in the Series Indenture authorizing such Bond on which specific Accreted Values are assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date and the Interest

Commencement Date set forth in the Series Indenture authorizing such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

“Variable Interest Rate” means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Indenture authorizing such Bonds, which shall be based on (i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times or (ii) a stated interest rate that may be changed from time to time as provided in the Series Indenture authorizing such Bonds; provided, however, that such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate and that there may be an initial rate specified, in each case as provided in such Series Indenture; provided, further, that such Series Indenture shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

“Variable Interest Rate Bond” means any Bond which bears a Variable Interest Rate; provided, however, that a Bond the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be a Variable Interest Rate Bond.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

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SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The following is a brief summary of certain provisions of the Financing Agreement to be executed by the Borrower. The summary reflects the provisions of a single Agreement although a separate Agreement will be executed by each Borrower. Such summary does not purport to be complete and reference is made to the Agreement for full and complete statements of such provisions. Defined terms used herein have the meanings ascribed to them in APPENDIX C or the body of this Official Statement.

Loan Clauses.

(A) Loan Consummation. Subject to the conditions and in accordance with the terms of the Financing Agreement, the Corporation hereby agrees to make the Loan and the Borrower hereby agrees to accept and repay the Loan. Pursuant to Section 3.6 and as evidence of the Loan made to the Borrower, the Borrower hereby agrees to issue to or upon the order of the Corporation, and to deliver to or upon the order of the Corporation, the Borrower Bonds in the Principal Amount, bearing interest at rates and maturing at the times and in the amounts set forth in Exhibit C in accordance with the Borrower Resolution and laws applicable to the issuance of the Borrower Bonds. The definitive terms of the Loan and the Borrower Bonds shall be as set forth in the Notice of Terms (a form of which is attached to the Financing Agreement as Exhibit I) delivered by the municipal advisor for the Corporation to the Borrower.

(B) Payment to Trustee. The State customarily pays State Housing Aid in two equal installments rather than in payments allocable to the payments of the Principal Amount and interest on the Borrower Bonds. In order to ensure compliance with Section 16-7-41 of the Rhode Island General Laws and the Memorandum of Understanding, the Indenture provides for separate Debt Service Accounts to be established by each Series Indenture with respect to each Borrower for whose benefit such series of Corporation Bonds is issued. The Borrower shall appropriate and pay the full (gross) debt service payment due on the Borrower Bonds at the times set forth therein. On the dates set forth in Exhibit I, the Borrower shall pay to the Trustee for deposit in the Applicable Debt Service Account the full amount of the principal, including mandatory sinking fund installments, and interest due on the Borrower Bonds on such dates. Any amounts paid by the Borrower and held by the Trustee in the Applicable Debt Service Account on the first Business Day after the immediately succeeding interest payment date for the Corporation Bonds and not needed to pay debt service on the Corporation Bonds due on such interest payment date shall be paid by the Trustee to the Borrower, including amounts transferred pursuant to Sections 3.3(B) and 3.4 of the Financing Agreement. Subject to the Trustee's receipt from the Borrower of the full debt service payment due on the Borrower Bonds on each interest payment date, any Applicable State Housing Aid paid to the Corporation with respect to the Corporation Bonds and held by the Corporation on the first Business Day after the immediately succeeding interest payment date for the Corporation Bonds and not needed to pay debt service on the Corporation Bonds due during the current Fiscal Year, taking into account the next scheduled payment of State Housing Aid in such Fiscal Year, shall be paid by the Corporation to the Borrower. Notwithstanding the foregoing, investment earnings on the State Housing Aid held by the Corporation shall accrue to the benefit of the State and shall be paid to the State, and investment earnings on the State Basic Education Aid held by the Corporation shall be credited toward the Borrower's obligation to pay its portion of the next succeeding Borrower Bond Debt Service.

(C) Pledge and Acknowledgment. The Borrower hereby gives its General or Special Obligation Pledge to cover the payments required under the Financing Agreement. The Borrower hereby acknowledges that State Housing Aid payable by the State to cover the State's Portion of such amounts shall be paid directly to the Corporation or the Corporation's designee as provided in Chapter 7 of Title 16, and that upon the occurrence of any Event of Default under the Financing Agreement all State Housing Aid, including aid for bonds, notes or other evidences of indebtedness issued prior to or subsequent to the date of the Financing Agreement, and State Basic Education Aid shall be paid to the Corporation or to the Corporation's designee, as provided in the Memorandum of Understanding. Such General or Special Obligation Pledge set forth in Exhibit C shall be irrevocable and shall continue until the date on which the liabilities of the Corporation and the Borrower with respect to the Project have been discharged and the Borrower's Proportionate Share of the Corporation Bonds have been paid or otherwise discharged. **(Section 3.1)**

Other Amounts Payable by Borrower.

The Borrower expressly agrees to pay:

(A) Issuance and Administrative Expenses. (i) Upon the issuance and sale of the Corporation Bonds, the Corporation Fee (as defined in the Series Indenture) in an amount set forth in Exhibit C of the Financing Agreement, the SBA Statutory Fee (as defined in Exhibit C of the Financing Agreement) and the Borrower's Proportionate Share (or such other portion thereof as shall be agreed upon by the Borrower and the Corporation) of the costs and expenses of the Corporation in the preparation, sale and delivery of the Corporation Bonds, the preparation and delivery of any legal instruments and documents necessary in connection herewith and therewith and their filing and recording, if required, and all taxes and charges payable in connection with any of the foregoing, all as specified in the Notice of Terms. Such costs shall be payable from proceeds of the Corporation Bonds or from such other sources identified in Exhibit C and shall be in the amount specified in the Notice of Terms;

(ii) When due, other costs of issuance payable to consultants and attorneys utilized by the Borrower, if any, in connection with the issuance of the Borrower Bonds as set forth in the Notice of Terms; and

(iii) As such expenses are incurred, subject to appropriation by the Borrower, the amount of any Corporation expenses (including but not limited to investment losses and the reasonable fees and expenses of the Corporation, the Trustee, the owners of Corporation Bonds, and attorneys representing any of the foregoing) incurred as a result of the Borrower's failure to make any payment on the Borrower Bonds when due or failure to otherwise comply with the terms of the Financing Agreement or the Borrower Bonds.

(B) Indemnification of the Corporation. To the extent permitted by law, the Borrower agrees to indemnify, defend and hold harmless the Corporation and each member, officer and employee of the Corporation against any and all liabilities, losses, costs, damages or claims, and shall pay any and all judgments or expenses of any and all kinds or nature and however arising, imposed by law, including interest thereon, which it or any of them may sustain, be subject to or be caused to incur by reason of any claim, action, suit, charge or proceeding arising from or out of (1) the Financing Agreement, the Loan and the Project financed or refinanced hereby based on information furnished by the Borrower or actions or inactions of the Borrower in connection therewith, (2) any failure by the Borrower to deliver the Borrower Bonds to the Corporation or (3) any allegation that an official statement, prospectus, placement memorandum or other offering document prepared in connection with the sale and issuance of the Corporation Bonds contained an untrue or misleading statement of a material fact obtained from the Borrower relating to the Borrower or the Project, or omitted to state a material fact relating to the Borrower or the Project necessary in order to make the statements made therein in light of the circumstances under which they were made not misleading; provided, however, that neither the Corporation nor a member, officer or employee of the Corporation shall be released, indemnified or held harmless from any claim for damages, liability, loss, cost, damage, judgment or expense arising out of the gross negligence or willful misconduct of the Corporation, such member, officer or employee.

The Corporation agrees to give the Borrower prompt notice in writing of the assertion of any claim or the institution of each such suit, action or proceeding described above and to cooperate with the Borrower in the investigation of such claim and the defense, adjustment, settlement or compromise of any such action or proceeding. The Corporation shall not settle any such suit, action or proceeding without the prior written consent of the Borrower.

Except as provided in the following paragraph of this Section, the Borrower, at its own cost and expense, shall defend any and all suits, actions or proceedings which may be brought or asserted against the Corporation, its members, officers or employees for which the Borrower is required to indemnify the Corporation or hold the Corporation harmless pursuant to the first paragraph of this Section, but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for herein from its obligation to defend the Borrower, the Corporation and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy.

The Corporation and each member, officer or employee thereof shall, at the cost and expense of the Borrower, be entitled to employ separate counsel in any action or proceeding arising out of any alleged act or omission which occurred or is alleged to have occurred while the member, officer or employee was acting within the scope of his or her employment or duties in connection with the financing or refinancing of the Project, and to conduct the defense

thereof, in which (i) the counsel to the Borrower determines, based on his or her investigation and review of the facts and circumstances of the case, that the interests of such person and the interests of the Borrower are in conflict, or in the event such counsel determines that no conflict exists, a court of competent jurisdiction subsequently determines that such person is entitled to employ separate counsel, or (ii) such person may have an available defense which cannot as a matter of law be asserted on behalf of such person by the Borrower or by counsel employed by it, or (iii) such person may be subject to criminal liability, penalty or forfeiture, or (iv) the Borrower has consented to the employment of separate counsel or the counsel retained by the Borrower pursuant to this paragraph B is not reasonably acceptable to the Corporation, provided, however, that the Borrower shall not be liable for attorneys' fees of separate counsel so retained or any other expenses incurred in connection with the defense of an action or proceeding described in clause (iii) of this paragraph, unless the member, officer or employee shall have prevailed on the merits or such action or proceeding was dismissed or withdrawn, or an adverse judgment was reversed upon appeal, and such action or proceeding may not be recommenced. Attorney's fees of separate counsel retained in accordance with this paragraph shall be paid only upon the audit by an appropriate Borrower officer.

The indemnity of the Corporation shall remain operative and in full force and effect and shall survive the date of the closing for the Corporation Bonds. **(Section 3.2)**

Redemption of Borrower Bonds.

(A) **Redemption Provisions.** The Borrower Bonds shall be subject to redemption prior to maturity in accordance with the redemption provisions set forth in the Financing Agreement and in the Notice of Terms. The Borrower shall not, without the prior written consent of the Corporation, redeem prior to maturity any of the Borrower Bonds prior to the date on which any corresponding outstanding Corporation Bonds are redeemable.

The Borrower shall give notice of redemption of any Borrower Bonds in accordance with the provisions set forth in Exhibit C to the Financing Agreement and in the Notice of Terms.

(B) **Application of Excess Proceeds.** (i) The Borrower expressly acknowledges and agrees that, pursuant to the Master Indenture, with respect to any unspent proceeds remaining in an Applicable Construction Account established for the Borrower after completion of the Project, that such moneys shall be paid by the Trustee first, to the Applicable Arbitrage Rebate Account established for the Borrower to the extent required by Section 148 of the Code and any remainder to the Borrower Payment Account in the Applicable Debt Service Account established for the Borrower; (ii) the Borrower expressly acknowledges and agrees that, with respect to any remaining unspent proceeds of any Refunded Bonds or Notes, either (a) such proceeds are required for the completion of the Project and the Borrower will, prior to issuance of the Corporation Bonds, on or before the date specified by the Corporation, transfer any remaining unspent proceeds of the Refunded Bonds or Notes to a separate fund or account and invest such proceeds in Tax-Exempt Securities or (b) the Borrower shall apply any remaining unspent proceeds of any Refunded Bonds or Notes to be used to make the next succeeding debt service payments on any Refunded Bonds or Notes, and the Corporation Bonds will not refund that portion of any Refunded Bonds or Notes.

(C) **Costs.** The Borrower shall pay all costs and expenses of the Corporation in effecting the redemption of any Corporation Bonds prior to maturity that are so redeemed due to the redemption prior to maturity of any Borrower Bonds, including any difference in the amount of interest due on the Borrower Bonds and the amount of interest due on the Corporation Bonds. **(Section 3.3)**

Application of Loan Proceeds.

(A) To the extent the proceeds of the Loan are to be used to pay Costs of the Project or costs of issuance of Corporation Bonds or Borrower Bonds or any amounts payable to the Corporation under the Financing Agreement, the portion of the proceeds to be so used shall be held on deposit with the Trustee for the account of the Borrower. Amounts so deposited shall be invested and disbursed at the direction of the Corporation in accordance with the Indenture.

Investment earnings on such amounts shall accrue to the benefit of the Borrower and shall be transferred semi-annually on each interest payment date for the Borrower Bonds, commencing on the October 1 or April 1 following the issuance of the Borrower Bonds, to the applicable Debt Service Account established for the Borrower.

(B) To the extent the proceeds of the Loan are to be used to refund any Refunded Bonds or Notes, the Corporation shall direct the Trustee to deposit the portion of the proceeds to be so used with the trustee or paying agent for the Refunded Bonds or Notes, from which disbursements shall be made in accordance with the Escrow Agreement, if any, or the holder of the Refunded Bonds or Notes. **(Section 3.4)**

Effective Date and Term.

The date of the Financing Agreement is for reference purposes only and the Financing Agreement shall become effective upon the date of execution and delivery of the Financing Agreement by the parties thereto, shall remain in full force and effect from such date and shall expire on such date as all Corporation Bonds shall be discharged and satisfied in accordance with the provisions thereof and all obligations of the Borrower to the Corporation under the Financing Agreement are satisfied. **(Section 3.5)**

Trustee; Investment of Loan Proceeds and Borrower Bond Prepayments.

The Borrower authorizes the Trustee to invest in accordance with the instructions specified in a Written Direction of the Borrower for Investment of Loan Proceeds the form of which is attached to the Financing Agreement and otherwise in accordance with instructions of the Corporation and laws governing the investments of the Corporation and the Borrower, amounts that are held by the Trustee for the account of the Borrower in accordance with the provisions of the Indenture. The Borrower acknowledges that the Corporation and the Trustee shall not be liable or responsible for any loss, direct or indirect, resulting from any investment authorized by the Indenture and the Financing Agreement or from the redemption, sale or maturity of any such investment as therein authorized or from any depreciation in value of any such investment. Interest earnings shall be applied in accordance with the Financing Agreement to the extent applicable.

Although the Corporation and the Borrower each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, each of the Corporation and the Borrower hereby agree that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered or made available by the Trustee. **(Section 3.7)**

Authorization to Acquire Investments under Escrow Agreement, if any.

The Borrower hereby authorizes the Corporation to acquire the investments required by and to be held by the escrow agent under the Escrow Agreement, if any, including forward purchase contracts. Such investments shall be permitted investments pursuant to Rhode Island General Laws Section 45-12-5.2 or any other applicable general or special law. **(Section 3.9)**

Application of Interest Earnings.

The Corporation agrees that it will cause to be deposited in the Applicable Debt Service Account, the Borrower's Proportionate Share of the interest earned and paid, if any, on the investment of moneys in the Debt Service Fund and the Construction Fund. Pursuant to Section 5.05(2) of the Master Indenture, the Corporation hereby agrees that, so long as no event of default has occurred under the Financing Agreement, the Corporation shall direct the Trustee to pay to the Borrower semi-annually the excess amounts (as determined by the Corporation) in the Applicable Debt Service Account in the Debt Service Fund described in Section 5.05(2) of the Master Indenture. **(Section 3.10).**

Compliance with Laws and Agreements.

(A) Compliance. The Borrower agrees that the Project shall at all times during the term of any Loan be in compliance, in all material respects, with applicable federal and State laws and regulations. The Borrower will at all times construct and operate (or cause to be constructed and operated) the Project, in material compliance with all

applicable federal, State and local laws, ordinances, rules, regulations and the Financing Agreement, and with all other applicable laws and regulations to the extent necessary to ensure the availability of the Project for its intended purposes and to ensure the safety of the public in connection with the Project.

(B) Program Restrictions. Title 16, Chapters 7 and 7.2 of the Rhode Island General Laws includes conditions of, and restrictions on, the receipt of State Housing Aid and State Basic Education Aid. Under current law, school housing project costs shall include the cost of interest payments on any bond issued after July 1, 1988, provided that such bond is approved by the voters on or before June 30, 2003 or issued by a municipal public building authority or by the appropriate approving authority on or before June 30, 2003. For those projects approved after June 30, 2003, interest payments may only be included in project costs provided that the bonds for these projects are issued through the Corporation. School housing project costs shall exclude: (1) any bond issuance costs incurred by the municipality or regional school district; (2) demolition costs for buildings, facilities, or sites deemed surplus by the school committee; and (3) restrictions pursuant to Rhode Island General Laws Section 16-7-44.1. A building, facility, or site is declared surplus by a school committee when the committee no longer has such building, facility, or site under its direct care and control and transfers control to the municipality. The term of any bond, or capital lease shall not be longer than the useful life of the project and these instruments are subject to the public review and voter approval otherwise required by law for the issuance of bonds or capital leases. Cities or towns issuing bonds, or leases issued by municipal public buildings authorities for the benefit of a local community pursuant to chapter 50 of title 45 shall not require voter approval. State Housing Aid shall not be provided for the purchase of furniture, fixtures and equipment except in the case of a project to construct a new school or new school addition that is also supported by a general obligation or lease revenue bond. State Housing Aid shall not be provided for projects supported by capital lease agreements that: (1) are not lease purchase agreements; (2) do not demonstrate a direct benefit to the school or are not located on school property; and (3) do not exclude all non-capital costs such as maintenance costs prior to the request for reimbursement. If at any time during the term of the Borrower Bonds, the Project fails to qualify for State Housing Aid, the General or Special Obligation Pledge of the Borrower shall remain in full force and effect and the Borrower as set forth in Exhibit C shall continue to pay the full amount of the Loan and the full amount of the principal, premium, if any and interest on the Borrower Bonds. The Corporation and the Borrower acknowledge that payments of State Housing Aid and State Basic Education Aid by the State are subject to the annual appropriation of funds by the State for such purpose and that in the event the State should fail to appropriate State Housing Aid for the Project, the Borrower is required to pay the full amount of the Loan and the full amount of the principal, premium, if any, and interest on the Borrower Bonds. In the event that the Borrower fails to pay such amounts, the Corporation may take steps under the Memorandum of Understanding to have all State Housing Aid, including aid for bonds, notes or other evidence of indebtedness issued prior to or subsequent to the date of the Financing Agreement, and State Basic Education Aid, to be paid to the Corporation or to the Corporation's designee in satisfaction of the Loan and the Borrower Bonds. (Section 4.1)

No Warranty Regarding Condition, Suitability or Cost of Project.

The Corporation makes no warranty, either express or implied, as to the Project or its condition or that it will be suitable for the Borrower's purposes or needs, or that the proceeds of the Loan will be sufficient to pay or refinance the costs of the Project. Nothing in the Financing Agreement shall relieve the Borrower of its responsibility to properly plan, design, build and effectively operate and maintain the Project as required by laws, regulations and permits. The Borrower acknowledges and agrees that neither the Corporation nor its representatives are responsible for increased costs resulting from defects in the plans, design drawings and specifications or other Project documents. Nothing in this section prohibits the Borrower from requiring more assurances, guarantees, or indemnity or other contractual requirements from any party performing work on the Project. (Section 4.2)

Construction of Project.

(A) Construction. To the extent, if any, that the Project is not yet complete, the Borrower agrees to diligently pursue the expeditious completion of the Project.

(B) Completion Certificate. To the extent, if any, that the Project or any portion thereof is not yet complete as of the date of the Financing Agreement, the Borrower shall deliver to the Corporation a certificate of the Borrower stating that the Project (or any portion thereof then complete for the purpose of State Housing Aid payments) in accordance with the Financing Agreement within seven (7) Business Days following such completion. If the

Borrower has not delivered to the Corporation the Completion Certificate for the Project (or all portions of the Project financed by the Bonds) has been completed within three years after the date of issuance of the Corporation Bonds, the Corporation shall deem the Project (or portion thereof) complete on the date the Borrower receives State Housing Aid for the Project or portion of the Project. The Corporation shall be entitled to rely on and treat any certificate of completion/substantial completion delivered to the Rhode Island Department of Elementary and Secondary Education of the State as the Completion Certificate required under the Financing Agreement. **(Section 4.3)**

Application of Loan Proceeds.

The Borrower shall apply the proceeds of the Loan solely to finance or refinance Project costs or to refund the Refunded Bonds or Notes, if any, as provided in the Escrow Agreement, if any, and to pay costs of issuance as set forth in Schedule A to Exhibit I. **(Section 5.1)**

Tax Covenant.

The Borrower covenants that it shall not take any action or inaction, nor fail to take any action or permit any action to be taken, with respect to the Project or the portion of the proceeds of the Corporation Bonds made available to it as part of the Loan including amounts treated as proceeds of the Corporation Bonds for any purpose of Section 103 of the Code, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Corporation Bonds under Section 103 of the Code. This provision shall control in case of conflict or ambiguity with any other provision of the Financing Agreement. Without limiting the generality of the foregoing, the Borrower covenants that it will comply with the instructions and requirements of the Borrower Tax Certificate. The Borrower covenants that it shall not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction, which would cause the Corporation's Bonds to be "private activity bonds", "private loan bonds," "arbitrage bonds" or "advance refunding bonds" within the meaning of Sections 141, 148 or 149 of the Code. The Borrower (or any related party within the meaning of Treasury Regulation Section 1.150-1(b)) shall not, pursuant to an arrangement, formal or informal, purchase Corporation Bonds in an amount related to the amount of any obligation to be acquired from the Borrower by the Corporation. The Borrower will, on a timely basis, provide the Corporation with all necessary information to enable the Corporation to comply with the arbitrage and rebate requirements of the Code. **(Section 5.2)**

Payment of Borrower Bonds.

The Borrower covenants and agrees that it shall duly and punctually pay or cause to be paid the principal installments or redemption price of its Borrower Bonds and the interest thereon, at the dates and places and in the manner stated in such Borrower Bonds and in accordance with Section 3.1 of the Financing Agreement and that such obligation shall not be subject to any defense (other than payment) or any rights of setoff, recoupment, abatement, counterclaim or deduction and shall be without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Corporation, the Trustee or the owner of any Corporation Bond. **(Section 5.4)**

Actions Regarding State Housing Aid and Basic Education Aid and State Basic Education Aid.

The Borrower covenants and agrees that it shall submit to the State all documentation required by the State as a condition to the payment of any State Housing Aid and, if applicable, State Basic Education Aid, in sufficient time to permit such aid to be paid to the Trustee, as the Corporation's designee, on its scheduled payment date. The Borrower covenants and agrees to comply with all legal and regulatory requirements to maintain State Housing Aid and State Basic Education Aid with respect to the Project during the term of the Financing Agreement. **(Section 5.5)**

Defaults.

An "event of default" or a "default" shall mean, whenever they are used in the Financing Agreement, any one or more of the following events:

(a) Failure by the Borrower to pay or cause to be paid when due the amounts to be paid under the Borrower Bonds;

(b) Failure by the Borrower to pay or to cause to be paid when due any other payment required to be made under the Financing Agreement which failure continues for a period of thirty (30) days after payment thereof was due, provided that written notice thereof shall have been given to the Borrower not less than thirty (30) days prior to the due date thereof;

(c) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraphs (a) and (b) of this Section, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower by the Corporation or such longer period, as is required to cure such default, if by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the Borrower has within such thirty (30) day period commenced to take appropriate actions to remedy such failure and is diligently pursuing such actions;

(d) Any representation or warranty of the Borrower contained in the Financing Agreement shall have been at the time it was made untrue in any material respect; or

(e) The Borrower shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the Borrower shall authorize any of the actions set forth above in this subparagraph (e). **(Section 6.1)**

Remedies.

Whenever any event of default referred to in the Financing Agreement shall have happened and be continuing, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Financing Agreement, including requiring payment to the Trustee of any public funds otherwise payable to the Borrower by the State as provided in the Memorandum of Understanding, the exercise of any remedy authorized by the Rhode Island General Laws with respect to obtaining payment on the Borrower Bonds and any other administrative enforcement action and actions for breach of contract. **(Section 7.1)**

No Remedy Exclusive.

No remedy is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Financing Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it under the Financing Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required. **(Section 7.2)**

Waiver and Non-Waiver.

In the event any agreement contained in the Financing Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Financing Agreement. No delay or omission by the Corporation to exercise any right or power accruing upon default shall impair any right or power or shall be construed to be a waiver of any such default or acquiescence therein. **(Section 7.3)**

Amendments, Supplements and Modifications.

The Financing Agreement shall not be amended, supplemented or modified except by a written instrument executed by the Corporation and the Borrower upon the Corporation's compliance with the provisions of the Master Indenture and upon the consent of the Credit Facility Provider, if any. **(Section 8.5)**

Further Assurances; Disclosure of Financial Information, Operating Data and Other Information.

(A) The Borrower shall, at the request of the Corporation, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be deemed necessary or desirable by the Corporation, in its sole discretion, for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by the Financing Agreement and the Borrower Bonds. The Borrower also agrees to furnish to the Corporation such additional information concerning the financial condition of the Borrower as the Corporation may from time to time reasonably request.

(B) Without limiting the generality of the foregoing, the Borrower agrees to comply with the terms of the Continuing Disclosure Agreement.

(C) If and so long as the offering of the Corporation Bonds continues (a) the Borrower will furnish such information with respect to itself as the Underwriter may from time to time reasonably request and (b) if any event relating to the Borrower shall occur as a result of which it is necessary, in the opinion of Bond Counsel to the Corporation, General Counsel of the Corporation or counsel for such Underwriter, to amend or supplement the Official Statement of the Corporation used in connection with the offering of the Corporation Bonds in order to make such information not misleading in light of the circumstances then existing, the Borrower will forthwith prepare and furnish to the Corporation and the Underwriter such information relating to the Borrower as may be necessary to permit the preparation of an amendment of or supplement to such Official Statement (in form and substance satisfactory to the Bond Counsel to the Corporation and counsel for the Underwriter) which will amend or supplement such Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances then existing, not misleading. Unless the Borrower shall have been notified to the contrary in writing by the Corporation or the Underwriter, the Borrower shall be entitled to presume that the offering by the Corporation and that its obligations under this paragraph shall have ceased twenty-five (25) days after the date of delivery of the Corporation Bonds. **(Section 8.10)**

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE SERIES 2026 C INDENTURE

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SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE SERIES INDENTURE

The following is a brief summary of certain provisions of the Master Indenture and the Series Indenture. Such summary does not purport to be complete and reference is made to the Master Indenture for full and complete statements of such provisions. Defined terms used herein have the meanings ascribed to them in APPENDIX C or the body of this Official Statement.

Master Indenture, the Series Indentures, and the Bonds Constitute Separate Contracts.

It is the intent of the Master Indenture to authorize the issuance by the Corporation, from time to time, of its revenue bonds in one or more Series, each such Series to be authorized by a separate Applicable Series Indenture and, *inter alia* to be separately secured from each other Series of Bonds. Each such Series of Bonds shall be separate and apart from any other Series of Bonds authorized by a different Series Indenture and the Holders of Bonds of such Series shall not be entitled to the rights and benefits conferred upon the Holders of Bonds of any other Series of Bonds by the respective Series Indenture authorizing such Series of Bonds. With respect to each Applicable Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of an Applicable Series authorized to be issued under the Master Indenture and the Applicable Series Indenture by those who shall hold or own the same from time to time, the Master Indenture and the Applicable Series Indenture shall be deemed to be and shall constitute a contract among the Corporation, the Trustee and the Holders from time to time of the Bonds of an Applicable Series, and the pledge and assignment made in the Master Indenture and the covenants and agreements set forth to be performed by or on behalf of the Corporation shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds of such Series, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bonds of a Series over any other Bonds of such Series except as expressly provided in the Master Indenture or permitted thereby or by the Applicable Series Indenture. **(Section 1.03)**

Authorization of Bonds.

The Bonds are authorized pursuant to the Master Indenture and each Applicable Series shall be issued as provided therein. The Bonds of each Series shall be special obligations of the Corporation payable solely from the Revenues pledged for the payment thereof and all funds and accounts (excluding the Applicable Arbitrage Fund and the Applicable Administrative Fund) authorized by the Master Indenture and established by the Applicable Series Indenture, all in the manner more particularly provided in the Master Indenture. The aggregate principal amount of Bonds of a Series which may be executed, authenticated and delivered is not limited except as provided in the Master Indenture and the Applicable Series Indenture.

The Bonds of each Series of the Corporation shall not be a debt of the State, nor shall the State be liable thereon, nor shall the Bonds be payable out of any funds other than those of the Corporation pledged by the Master Indenture to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on such Series of Bonds. **(Section 2.01)**

Additional Obligations.

The Corporation reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate indentures or agreements of the Corporation, so long as such bonds, notes or other obligations are not, or such other indebtedness is not entitled to a charge, lien or right prior or equal to the charge or lien created by the Master Indenture and pursuant to an Applicable Series Indenture, or prior or equal to the rights of the Corporation and Holders of an Applicable Series of Bonds provided by the Master Indenture or with respect to the moneys pledged thereunder or pursuant to an Applicable Series Indenture. **(Section 2.05)**

Authorization of Redemption.

Bonds subject to redemption prior to maturity pursuant to the Master Indenture or to a Series Indenture shall be redeemable, in accordance with the Master Indenture, at such times, at such Redemption Prices and upon such terms as may otherwise be specified therein or in the Applicable Series Indenture authorizing such Series. **(Section 4.01)**

Redemption at the Election or Direction of the Corporation.

The Series, maturities and principal amounts thereof to be redeemed at the election or direction of the Corporation shall be determined by the Corporation in its sole discretion, subject to any limitations with respect thereto contained in the Master Indenture or in the Series Indenture authorizing such Series. Such notice shall be given to the Trustee at least sixty (60) days prior to the date on which such Bonds are to be redeemed, or such lesser number of days as shall be acceptable to the Trustee. **(Section 4.02)**

Selection of Bonds to Be Redeemed.

Unless otherwise provided in the Series Indenture authorizing the issuance of Bonds of a Series, in the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee shall assign to each Outstanding Bond of the Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as provided in the Master Indenture) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued shall be redeemed as shall equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected. For purposes of this paragraph, the lowest denomination in which a Capital Appreciation Bond is authorized to be issued shall be the lowest Accreted Value authorized to be due at maturity on such Bonds, and the lowest denomination in which a Deferred Income Bond is authorized to be issued shall be the lowest Appreciated Value on the Interest Commencement Date authorized for such Bonds. **(Section 4.04)**

Notice of Redemption.

Whenever Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Bonds in the name of the Corporation which notice shall specify: (i) the Bonds to be redeemed which shall be identified by the designation of the Bonds given in accordance with the Master Indenture, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) with respect to each such Bond, the principal amount thereof to be redeemed; (vi) the date of publication, if any, of the notice of redemption; (vii) that, except in the case of Book-Entry Bonds, such Bonds will be redeemed at the principal corporate office of the Trustee giving the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; and (viii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on a Bond or as contained in such notice shall not affect the validity of the proceedings for redemption. Any notice of redemption, unless moneys shall be received by the Trustee prior to giving such notice sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed, may state that such redemption shall be conditional upon the receipt of such moneys by, the Trustee by 1:00 P.M. (New York time) on the date fixed for redemption. If such moneys shall not have been so received said notice shall be of no force and effect, the Corporation shall not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest thereon shall cease to accrue. Such notice, unless the Bonds are Book-Entry Bonds, shall be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Indenture

authorizing such Bonds, but in no event less than fifteen (15) days prior to the redemption date. Such notice, unless the Bonds are Book-Entry Bonds, shall be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee shall promptly certify to the Corporation that it has mailed or caused to be mailed such notice to the Holders of the Bonds to be redeemed in the manner provided in the Master Indenture. Such certificate shall be conclusive evidence that such notice was given in the manner required by the Master Indenture. The failure of any Holder of a Bond to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Bonds. If directed in writing by an Authorized Officer of the Corporation, the Trustee shall also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Indenture authorizing such Bonds, but in no event less than fifteen (15) days prior to the redemption date; provided, however, that such publication shall not be a condition precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

The Trustee shall (i) if any of the Bonds to be redeemed are Book-Entry Bonds, mail a copy of the notice of redemption to the Depository for such Book-Entry Bonds not less than thirty-five (35) days prior to the redemption, but, if notice of redemption is to be published as aforesaid, in no event later than five (5) Business Days prior to the date of publication, and (ii) mail a copy of the notice of redemption to Kenny Information Systems Notification Service and to Standard & Poor's Called Bond Record, in each case at the most recent address therefor, or to any successor thereof. Such copies shall be sent by certified mail, return receipt requested, but mailing such copies shall not be a condition precedent to such redemption and failure to so mail or of a person to which such copies were mailed to receive such copy shall not affect the validity of the proceedings for the redemption of the Bonds. **(Section 4.05)**

Payment of Redeemed Bonds.

Notice having been given by mail in the manner provided in the Master Indenture, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, upon presentation and surrender of such Bonds, other than a Book-Entry Bond which has been called for redemption in part, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. Payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bonds are surrendered to the Trustee, directed in writing the Trustee to wire such Redemption Price. If there shall be drawn for redemption less than all of the principal amount of a registered Bond, the Corporation shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Bond so surrendered, Bonds of like Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid, then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding under the Master Indenture. If such moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. **(Section 4.06)**

Pledge of Revenues.

The proceeds from the sale of an Applicable Series of Bonds, the Applicable Revenues, the Applicable State Housing Aid to the extent received by the Corporation with respect to Applicable Borrower Bonds, the Applicable State Basic Education Aid to the extent received by the Corporation with respect to the Applicable Borrower Bonds, and all funds authorized by the Master Indenture and established pursuant to an Applicable Series Indenture, other than an Applicable Arbitrage Rebate Fund and the Applicable Administrative Fund, are subject to the provisions of

an Applicable Series Indenture, pledged and assigned to the Trustee as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Applicable Series of Bonds and as security for the performance of any other obligation of the Corporation under the Master Indenture and under an Applicable Series Indenture with respect to such Series, all in accordance with the provisions thereof. The pledge made by the Master Indenture, subject to the provisions of an Applicable Series Indenture, shall relate only to the Bonds of an Applicable Series authorized by such Series Indenture and no other Series of Bonds and such pledge shall not secure any such other Series of Bonds. The pledge made by the Master Indenture is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Applicable Series of Bonds, the Applicable Revenues, the Applicable State Housing Aid to the extent received by the Corporation with respect to Applicable Borrower Bonds, the Applicable State Basic Education Aid, to the extent received by the Corporation with respect to the Applicable Borrower Bonds, and all funds and accounts established by the Master Indenture and pursuant to the Applicable Series Indenture which are pledged pursuant by the Master Indenture and pursuant to the Applicable Series Indenture shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Corporation irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds of each Applicable Series shall be special obligations of the Corporation payable solely from and secured by a pledge of the proceeds from the sale of such Series of Bonds, the Applicable Revenues, the Applicable State Housing Aid to the extent received by the Corporation with respect to Applicable Borrower Bonds, the Applicable State Basic Education Aid, to the extent received by the Corporation with respect to the Applicable Borrower Bonds, and the funds established by the Master Indenture and pursuant to the Applicable Series Indenture, which pledge shall constitute a first lien thereon. Notwithstanding the foregoing, interest earnings on the Debt Service Fund held by the Trustee and properly allocable to one Borrower may not be used to make up a deficiency caused by the failure of another Borrower to pay its Basic Debt Service Payment. **(Section 5.01)**

Establishment of Funds.

Unless otherwise provided by the Applicable Series Indenture, the following funds are authorized to be established, held and maintained for each Applicable Series by the Trustee under the Applicable Series Indenture separate from any other funds established and maintained pursuant to any other Series Indenture:

Construction Fund;
Debt Service Fund;
Arbitrage Rebate Fund; and
Administrative Fund.

Accounts and sub-accounts within each of the foregoing funds may from time to time be established in accordance with an Applicable Series Indenture or upon the direction of the Corporation. In addition, an Applicable Series Indenture may provide for the establishment of additional funds. All moneys at any time deposited in any fund created by the Master Indenture, other than the Applicable Arbitrage Rebate Fund and the Applicable Administrative Fund, shall be held in trust for the benefit of the Holders of the Applicable Series of Bonds, but shall nevertheless be disbursed, allocated and applied solely in connection with Applicable Series of Bonds for the uses and purposes provided therein. **(Section 5.02)**

Application of Bond Proceeds and Allocation Thereof.

Upon the receipt of proceeds from the sale of a Series of Bonds, the Corporation shall apply such proceeds as specified in the Master Indenture and in the Series Indenture authorizing such Series. Accrued interest, if any, received upon the delivery of a Series of Bonds shall be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Indenture authorizing such Series. **(Section 5.03)**

Application of Moneys in the Construction Fund.

A separate Construction Fund shall be established by each Series Indenture and separate Construction Accounts shall be established therein with respect to each Borrower for whose benefit such Series of Bonds is issued. As soon as practicable after the delivery of each Series of Bonds, there shall be deposited in each Applicable Construction Account the amount required to be deposited therein pursuant to the Series Indenture authorizing such

Series. In addition, the Corporation shall deposit in the Applicable Construction Account any moneys paid to the Corporation pursuant to the Master Indenture.

Except as otherwise provided in the Master Indenture and in any applicable Series Indenture, moneys deposited in the Applicable Construction Account shall be used only to pay the Borrower's Allocable Portion of the costs of issuance of the Applicable Bonds and the Costs of the Applicable Project.

Consistent with the provisions of the Applicable Agreement, payments from the Applicable Construction Account shall be made by the Corporation upon the filing in the records of the Corporation of, and in accordance with, a requisition signed by an Authorized Officer of the Applicable Borrower and acknowledged by an Authorized Officer of the Corporation, stating with respect to each payment to be made (i) the names of the payees, (ii) the purpose for which payment is to be made in terms sufficient for identification, (iii) the respective amount of each such payment and (iv) that such purpose constitutes a proper purpose for which moneys in the Construction Account may be applied and has not been the basis of any previous withdrawal from the Construction Account. Notwithstanding the provisions of this subdivision: (x) moneys in the Applicable Construction Account to be applied to pay interest on Bonds shall be transferred from the Applicable Construction Account to the Debt Service Fund at such times and in such amounts as shall be determined by an Authorized Officer of the Corporation; and (y) if permitted by the Applicable Agreement, be paid to the Borrower for deposit in an account established by the Borrower.

An Applicable Project shall be deemed to be complete (a) upon delivery to the Corporation and the Trustee of a certificate signed by an Authorized Officer of the Borrower which certificate shall be delivered as soon as practicable after the date of completion of such Project or (b) upon delivery to the Borrower and the Trustee of a certificate of the Corporation which certificate may be delivered at any time after completion of such Project. Each such certificate shall state that such Project has been completed substantially in accordance with the plans and specifications, if any, applicable to such Project and that such Project is ready for occupancy, and, in the case of a certificate of an Authorized Officer of such Borrower, shall specify the date of completion.

Upon receipt by the Trustee of the certificate required pursuant to this subdivision, the moneys, if any, then remaining in the Applicable Construction Account, after making provision in accordance with the direction of the Corporation for the payment of the Borrower's Allocable Portion of any costs of issuance of an Applicable Series of Bonds and Costs of an Applicable Project then unpaid, shall be paid by the Trustee as follows and in the following order of priority:

First: To the Applicable Arbitrage Rebate Fund, the amount determined by the Corporation to be required to be deposited therein as the Allocable Portion of the Applicable Borrower, and;

Second: To the Applicable Borrower Debt Service Account of the Applicable Debt Service Fund, to be applied in accordance with the Master Indenture, any balance remaining.

Following the occurrence and during the continuation of an Event of Default under an Applicable Agreement, the Corporation may, in its sole discretion, transfer moneys in the Applicable Construction Account to the Trustee for application pursuant to the provisions of the Master Indenture. **(Section 5.04)**

Deposit of Revenues and Allocation Thereof.

The Applicable Revenues and any other moneys which, by any of the provisions of the Applicable Agreement, are required to be deposited in each Applicable Debt Service Fund, shall upon receipt by the Trustee be deposited to the credit of the Applicable Debt Service Fund. Pending application under the Master Indenture, State Housing Aid and State Basic Education Aid received by the Corporation pursuant to the Memorandum of Understanding shall be deposited by the Corporation in the State Aid Custody Account. In the event that the Trustee has not received a Basic Debt Service Payment forty-five (45) days prior to any Interest Payment Date, the Trustee shall, within two (2) Business Days, give notice of such non-payment to the Corporation, and the Corporation shall take all further action required under the Memorandum of Understanding to assure payment of such deficiency. The Corporation shall direct the Custodian to pay the Applicable State Housing Aid and the State Basic Education Aid in the State Custody Account, with respect to Applicable Borrower Bonds for which there is a deficiency, to the Applicable Debt Service Fund to the extent necessary to pay any such deficiency. To the extent not required to pay, (a) each Borrower's Allocable Portion of the interest becoming due on Outstanding Bonds of the Applicable Series

on the next succeeding Interest Payment Date of such Bonds; (b) each Borrower's Allocable Portion of the amount necessary to pay the principal and Sinking Fund Installments becoming due on the Applicable Series of Outstanding Bonds on Interest Payment Date; and (c) moneys which are required or have been set aside for the redemption of Bonds of the Applicable Series, moneys in the Applicable Debt Service Fund shall be paid by the Trustee on or before the business day preceding each Interest Payment Date to the Corporation to the extent necessary to pay the fees and expenses described in the following sentence. Unless such expenditures are otherwise paid, such amounts as are payable to the Corporation relating to such Series for: (i) any expenditures of the Corporation for fees and expenses of auditing, and fees and expenses of the Applicable Trustee and Paying Agents, as required by the Master Indenture, (ii) all other expenditures reasonably and necessarily incurred by the Corporation in connection with the financing of the Applicable Project, including expenses incurred by the Corporation to compel full and punctual performance of all the provisions of the Applicable Agreement in accordance with the terms thereof, and (iii) any fees of the Corporation, but only upon receipt by the Trustee of a certificate of the Corporation, stating in reasonable detail the amounts payable to the Corporation pursuant to this clause (iii). After making the payments required by the preceding sentence, the Custodian shall retain any balance remaining in the State Aid Custody Account on November 15 of each year to be credited toward the State's obligation to pay the State's Portion of the next succeeding Borrower Bond debt service payment on April 1.

After making the payments required by subdivision 1 of this Section, on June 15 of each year, the Corporation shall direct the Custodian to pay balances remaining in the State Aid Custody Account, excluding investment earnings, to each of the Applicable Borrowers, in such amounts, if any, as set forth in such direction, free and clear of any pledge, lien, encumbrance or security interest created hereby or by any of the Agreements, provided that the Corporation shall not direct the Custodian to pay any such money to a Borrower that is in default in the payment of its Basic Debt Service.

On June 15 of each year, the Corporation shall direct the Custodian to pay to the Rhode Island Department of Elementary and Secondary Education, the investment earnings on State Housing Aid and State Basic Education Aid in the State Aid Custody Account. The Custodian shall provide to the Corporation and the Rhode Island Department of Elementary and Secondary Education, records which show the calculation of interest earnings. **(Section 5.05)**

Debt Service Fund.

Separate Debt Service Accounts shall be established by each Series Indenture with respect to each Borrower for whose benefit such Series of Bonds is issued. The Trustee shall on or before the Business Day preceding each Interest Payment Date pay to itself and any other Paying Agent out of the Applicable Debt Service Fund:

- (a) each Borrower's Allocable Portion of the interest due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date;
- (b) each Borrower's Allocable Portion of the principal amount due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date; and
- (c) each Borrower's Allocable Portion of the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date.

The amounts paid out pursuant to (a), (b) and (c) above are irrevocably pledged to and applied to such payments.

After making the payments required by subdivision 1 of this Section, any balance remaining in the Applicable Debt Service Account shall be paid by the Trustee upon and in accordance with the direction of the Corporation, free and clear of any pledge, lien, encumbrance or security interest created hereby or by any of the Agreements; provided that the Trustee shall not pay any such money to a Borrower in the event that such money is allocable to a Borrower that is in default in the payment of its Basic Debt Service.

Except as provided in the previous sentence, moneys in the Applicable Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds of the Applicable Series payable during the next succeeding Bond Year, the interest on Outstanding Bonds of the Applicable Series payable on and prior to the next succeeding Interest Payment Date assuming that Variable Interest Rate Bonds will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, shall be paid or applied by the Trustee in accordance with the direction of an Authorized Officer of the Corporation (i) to the purchase of Outstanding Bonds of the Applicable Series at purchase prices not exceeding the Redemption Price applicable on the next Interest Payment Date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Corporation shall direct or (ii) to the redemption of Bonds of the Applicable Series as provided in the Master Indenture; at the Redemption Prices specified in the Applicable Series Indenture authorizing the issuance of the Bonds to be redeemed or Applicable Bond Series Certificate relating to such Bonds.

Except as previously provided in this paragraph, the Corporation may, at any time subsequent to the first day of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with moneys on deposit in the Applicable Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds of the Applicable Series to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased shall be cancelled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Corporation. The principal amount of each Term Bond so cancelled shall be credited against the Sinking Fund Installment due on such date; provided, however, that such Term Bond is cancelled by the Trustee prior to the date on which notice of redemption is given. **(Section 5.07)**

Administrative Fund.

Amounts on deposit in the Administrative Fund shall be available for use by the Corporation for administrative expenses and for any other lawful purpose. Amounts in the Administrative Fund shall not be pledged to Bondholders. **(Section 5.08)**

Arbitrage Rebate Fund.

The Arbitrage Rebate Fund shall be maintained by the Trustee as a fund separate from any other fund established and maintained under the Master Indenture. The Trustee shall deposit to the Applicable Arbitrage Rebate Fund any moneys delivered to it by the Applicable Borrowers for deposit therein and, notwithstanding any other provisions of the Master Indenture, shall transfer to the Applicable Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Corporation, moneys on deposit in any other funds held by the Trustee under the Master Indenture at such times and in such amounts as shall be set forth in such directions. Within the Arbitrage Rebate Fund, the Trustee shall maintain such accounts as shall be required by the Corporation in order to comply with the terms and requirements of the Tax Certificate. All money at any time deposited in the Arbitrage Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the Treasury Department of the United States of America, and the Corporation or the owner of any Bonds shall not have any rights in or claim to such money. All amounts deposited into or on deposit in the Arbitrage Rebate fund shall be governed by the Master Indenture and by the Tax Certificate. The Trustee shall be deemed conclusively to have complied with the requirements of the Master Indenture and with such provisions of the Tax Certificate if it follows the directions of an Authorized Officer of the Corporation including supplying all necessary written information in the manner provided in the Tax Certificate and shall have no liability or responsibility for compliance (except as specifically set forth in the Master Indenture or in the Tax Certificate) or to enforce compliance by the Corporation with the terms of the Tax Certificate.

Upon the written direction of the Corporation, the Trustee shall deposit in the Arbitrage Rebate Fund funds received from the Corporation, so that the balance of the amount on deposit thereto shall be equal to the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Corporation in accordance with the Tax Certificate.

The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to the Master Indenture, other than from moneys held in the funds and accounts created under the Master Indenture or from other moneys provided to it by the Corporation.

The Trustee shall invest all amounts held in the Arbitrage Rebate Fund as provided in written directions of the Corporation. The Corporation, in issuing such directions, shall comply with the restrictions and instructions set forth in the Tax Certificate. Moneys may only be applied from the Arbitrage Rebate Fund as provided in the Master Indenture.

The Trustee, upon the receipt of written instructions and certification of the Rebate Requirement from an Authorized Officer of the Corporation, shall pay the amount of such Rebate Requirement to the Treasury Department of the United States of America, out of amounts in the Arbitrage Rebate Fund, as so directed.

Notwithstanding any other provisions of the Master Indenture, the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of the Master Indenture and the Tax Certificate shall survive the defeasance or payment in full of the Bonds. **(Section 5.09)**

Application of Moneys in Certain Funds for Retirement of Bonds.

Notwithstanding any other provisions of the Master Indenture, if at any time the amounts held in the Applicable Debt Service Fund, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of the Applicable Series and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to the Master Indenture for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Corporation may (i) direct the Trustee to redeem, all such Outstanding Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Master Indenture and by each Applicable Series Indenture as provided in the Master Indenture, or (ii) give the Trustee irrevocable instructions in accordance with the Master Indenture and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance therewith. **(Section 5.10)**

Transfer of Investments.

Whenever moneys in any fund or account established under an Applicable Series Indenture are to be paid in accordance with the Master Indenture to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made; provided, however, that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund. **(Section 5.11)**

Security for Deposits.

All money held by the Trustee or the Paying Agent under the Master Indenture in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall, unless the unsecured general obligations of the Trustee or Paying Agent holding the money are rated in either of the two highest rating categories (without regard to subcategories) by each Rating Agency, be continuously secured by the Trustee, for the benefit of the Corporation and the Holders of the Applicable Series of Bonds in any manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; *provided, however*, that is shall not be necessary for the Trustee or Paying Agent to give security for the deposit of any moneys with them under the provisions of the Master Indenture and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any money which shall be represented by Permitted Investments purchased under the provisions of the Master Indenture as an investment of such money. Any banking account (other than a Permitted Investment) to which money credited to the Debt Service Fund is credited shall be (1) maintained in the name of the Trustee and (2) either (a) maintained with a federal or state-chartered depository institution or trust company that has an S&P short-term debt rating of at least "A-2" (or, if no short-term debt rating, a long-term debt rating of "BBB+") or (b) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal

Regulation Section 9.10(b), which in either case described in this clause (b), has corporate trust powers. In the event that any such account no longer satisfies Clause (2) of the preceding sentence, the Trustee shall promptly (and, in any case within not more than 30 calendar days) move the balance of such account to another account with another financial institution that satisfies such Clause (2). **(Section 6.01)**

Investment of Funds and Accounts Held by the Trustee.

Moneys held under the Master Indenture by the Trustee in accounts in the Construction Fund and the Debt Service Fund shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Applicable Borrower given or confirmed in writing, signed by an Authorized Officer of the Applicable Borrower. Moneys held Under the Master Indenture by the Trustee in the Arbitrage Rebate Fund and the Administrative Fund shall, as nearly as practicable, be invested by the Trustee upon the direction of the Corporation given or confirmed in writing, signed by an Authorized Officer of the Corporation. Moneys held under the Master Indenture shall be invested in Government Obligations, Federal Agency Obligations, Exempt Obligations, and any other Permitted Investment; provided, however, that each such investment shall permit the moneys so deposited or invested to be available for use at the times at which the Applicable Borrower or the Corporation, as applicable, reasonably believes such moneys will be required for the purposes of the Master Indenture; provided, further, that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to 102% of the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Corporation, and (z) the Permitted Collateral shall be free and clear of claims of any other person. The Trustee may request an opinion of counsel to the effect that the Permitted Collateral being delivered to or held by the Trustee satisfies the conditions set forth in the Master Indenture.

Permitted Investments purchased as an investment of moneys in any fund or account held by the Trustee under the provisions of the Master Indenture shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

In computing the amount in any fund or account held by the Trustee under the provisions of the Master Indenture, each Permitted Investment shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

Notwithstanding anything to the contrary in the Master Indenture, the Corporation with respect to the Administrative Fund and the Arbitrage Rebate Fund or the Applicable Borrower, with respect to the Construction Fund and the Debt Service Fund in its discretion, may direct in writing the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Master Indenture and the proceeds thereof may be reinvested as provided in the Master Indenture. Except as otherwise provided in the Master Indenture, the Trustee shall sell or present for redemption or exchange, any investment held by it pursuant thereto whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Corporation, and, upon the written request of a Facility Provider, such Facility Provider, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Master Indenture and of the details of all investments held for the credit of each fund and account in its custody under the provisions thereof as of the end of the preceding month and as to whether such investments comply with the provisions of the Master Indenture. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

No part of the proceeds of any Series of Bonds or any other funds of the Corporation shall be used directly or indirectly to acquire any securities or investments the acquisition of which would cause any Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code. **(Section 6.02)**

Payment of Principal and Interest.

The Corporation shall pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the date and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof. **(Section 7.01)**

Accounts and Audits.

The Corporation shall keep proper books of record and accounts (separate from all other records and accounts), which may be kept on behalf of the Corporation by the Trustee, in which complete and correct entries shall be made of its transactions relating to each Applicable Series of Bonds, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Corporation, shall be subject to the inspection of the Applicable Borrowers, the Trustee or of any Holder of a Bond of the Applicable Series or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Corporation, each Facility Provider, and the Applicable Borrowers. Such report shall include at least a statement of all funds and accounts (including investments thereof) held by the Trustee and the Corporation pursuant to the provisions of the Master Indenture and of each Applicable Series Indenture, a statement of the Applicable Revenues collected from each Applicable Borrower in connection therewith and with each Applicable Series Indenture; and complete and correct entries of all transactions relating to an Applicable Series of Bonds. A copy of such report, shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond of the Applicable Series or any beneficial owner of a Book-Entry Bond of the Applicable Series requesting the same. **(Section 7.05)**

Creation of Liens.

Except as permitted by the Master Indenture, the Corporation shall not create or cause to be created any lien or charge prior or equal to that of the Bonds of an Applicable Series on the proceeds from the sale of such Bonds, the Applicable Revenues, the Applicable State Housing Aid, the Applicable State Basic Education Aid or the funds and accounts established by the Master Indenture and pursuant to the Applicable Series Indenture which are pledged by the Master Indenture; provided, however, that nothing contained in the Master Indenture shall prevent the Corporation from issuing bonds, notes or other obligations under another and separate indenture so long as the charge or the lien created by such indenture is not prior or equal to the charge or lien created by the Master Indenture; and provided further, that if the Corporation shall have issued more than one Series of Bonds for the benefit of a Borrower and the amounts pledged under the Applicable Agreements are insufficient to pay in full all Basic Debt Service Payments then due under all of the Agreements to which such Borrower is a party, then the General Treasurer shall pay a proportionate share of such available State Housing Aid with respect to other bonds or evidences of indebtedness issued by the Borrower to the Trustee for each Series of Bonds and shall pay over available State Basic Education Aid, all as provided in the Memorandum of Understanding. **(Section 7.06)**

Enforcement of Obligations of the Borrowers.

Pursuant to the Applicable Agreement and the Applicable Borrower Bonds, the Corporation shall take all legally available action to cause a Borrower to perform fully its obligation to pay the Basic Debt Service Payment and other amounts which under the Applicable Agreement are to be paid to the Trustee, in the manner and at the times provided in the Applicable Agreement provided, however, that the Corporation may delay, defer or waive enforcement of one or more provisions of said Agreement (other than provisions requiring the payment of moneys to the Trustee for deposit to any fund or account established under the Master Indenture) if the Corporation determines such delay, deferment or waiver will not materially adversely affect the interests of the Holders of the Bonds of a Series. **(Section 7.07)**

Amendment, Change, Modification or Waiver of Agreement.

An Applicable Agreement (and the related Applicable Borrower Bonds) may not be amended, changed, modified, altered or terminated so as to materially adversely affect the interest of the Holders of the Outstanding Bonds of the Applicable Series without the prior written consent of the Holders of at least a majority in aggregate principal amount of such Bonds then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any Applicable Series remain Outstanding, the consent of the Holders of such

Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds of the Applicable Series under the Master Indenture; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of such Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the Borrower under the Applicable Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Except as otherwise provided in the Master Indenture, an Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds of the Applicable Series or the Trustee. Specifically, and without limiting the generality of the foregoing, an Agreement may be amended, changed, modified or altered without the consent of the Trustee and the Holders of Outstanding Bonds of such Series (i) to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, the providing, furnishing and equipping of any facilities constituting a part of the Applicable Project or which may be added to such Project; (ii) to provide for the issuance of Bonds of an Applicable Series; or (iii) to cure any ambiguity or correct or supplement any provisions contained in the Applicable Agreement, which may be defective or inconsistent with any other provisions contained in the Master Indenture or in such Agreement.

An Applicable Series shall be deemed to be adversely affected by an amendment, change, modification or alteration of the Agreement if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of an Applicable Series would be adversely effected in any material respect by any amendment, change, modification or alteration, and any such determination shall be binding and conclusive on the Corporation and all Holders of such Bonds.

The purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Corporation, may consent to an amendment, change, modification, termination or waiver permitted by the Master Indenture with the same effect as a consent given by the Holder of such Bonds.

The Trustee shall be entitled to conclusively rely upon an opinion of counsel, including an opinion of Bond Counsel, with respect to whether any amendment, change, modification or alteration adversely affects the interests of any Holders of Bonds of the Applicable Series then Outstanding in any material respect. **(Section 7.10)**

Notice as to Agreement Default.

The Corporation shall notify the Trustee in writing that an “Event of Default” under the Applicable Agreement, as such term is defined in the Applicable Agreement (including the failure to pay the Applicable Borrower Bonds), has occurred and is continuing, or that which notice shall be given within five (5) days after the Corporation has obtained actual knowledge thereof. **(Section 7.11)**

Basic Debt Service Payment.

The Applicable Agreement shall provide for the payment of Basic Debt Service Payment which shall be sufficient at all times to pay the Borrower’s Allocable Portion of the principal and Sinking Fund Installments of and interest on Outstanding Bonds of the Applicable Series as the same become due and payable. **(Section 7.12)**

Action Required Under the Memorandum of Understanding.

In the event of a failure by any Borrower to make its Basic Debt Service Payment, the Corporation shall take all further action required under the Memorandum of Understanding to assure payment of such deficiency to the Trustee. **(Section 7.13)**

Modification and Amendment without Consent.

The Corporation may execute and deliver at any time or from time to time Supplemental Indentures for any one or more of the following purposes:

(a) To add additional covenants and agreements of the Corporation for the purpose of further securing the payment of the Bonds of an Applicable Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Corporation contained in the Master Indenture;

(b) To prescribe further limitations and restrictions upon the issuance of Bonds of an Applicable Series and the incurring of indebtedness by the Corporation which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon the Corporation by the terms of the Master Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Corporation contained in the Master Indenture;

(d) To confirm, as further assurance, any pledge under the Master Indenture or under the Applicable Series Indenture, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Master Indenture, of the Applicable Revenues, or any pledge of any other moneys, investments thereof or funds;

(e) To modify any of the provisions of the Master Indenture or of any previously existing Series Indenture or Supplemental Indenture in any other respects, provided that such modifications shall not be effective until after all Bonds of an Applicable Series of Bonds Outstanding as of the date of such Supplemental Indenture shall cease to be Outstanding, and all Bonds of an Applicable Series issued under an Applicable Series Indenture shall contain a specific reference to the modifications contained in such subsequent indentures; or

(f) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Master Indenture or to insert such provisions clarifying matters or questions arising under the Master Indenture as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Master Indenture as theretofore in effect, or to modify any of the provisions of the Master Indenture or of any previously executed Applicable Series Indenture or Supplemental Indenture in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders of the Applicable Series in any material respect. **(Section 9.02)**

Supplemental Indentures Effective with Consent of Bondholders.

The provisions of the Master Indenture and of an Applicable Series Indenture may also be modified or amended at any time or from time to time by a Supplemental Indenture, subject to the consent of the Applicable Bondholders in accordance with and subject to the provisions of the Master Indenture. **(Section 9.03)**

General Provisions Relating to Series Indentures and Supplemental Indentures.

The Master Indenture shall not be modified or amended in any respect except in accordance with and subject to the provisions thereof. Nothing contained in the Master Indenture shall affect or limit the rights or obligations of the Corporation to authorize, make, do, execute or deliver any indenture, act or other instrument pursuant to the provisions of the Master Indenture or the right or obligation of the Corporation to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere therein provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Applicable Series Indenture and Supplemental Indenture executed and delivered by the Corporation, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Series Indenture or Supplemental Indenture has been duly and lawfully executed and delivered in accordance with the provisions of the Master Indenture, is authorized or permitted thereby and is valid and binding upon the Corporation and enforceable in accordance with its terms.

The Trustee is authorized to execute and deliver any Series Indenture or Supplemental Indenture permitted or authorized pursuant to the provisions of the Master Indenture and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Series Indenture or Supplemental Indenture is authorized or permitted by the provisions of the Master Indenture.

No Series Indenture or Supplemental Indenture changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent shall become effective without the written consent of the Trustee or Paying Agent affected thereby. **(Section 9.04)**

Powers of Amendment.

Any modification or amendment of the Master Indenture and of the rights and obligations of the Corporation which shall affect an Applicable Series of Bonds and of the Holders of the such Applicable Series of Bonds under the Master Indenture, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in the Master Indenture, (i) of the Holders of at least a majority in principal amount of the Bonds of such Series Outstanding at the time such consent is given, or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the Applicable Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds described under this heading. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. A Series shall be deemed to be affected by a modification or amendment of the Master Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Master Indenture and any such determination shall be binding and conclusive on the Corporation and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Master Indenture. **(Section 10.01)**

Consent of Bondholders.

The Corporation may at any time execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of the Master Indenture to take effect when and as provided in the Master Indenture. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly be mailed by the Corporation to the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Indenture when consented to as provided in the Master Indenture). Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the Master Indenture, and (b) an opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully authorized, executed and delivered and filed by the Corporation in accordance with the provisions of the Master Indenture, is authorized or permitted thereby, and is valid and binding upon the Corporation and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in the Master Indenture. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Master Indenture. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Master Indenture shall be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in the Master Indenture to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof); unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Corporation and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such

consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture executed and delivered by the Corporation on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in the Master Indenture, shall be given to the Bondholders by the Corporation by mailing such notice to the Bondholders and, at the discretion of the Corporation, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Trustee hereinabove provided for is filed (but failure to publish such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in the Master Indenture). The Corporation shall file with the Trustee proof of the mailing of such notices and, if the same shall have been published, of the publication thereof. A transcript, consisting of the papers required or permitted to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Corporation, the Trustee, each Paying Agent and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the Corporation, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

For the purposes of the Master Indenture, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Corporation, may consent to a modification or amendment permitted by the Master Indenture in the manner provided therein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Corporation. **(Section 10.02)**

Modifications by Unanimous Consent.

The terms and provisions of the Master Indenture and the rights and obligations of the Corporation and of the Holders of the Bonds of an Applicable Series may be modified or amended in any respect upon the execution, delivery and filing with the Trustee by the Corporation of a copy of a Supplemental Indenture and the consent of the Holders of all of the Applicable Bonds then Outstanding, such consent to be given as provided in the Master Indenture, except that no notice to the Bondholders either by mailing or publication shall be required. **(Section 10.03)**

Consent of Facility Provider.

Whenever by the terms of the Master Indenture the consent of any of the Holders of the Bonds to a modification or amendment of the Master Indenture made by a Series Indenture or Supplemental Indenture is required, such modification or amendment shall not become effective until the written consent of each Applicable Facility Provider has been obtained; provided, however, that the consent of a Facility Provider which has provided a Credit Facility or a Liquidity Facility shall not be required unless the modification or amendment requires the consent of the Holders of any percentage in principal amount of Outstanding Bonds or of the Holders of any percentage in principal amount of the Bonds of the Series in connection with which such Credit Facility or Liquidity Facility was provided. No modification or amendment of the Master Indenture which adversely affects a Facility Provider shall be made without the written consent thereto of the Facility Provider affected thereby. Notice of the execution and delivery of any such Series Indenture or Supplemental Indenture and of the effectiveness of the modification or amendment made thereby shall be given to each Facility Provider by mail at the times and in the manner provided in the Master Indenture with respect to notices thereof required to be given to the Holders of the Bonds. Notice thereof shall also be given to the Rating Agency as soon as practical after execution and delivery of such Supplemental Indenture and of the effectiveness thereof. **(Section 10.04)**

Events of Default.

An event of default shall exist under the Master Indenture and under an Applicable Series Indenture (an “event of default”) if: (a) with respect to an Applicable Series of Bonds, payment of the principal, Sinking Fund Installments or Redemption Price of any such Bond shall not be made by the Corporation when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; (b) with respect to an Applicable Series of Bonds, payment of an installment of interest on any such Bond shall not be made by the Corporation when the same shall become due and payable; (c) with respect to an Applicable Series of Bonds, the Corporation shall default in the due and punctual performance of any covenants, if any, contained in the Series Indenture authorizing the issuance thereof to the effect that the Corporation shall comply with the provisions of the Code applicable, to such Bonds necessary to maintain the exclusion of interest thereon from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; (d) with respect to an Applicable Series of Bonds, the Corporation shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Indenture or in the Bonds of the Applicable Series or in the Applicable Series Indenture on the part of the Corporation to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Corporation by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of such Outstanding Bonds, unless, if such default is not capable of being cured within thirty (30) days, the Corporation has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof.

An Event of Default under the Master Indenture in respect of an Applicable Series of Bonds shall not in and of itself be or constitute an Event of Default in respect of any other Applicable Series of Bonds. **(Section 11.02)**

Enforcement of Remedies.

Upon the happening and continuance of any event of default specified in the Master Indenture, then and in every such case, the Trustee may proceed, and upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series shall proceed (in either case with the written consent of the Facility Provider for such Series) or, in the case of a happening and continuance of an event of default specified in the Master Indenture, upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series with the written consent of the Facility Provider, for such Series, shall proceed (subject to the provisions of the Master Indenture), to protect and enforce its rights and the rights of the Bondholders or of such Facility Provider under the Master Indenture or under the Applicable Series Indenture or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Master Indenture or under the Applicable Series Indenture or in aid or execution of any power therein granted, or for an accounting against the Corporation as if the Corporation were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Master Indenture and under the Applicable Series Indenture the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Corporation for principal or interest or otherwise under any of the provisions of the Master Indenture or of the Applicable Series Indenture or of the Applicable Bonds, with interest on overdue payments of the principal or of interest on the Applicable Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Master Indenture and under the Applicable Series Indenture and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Corporation but solely as provided in the Master Indenture, in the Applicable Series Indenture and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable. **(Section 11.04)**

Limitation of Rights of Individual Bondholders.

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Master Indenture, or for any other remedy thereunder unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series or, in the case of an event of default specified in the Master Indenture, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series, shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Master Indenture or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Master Indenture or for any other remedy thereunder and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured by the Master Indenture shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Master Indenture or to enforce any right under the Master Indenture except in the manner provided in the Master Indenture, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds of the Applicable Series. Notwithstanding any other provision of the Master Indenture, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder. (Section 11.08)

Defeasance.

If the Corporation shall pay or cause to be paid to the Holders of Bonds of an Applicable Series the principal Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Master Indenture, and in the applicable Series Indenture, then the pledge of the Revenues or other moneys and securities pledged to such Bonds and all other rights granted by the Master Indenture to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Corporation, and all moneys or investments thereof held by it pursuant to the Master Indenture and the Applicable Series Indenture which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Applicable Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Corporation; second, to the Applicable Administrative Fund, the amount certified by an Authorized Officer of the Corporation to be then due or past due pursuant to any Applicable Agreement for fees and expenses of the Corporation or pursuant to any indemnity related to such Applicable Series of Bonds; and, then, the balance thereof to the Applicable Borrowers. Such moneys or investments thereof so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Master Indenture.

Notwithstanding any provision of the Master Indenture to the contrary, if any Borrower shall have prepaid the amounts due under its Agreement and in accordance therewith shall pay or cause to be paid its Allocable Portion of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on the Bonds or portions thereof applicable to such Agreement at the times and in the manner stipulated therein, in the Master Indenture, and in the Applicable Series Indenture, then the pledge of the Revenues or other moneys and securities pledged with respect to such Agreement or any portion thereof and all other rights granted under such Agreement shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Borrower, and the Corporation, and all moneys or other securities held by it pursuant to the Master Indenture and to a Series Indenture which are not required for the payment or redemption of its Allocable Portion of the Bonds of such Series to be defeased or any portion thereof not theretofore surrendered for such payment or redemption shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of the Corporation; second, to the Applicable Administrative Fund the amount

certified by the Corporation to be then due or past due pursuant to the Applicable Agreement to be prepaid for fees and expenses of the Corporation or pursuant to any indemnity; and, then, the balance thereof to the Borrower. Such moneys or investments so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Master Indenture, by a Series Indenture or by such Agreement.

Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the Master Indenture. All Outstanding Bonds of any Applicable Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the Master Indenture if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Master Indenture notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price; if applicable; and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee shall have received the written consent of each Applicable Facility Provider which has given written notice to the Trustee and the Corporation that amounts advanced under an Applicable Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Facility Provider, and (d) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Corporation shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, and, if directed by an Authorized Officer of the Corporation, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this paragraph and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. The Corporation shall give written notice to the Trustee of its selection of the Series and maturity payment of which shall be made in accordance with this paragraph. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this paragraph in the manner provided in the Master Indenture. Neither the Defeasance Securities nor moneys deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any income or interest earned by, or increment to, the investment of any such moneys so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Applicable Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Corporation; second, to each Facility Provider the payments owed to it which have not been repaid, pro rata, based upon the respective amounts then unpaid to each Facility Provider; third, to the Applicable Administrative Fund the amount certified by an Authorized Officer of the Corporation to be then due or past due pursuant to the Applicable Agreement for fees and expenses of the Corporation or pursuant to any indemnity; and, then, the balance thereof to the Applicable Borrowers. The moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Master Indenture. Upon the defeasance of any of the Bonds pursuant to a refunding, the Corporation or the Trustee shall be entitled to rely upon any verification report or opinion of counsel which may be provided. **(Section 12.01)**

No Recourse under Indenture or on the Bonds.

All covenants, stipulations, promises, agreements and obligations of the Corporation contained in the Master Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation and not of any member, officer or employee of the Corporation in his individual capacity, and no recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Bonds or for any claims based thereon, on the Master Indenture or on the Series Indenture against any member, officer or employee of the Corporation or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds. **(Section 14.04)**

Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds.

For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Corporation, the Borrower or the Trustee any notice, consent, request, or demand pursuant to the Master Indenture for any purpose whatsoever, the then current Accreted Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision of the Master Indenture, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond shall not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds of the Series of which it is a part were first issued shall be deemed not to be accrued and unpaid interest thereon.

For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed or (ii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Corporation or the Trustee any notice, consent, request, or demand pursuant to the Master Indenture for any purpose whatsoever, the then current Appreciated Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision of the Master Indenture, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond shall not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued shall be deemed not to be accrued and unpaid interest thereon. **(Section 14.07)**

APPENDIX F

**RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
SCHEDULE OF INDEBTEDNESS**

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RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2025

<u>HEALTHCARE</u>	<u>PRINCIPAL AMOUNT ISSUED</u>	<u>PRINCIPAL AMOUNT OUTSTANDING</u>
NRI Community Services, Inc., Series 2007 Dated June 19, 2007	\$ 3,200,000	\$ 1,825,000
Thundermist Health Center, Series 2010 A Dated August 2, 2010	4,135,000	1,068,208
The Providence Community Health Centers, Inc., Series 2010 A Dated December 23, 2010	12,115,000	6,818,788
Blackstone Valley Community Health Care, Inc., Series 2011 A Dated August 2, 2011	6,450,000	4,553,791
Newport Hospital, Series 2014 Dated November 5, 2014	20,390,000	7,705,000
South County Hospital Healthcare System, Series 2015 Dated August 12, 2015	45,545,000	22,350,000
Tamarisk, Inc., Series 2015 Dated September 30, 2015	9,360,000	6,584,865
Saint Elizabeth Home - East Greenwich, Series 2015 Dated December 17, 2015	13,900,000	10,950,337
Lifespan Obligated Group, Series 2016 Dated August 11, 2016	265,470,000	133,625,000
Care New England Health System, Series 2016 B Dated September 28, 2016	138,265,000	101,505,000
The Frassati Residence, Series 2016 Dated September 29, 2016	6,717,000	2,527,419
Ocean State Assisted Living, Series 2018 Dated October 2, 2018	8,901,000	5,704,176
South County Hospital Healthcare System, Series 2018 Dated December 27, 2018	10,100,000	4,418,750
HopeHealth Hospice & Palliative Care, Series 2019 Dated November 1, 2019	11,000,000	9,643,652
Lifespan Obligated Group, Series 2024 Dated January 31, 2024	300,000,000	300,000,000
Child & Family Services of Newport County Dated March 15, 2024	3,565,713	3,504,320
Blackstone Valley Community Health Care, Inc. Dated August 16, 2024	7,336,000	6,916,750
TOTALS	\$ 866,449,713	\$ 629,701,056

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2025

<u>EDUCATION</u>	<u>PRINCIPAL AMOUNT ISSUED</u>	<u>PRINCIPAL AMOUNT OUTSTANDING</u>
International Institute of RI, Inc., Series 2003 Dated August 22, 2003	\$ 2,600,000	\$ 915,000
Brown University, Series 2003 A & B Dated November 13, 2003	91,425,000	36,645,000
Meeting Street Center, Series 2005 Dated May 26, 2005	17,000,000	1,440,000
Brown University, Series 2005 A Dated October 4, 2005	85,500,000	85,500,000
CVS-Highlander Charter School, Series 2007 Dated September 20, 2007	7,000,000	2,420,000
Bryant University, Series 2008 Dated April 24, 2008	50,420,000	33,865,000
New England Institute of Technology, Series 2008 Dated July 30, 2008	16,120,000	4,015,000
Roger Williams University, Series 2008 B Dated August 28, 2008	38,000,000	24,405,000
Board of Governors for Higher Education, Series 2009 B Dated June 30, 2009	18,205,000	8,490,000
Board of Governors for Higher Education, Series 2010 A Dated February 17, 2010	24,005,000	16,565,000
Roger Williams University, Series 2011 Dated June 2, 2011	26,410,000	4,531,266
The Compass School, Series 2011 A & C Dated June 28, 2011	2,000,000	290,001
Roger Williams University, Series 2011 B Dated November 8, 2011	12,025,000	4,185,000
Salve Regina University, Series 2011 Dated December 19, 2011	32,980,000	7,965,000
Immaculate Conception Catholic Regional School, Series 2012 Dated March 16, 2012	6,500,000	2,193,750
Roger Williams University, Series 2014 Dated October 24, 2014	15,667,000	9,156,078
Salve Regina University, Series 2015 A, B & C Dated May 7, 2015	27,500,000	19,815,769
Mercymount Country Day School, Series 2015 Dated May 14, 2015	3,560,000	1,608,035
Providence College, Series 2015 Dated July 16, 2015	46,910,000	27,065,000
New England Institute of Technology, Series 2015 Dated August 31, 2015	60,000,000	45,256,868
Saint Philomena School, Series 2015 Dated September 16, 2015	1,884,000	1,076,386
Johnson & Wales University, Series 2015 Dated September 22, 2015	30,000,000	12,593,781
Brown University, Series 2015 Dated October 21, 2015	45,000,000	33,165,000

<u>EDUCATION - CONTINUED</u>	<u>PRINCIPAL AMOUNT ISSUED</u>	<u>PRINCIPAL AMOUNT OUTSTANDING</u>
Moses Brown School, Series 2016 A & B Dated June 15, 2016	27,000,000	16,375,294
Council on Postsecondary Education, Series 2016 A, B & C Dated October 18, 2016	90,800,000	62,945,000
Roger Williams University, Series 2016 A & B Dated October 18, 2016	7,300,000	3,595,120
New England Institute of Technology, Series 2017 Dated March 9, 2017	36,450,000	26,345,194
Providence College, Series 2017 Dated March 29, 2017	46,415,000	46,415,000
Brown University, Series 2017 A Dated July 19, 2017	141,125,000	135,785,000
Council on Postsecondary Education, Series 2017 A, B, C & D Dated October 17, 2017	123,215,000	113,225,000
Meeting Street, Series 2017 A Dated December 22, 2017	15,000,000	13,361,256
Rhode Island School of Design, Series 2018 Dated September 25, 2018	54,950,000	51,830,000
St. Andrew's School, Series 2018 A & B Dated October 31, 2018	20,000,000	18,151,924
Council on Postsecondary Education, Series 2018 A & B Dated December 12, 2018	19,800,000	15,675,000
Meeting Street, Series 2018 Dated December 31, 2018	5,000,000	4,352,552
Blackstone Valley Prep, Series 2019 Dated April 26, 2019	16,000,000	14,175,653
Mount Saint Charles Academy, Series 2019 Dated May 1, 2019	3,700,000	3,036,646
Brown University, Series 2019 A Dated July 18, 2019	54,560,000	54,560,000
Kingston Hill Academy, Series 2019 Dated August 21, 2019	6,200,000	5,782,046
The Compass School, Series 2019 Dated October 4, 2019	3,850,000	3,287,920
Roger Williams University, Series 2019 Dated November 27, 2019	14,518,500	5,909,031
Bryant University, Series 2019 Dated December 6, 2019	17,300,000	9,880,664
Portsmouth Abbey School, Series 2020 A, B, C & D Dated June 1, 2020	17,990,000	13,843,999
Rhode Island School of Design, Series 2020 Dated December 16, 2020	52,905,000	49,990,000
Blackstone Valley Prep, Series 2021 A & B Dated March 5, 2021	15,955,000	14,541,895
Providence College, Series 2021 A Dated August 3, 2021	19,585,000	19,585,000
Providence College, Series 2021 B Dated August 3, 2021	25,265,000	22,820,000
St. George's School, Series 2021 Dated August 24, 2021	44,300,000	44,300,000
Rhode Island School of Design, Series 2021 A & B Dated September 1, 2021	75,030,000	66,617,000
Roger Williams University, Series 2022 Dated March 15, 2022	8,700,000	8,700,000
Achievement First Rhode Island, Inc., Series 2022 A, B & C Dated April 7, 2022	70,950,569	69,268,907 *

<u>EDUCATION - CONTINUED</u>	<u>PRINCIPAL AMOUNT ISSUED</u>	<u>PRINCIPAL AMOUNT OUTSTANDING</u>
Brown University, Series 2022 A Dated July 27, 2022	87,220,000	85,410,000
Blackstone Valley Prep, Series 2022 Dated October 26, 2022	12,760,000	12,297,599
Paul Cuffee School, Series 2022 Dated November 15, 2022	3,100,000	2,964,000 *
Providence College, Series 2023 Dated April 26, 2023	112,435,000	112,435,000
The Learning Community Charter School, Series 2023 Dated May 19, 2023	2,774,000	2,395,824
University of Rhode Island, Series 2023 Dated June 15, 2023	15,440,000	15,440,000
Brown University, Series 2023 Dated July 27, 2023	96,535,000	92,560,000
State Annual Appropriation Bonds (Central Falls Public Schools) Dated August 17, 2023	93,520,000	86,690,000
Rhode Island Nurses Institute Middle College Charter High School Dated January 19, 2024	19,042,000	18,687,962
Portsmouth Abbey School Dated March 22, 2024	8,000,000	8,000,000
Bryant University Dated April 16, 2024	132,795,000	131,475,000
Trinity Academy for the Performing Arts Dated June 12, 2024	10,000,000	9,438,452 *
Segue Institute for Learning Dated December 4, 2024	20,000,000	20,000,000
Brown University Dated December 19, 2024	47,005,000	47,005,000
Brown University (Commercial Paper) Dated February 14, 2025	200,000,000	43,794,000
Salve Regina University Dated May 15, 2025	36,000,000	36,000,000
TOTALS	\$ 2,591,201,069	\$ 2,022,109,872

* Drawdown Bond, principal amount not fully drawn

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
SCHEDULE OF OUTSTANDING PUBLIC SCHOOLS REVENUE BOND FINANCING PROGRAM REVENUE BONDS
JUNE 30, 2025

<u>Financing/Borrower</u>	Principal Amount Issued		Principal Amount Outstanding	
	Each Borrower	Total Financing	Each Borrower	Total Financing
Public Schools Revenue Bonds, Series 2007 A Dated May 16, 2007				
Bristol-Warren Regional School District	\$ 8,900,000		\$ -	
Town of Glocester	750,000		\$ 70,000	
Foster-Glocester Regional School District	26,000,000		-	
Town of Little Compton	550,000		-	
Town of Portsmouth	2,250,000	\$ 38,450,000	-	\$ 70,000
Public Schools Revenue Bonds, Series 2007 B Dated August 15, 2007				
Town of Barrington	\$ 735,000.00		\$ -	
City of Central Falls	1,300,000		\$ 220,000	
Town of North Kingstown	7,000,000		-	
Town of Tiverton	10,580,000	\$ 19,615,000	-	\$ 220,000
Public Schools Revenue Bonds, Series 2007 D Dated December 19, 2007				
City of Pawtucket	\$ 4,760,000	\$ 4,760,000	\$ 990,000	\$ 990,000
Public Schools Revenue Bonds, Series 2010 A Dated June 15, 2010				
Chariho Regional School District	\$ 4,812,000		\$ 4,812,000	
Town of Westerly	3,855,000		3,855,000	
City of Warwick	3,908,000	\$ 12,575,000	3,908,000	\$ 12,575,000
Public Schools Revenue Bonds, Series 2010 C Dated September 2, 2010				
Town of North Smithfield	\$ 3,550,000	\$ 3,550,000	\$ 405,000	\$ 405,000
Public Schools Revenue Bonds, Series 2010 F & G Dated December 2, 2010				
Town of East Greenwich	\$ 10,635,000		\$ 10,635,000	
Chariho Regional School District	3,757,000		3,757,000	
Town of Westerly	5,496,000		5,496,000	
City of Warwick	4,212,000	\$ 24,100,000	4,212,000	\$ 24,100,000
Providence Public Schools Revenue Bonds, Series 2010 A & B Dated December 7, 2010				
Providence Public Buildings Authority	\$ 21,945,000	\$ 21,945,000	\$ 21,945,000	\$ 21,945,000
Public Schools Revenue Bonds, Series 2012 B Dated October 4, 2012				
City of East Providence	\$ 15,000,000	\$ 15,000,000	\$ 6,630,000	\$ 6,630,000
Public Schools Revenue Bonds, Series 2013 B Dated April 23, 2013				
Town of Coventry	\$ 12,520,000	\$ 12,520,000	\$ 3,560,000	\$ 3,560,000
Public Schools Revenue Bonds, Series 2013 D Dated June 20, 2013				
City of Warwick	\$ 4,295,000	\$ 4,295,000	\$ 1,715,000	\$ 1,715,000
Public Schools Revenue Bonds, Series 2013 E Dated August 28, 2013				
Town of Portsmouth	\$ 1,100,000	\$ 1,100,000	\$ 150,000	\$ 150,000

<u>Financing/Borrower</u>	Principal Amount Issued		Principal Amount Outstanding	
	Each Borrower	Total Financing	Each Borrower	Total Financing
Public Schools Revenue Bonds, Series 2014 A Dated July 10, 2014 Town of West Warwick	\$ 9,780,000	\$ 9,780,000	\$ 2,230,000	\$ 2,230,000
Public Schools Revenue Bonds, Series 2014 B Dated August 6, 2014 City of Warwick	\$ 3,370,000	\$ 3,370,000	\$ 1,770,000	\$ 1,770,000
Public Schools Revenue Bonds, Series 2014 C Dated November 19, 2014 City of Pawtucket	\$ 8,000,000	\$ 8,000,000	\$ 4,325,000	\$ 4,325,000
Providence Public Schools Revenue Bonds, Series 2015 A Dated May 14, 2015 Providence Public Buildings Authority	\$ 146,325,000	\$ 146,325,000	\$ 42,310,000	\$ 42,310,000
Public Schools Revenue Bonds, Series 2015 B Dated September 10, 2015 City of Cranston	\$ 4,565,000	\$ 4,565,000	\$ 2,910,000	\$ 2,910,000
Providence Public Schools Revenue Bonds, Series 2015 B Dated December 16, 2015 Providence Public Buildings Authority	\$ 10,000,000	\$ 10,000,000	\$ 6,085,000	\$ 6,085,000
Public Schools Revenue Bonds, Series 2015 C, D & E Dated December 22, 2015				
Town of Burrillville, 2015 C	\$ 3,380,000		\$ 330,000	
Town of Portsmouth, 2015 C	1,575,000		155,000	
Town of Portsmouth, 2015 C	605,000		-	
Town of North Kingstown, 2015 C	4,030,000		965,000	
Town of Smithfield, 2015 C	4,375,000		3,300,000	
Town of Tiverton, 2015 D	8,025,000		1,630,000	
Town of Smithfield, 2015 E	1,525,000	\$ 23,515,000	-	\$ 6,380,000
Public Schools Revenue Bonds, Series 2016 A Dated August 10, 2016				
Bristol-Warren Regional School District	\$ 12,540,000		\$ 3,605,000	
City of Cranston	4,335,000		1,810,000	
Town of Cumberland	17,230,000		5,980,000	
Exeter-West Greenwich Regional School District	3,200,000		1,120,000	
Foster-Glocester Regional School District	26,305,000		8,335,000	
Town of North Smithfield	17,115,000		5,925,000	
Town of Tiverton	5,705,000	\$ 86,430,000	1,990,000	\$ 28,765,000
Public Schools Revenue Bonds, Series 2016 B & C Dated August 17, 2016				
City of Warwick, 2016 B	\$ 4,755,000		\$ 3,065,000	
City of Newport, 2016 C	2,865,000	\$ 7,620,000	345,000	\$ 3,410,000
Public Schools Revenue Bonds, Series 2017 A Dated March 21, 2017				
City of Woonsocket	\$ 58,965,000	\$ 58,965,000	\$ 39,385,000	\$ 39,385,000
Public Schools Revenue Bonds, Series 2017 B Dated April 11, 2017				
Town of Narragansett	\$ 12,029,000		\$ 5,450,000.00	
Town of Scituate	2,346,000	\$ 14,375,000	1,055,000	\$ 6,505,000
Public Schools Revenue Bonds, Series 2017 C Dated April 20, 2017				
Town of Barrington	\$ 63,480,000	\$ 63,480,000	\$ 50,130,000	\$ 50,130,000

<u>Financing/Borrower</u>	Principal Amount Issued		Principal Amount Outstanding	
	Each Borrower	Total Financing	Each Borrower	Total Financing
Public Schools Revenue Bonds, Series 2017 D Dated May 16, 2017 Town of Middletown	\$ 9,750,000	\$ 9,750,000	\$ 6,575,000	\$ 6,575,000
Public Schools Revenue Bonds, Series 2017 E Dated June 13, 2017 City of Pawtucket	\$ 23,615,000	\$ 23,615,000	\$ 14,055,000	\$ 14,055,000
Public Schools Revenue Bonds, Series 2017 F Dated June 22, 2017 Town of Tiverton	\$ 19,835,000	\$ 19,835,000	\$ 12,975,000	\$ 12,975,000
Public Schools Revenue Bonds, Series 2017 G Dated August 3, 2017 Town of North Providence	\$ 36,655,000	\$ 36,655,000	\$ 27,400,000	\$ 27,400,000
Public Schools Revenue Bonds, Series 2017 H Dated August 10, 2017 City of Cranston	\$ 5,000,000	\$ 5,000,000	\$ 3,740,000	\$ 3,740,000
Public Schools Revenue Bonds, Series 2017 I & J Dated November 16, 2017 City of Warwick, 2017 I Chariho Regional School District, 2017 J-1 Chariho Regional School District, 2017 J-2	\$ 4,460,000 4,975,000 6,345,000	\$ 15,780,000	\$ 2,450,000 1,290,000 4,155,000	\$ 7,895,000
Public Schools Revenue Bonds, Series 2018 A Dated May 30, 2018 Town of Scituate	\$ 4,740,000	\$ 4,740,000	\$ 3,495,000	\$ 3,495,000
Public Schools Revenue Bonds, Series 2018 B Dated June 13, 2018 City of Pawtucket	\$ 18,690,000	\$ 18,690,000	\$ 14,330,000	\$ 14,330,000
Public Schools Revenue Bonds, Series 2019 A Dated April 11, 2019 City of Cranston Town of North Providence	\$ 11,335,000 30,045,000	\$ 41,380,000	\$ 9,430,000 25,395,000	\$ 34,825,000
Public Schools Revenue Bonds, Series 2019 B Dated June 11, 2019 City of Pawtucket	\$ 17,975,000	\$ 17,975,000	\$ 14,575,000	\$ 14,575,000
Providence Public Schools Revenue Bonds, Series 2019 A Dated June 27, 2019 Providence Public Buildings Authority	\$ 20,000,000	\$ 20,000,000	\$ 15,750,000	\$ 15,750,000
Public Schools Revenue Bonds, Series 2019 C Dated September 17, 2019 Town of Jamestown	\$ 5,070,000	\$ 5,070,000	\$ 4,050,000	\$ 4,050,000
Public Schools Revenue Bonds, Series 2019 D Dated September 24, 2019 City of Warwick	\$ 5,445,000	\$ 5,445,000	\$ 4,560,000	\$ 4,560,000
Public Schools Revenue Bonds, Series 2020 A Dated May 12, 2020 Town of South Kingstown	\$ 3,875,000	\$ 3,875,000	\$ 2,905,000	\$ 2,905,000
Public Schools Revenue Bonds, Series 2020 B Dated June 17, 2020 Town of Lincoln	\$ 57,450,000	\$ 57,450,000	\$ 48,995,000	\$ 48,995,000

<u>Financing/Borrower</u>	Principal Amount Issued		Principal Amount Outstanding	
	Each Borrower	Total Financing	Each Borrower	Total Financing
Public Schools Revenue Bonds, Series 2020 C Dated August 4, 2020 City of Warwick	\$ 6,400,000	\$ 6,400,000	\$ 5,395,000	\$ 5,395,000
Public Schools Revenue Bonds, Series 2020 D Dated October 22, 2020 Town of East Greenwich	\$ 29,655,000	\$ 29,655,000	\$ 21,940,000	\$ 21,940,000
Public Schools Revenue Bonds, Series 2021 A & B Dated March 22, 2021 Town of North Kingstown, 2021 A	\$ 8,340,000		\$ 7,080,000	
Town of North Kingstown, 2021 B	4,500,000	\$ 12,840,000	3,110,000	\$ 10,190,000
Public Schools Revenue Bonds, Series 2021 C Dated May 12, 2021 City of Newport	\$ 17,920,000	\$ 17,920,000	\$ 12,545,000	\$ 12,545,000
Public Schools Revenue Bonds, Series 2021 D Dated May 27, 2021 City of Providence	\$ 100,690,000	\$ 100,690,000	\$ 93,125,000	\$ 93,125,000
Public Schools Revenue Bonds, Series 2021 F Dated June 16, 2021 City of East Providence	\$ 124,470,000	\$ 124,470,000	\$ 110,690,000	\$ 110,690,000
Public Schools Revenue Bonds, Series 2021 E Dated June 22, 2021 Town of Westerly	\$ 11,205,000	\$ 11,205,000	\$ 6,565,000	\$ 6,565,000
Public Schools Revenue Bonds, Series 2021 G Dated August 10, 2021 Exeter-West Greenwich Regional School District	\$ 8,980,000	\$ 8,980,000	\$ 8,330,000	\$ 8,330,000
Public Schools Revenue Bonds, Series 2021 H Dated September 30, 2021 Town of Smithfield	\$ 35,985,000	\$ 35,985,000	\$ 32,355,000	\$ 32,355,000
Public Schools Revenue Bonds, Series 2022 A Dated January 7, 2022 City of Pawtucket	\$ 30,235,000	\$ 30,235,000	\$ 30,235,000	\$ 30,235,000
Public Schools Revenue Bonds, Series 2022 B Dated March 9, 2022 City of Warwick	\$ 23,830,000	\$ 23,830,000	\$ 21,455,000	\$ 21,455,000
Public Schools Revenue Bonds, Series 2022 C Dated March 25, 2022 City of Newport	\$ 98,500,000	\$ 98,500,000	\$ 98,500,000	\$ 98,500,000
Public Schools Revenue Bonds, Series 2022 D Dated June 15, 2022 Town of Burrillville	\$ 5,950,000	\$ 5,950,000	\$ 5,065,000	\$ 5,065,000
Public Schools Revenue Bonds, Series 2022 E Dated June 28, 2022 Town of Portsmouth	\$ 19,510,000	\$ 19,510,000	\$ 19,510,000	\$ 19,510,000
Public Schools Revenue Bonds, Series 2022 F Dated September 29, 2022 Town of Johnston	\$ 85,000,000	\$ 85,000,000	\$ 85,000,000	\$ 85,000,000

<u>Financing/Borrower</u>	Principal Amount Issued		Principal Amount Outstanding	
	Each Borrower	Total Financing	Each Borrower	Total Financing
Public Schools Revenue Bonds, Series 2023 A Dated July 27, 2023 Town of Cumberland	\$ 74,125,000	\$ 74,125,000	\$ 74,125,000	\$ 74,125,000
Public Schools Revenue Bonds, Series 2023 B Dated August 22, 2023 Exeter-West Greenwich Regional School District	\$ 5,540,000	\$ 5,540,000	\$ 4,040,000	\$ 4,040,000
Public Schools Revenue Bonds, Series 2023 C Dated September 13, 2023 City of Warwick	\$ 20,000,000	\$ 20,000,000	\$ 19,345,000	\$ 19,345,000
Public Schools Revenue Bonds, Series 2024 A Dated March 28, 2024 City of East Providence	\$ 76,805,000	\$ 76,805,000	\$ 76,805,000	\$ 76,805,000
Public Schools Revenue Bonds, Series 2024 B Dated July 25, 2024 Town of Westerly	\$ 43,160,000	\$ 43,160,000	\$ 43,160,000	\$ 43,160,000
Public Schools Revenue Bonds, Series 2024 C Dated August 6, 2024 City of Pawtucket	\$ 87,805,000	\$ 87,805,000	\$ 87,805,000	\$ 87,805,000
Public Schools Revenue Bonds, Series 2024 D Dated August 21, 2024 City of Cranston	\$ 50,065,000	\$ 50,065,000	\$ 50,065,000	\$ 50,065,000
Public Schools Revenue Bonds, Series 2024 E Dated August 29, 2024 City of Warwick	\$ 43,745,000	\$ 43,745,000	\$ 43,180,000	\$ 43,180,000
Public Schools Revenue Bonds, Series 2024 F Dated September 4, 2024 Town of Middletown	\$ 84,645,000	\$ 84,645,000	\$ 84,640,000	\$ 84,640,000
Public Schools Revenue Bonds, Series 2024 G Dated September 18, 2024 City of Providence	\$ 125,000,000	\$ 125,000,000	\$ 125,000,000	\$ 125,000,000
Public Schools Revenue Bonds, Series 2024 H & I Dated December 19, 2024 Town of Little Compton, 2024 H Town of Scituate, 2024 I	\$ 6,415,000 3,470,000	\$ 9,885,000	\$ 5,840,000 3,470,000	\$ 9,310,000
Public Schools Revenue Bonds, Series 2025 A Dated January 29, 2025 Town of Lincoln	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000
Public Schools Revenue Bonds, Series 2025 B Dated June 26, 2025 Town of East Greenwich	\$ 76,150,000	\$ 76,150,000	\$ 76,150,000	\$ 76,150,000
TOTALS	\$ 2,212,690,000		\$ 1,762,215,000	

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APPENDIX G

FORM OF APPROVING OPINION OF BOND COUNSEL

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Troutman Pepper Locke LLP
One Financial Plaza, Suite 2800, Westminster Street
Providence, RI 02903



troutman.com

[Date of Closing]

Rhode Island Health and Educational
Building Corporation
33 Broad Street, Suite 200
Providence, Rhode Island 02903

\$140,000,000*

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
PUBLIC SCHOOLS REVENUE BOND FINANCING PROGRAM
REVENUE BONDS, SERIES 2026 C (CITY OF PROVIDENCE ISSUE)

We have acted as bond counsel to the Rhode Island Health and Educational Building Corporation (the "Corporation") in connection with the issuance by the Corporation of the above-referenced bonds (the "Series 2026 C Bonds"). In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion, including the Master Trust Indenture dated May 12, 2020 (the "Master Indenture"), as amended by that certain Series Indenture dated October __, 2026 (the "Series Indenture" and together with the Master Trust Indenture, the "Indenture"), between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

As to questions of fact material to our opinion, we have relied upon representations and covenants of the Corporation contained in the Indenture and in the certified proceedings and other certifications of public officials furnished to us, and certifications of officials of the Borrower and others, without undertaking to verify the same by independent investigation.

The Series 2026 C Bonds are issued under and pursuant to the Rhode Island Health and Educational Building Corporation Act, being Chapter 38.1 of Title 45 of the General Laws of Rhode Island, 1956, as amended (the "Act") and the Indenture. With respect to the Series 2026 C Bonds, the Corporation has entered into a Financing Agreement dated October __, 2026 (the "Financing Agreement"), with the City of Providence, Rhode Island (the "Borrower"), providing, among other things, for a loan to the Borrower for the purposes permitted thereby and by the Master Trust Indenture and the Series Indenture. Pursuant to the Financing Agreement, the Borrower is required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Series 2026 C Bonds as the same become due, which payments have been pledged by the Corporation to the Trustee for the benefit of the holders of the Series 2026 C Bonds. The Series 2026 C Bonds are payable solely from funds to be provided under the Financing Agreement by the Borrower pursuant to the Indenture. Under the Financing Agreement, the Borrower has agreed to make payments

* Preliminary, subject to change

sufficient to pay when due the principal (including sinking fund installments) and redemption price of and interest on the Series 2026 C Bonds. Such payments and other moneys payable to the Trustee under the Indenture, including proceeds derived from any security provided thereunder (collectively, the “Revenues”), and the rights of the Corporation under the Indenture to receive the same (excluding, however, certain administrative fees, indemnification, and reimbursements), are pledged and assigned by the Corporation as security for the Series 2026 C Bonds. The Series 2026 C Bonds are payable from the Revenues.

We express no opinion herein with respect to compliance by the Borrower with applicable legal requirements in connection with the construction or operation of the Project (as defined in the Indenture) being financed by the Series 2026 C Bonds.

In such connection, we have reviewed the Indenture, the Financing Agreement, the Tax Certificate of the Corporation dated the date hereof (the “Corporation Tax Certificate”), the Tax Certificate of the Borrower dated the date hereof (the “Borrower Tax Certificate”), the bond of the Borrower delivered to the Corporation to secure the obligations of the Borrower under the Financing Agreement, opinions of counsel to the Corporation, the Trustee and the Borrower, certificates of the Corporation, the Trustee, the Borrower and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

Based on our examination, we are of the opinion, under existing law, as follows:

- (1) The Corporation is a duly created and validly existing body corporate and politic and a public instrumentality of the State of Rhode Island with the power to enter into and perform the Indenture and the Financing Agreement and to issue the Series 2026 C Bonds.
- (2) The Indenture and the Financing Agreement have been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery by the other respective parties thereto, are valid and binding obligations of the Corporation enforceable against the Corporation. As provided in the Act, the Indenture creates a valid lien on the Revenues, the other funds pledged by the Indenture as security for the Series 2026 C Bonds, and on the rights of the Corporation or the Trustee on behalf of the Corporation to receive Revenues under the Indenture (subject to certain rights with respect to indemnification, reimbursements and fees).
- (3) The Series 2026 C Bonds have been duly authorized, executed and delivered by the Corporation and are valid and binding special obligations of the Corporation, enforceable in accordance with their terms, payable solely from the Revenues and other funds provided therefor in the Indenture.
- (4) Interest on the Series 2026 C Bonds is excluded from the gross income of the owners of the Series 2026 C Bonds for federal income tax purposes. In addition, interest on the Series 2026 C Bonds will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Series 2026 C Bonds will be included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Internal Revenue Code

of 1986, as amended (the “Code”). In rendering the opinions set forth in this paragraph, we have assumed compliance by the Corporation and the Borrower with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026 C Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The Borrower has covenanted in the Financing Agreement and, to the extent necessary, the Corporation has covenanted in the Indenture to comply with all such requirements. Failure by the Corporation or the Borrower to comply with certain of such requirements may cause interest on the Series 2026 C Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 C Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Series 2026 C Bonds.

- (5) Income from the Series 2026 C Bonds is free from taxation by the State of Rhode Island or any political subdivision or other instrumentality of the State although the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes. We express no opinion regarding any other Rhode Island tax consequences arising with respect to the Series 2026 C Bonds or any tax consequences arising with respect to the Series 2026 C Bonds under the laws of any state other than Rhode Island.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Series 2026 C Bonds and the enforceability of the Series 2026 C Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

TROUTMAN PEPPER LOCKE LLP

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APPENDIX H

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CERTIFICATE, dated October __, 2026 (the “Certificate”), is executed and delivered by the Borrower, as defined below in Section 1.

In order to permit the Underwriter to comply with the provisions of Rule 15c2-12 in connection with the public offering of the Bonds (defined below), the Borrower hereby agrees for the sole and exclusive benefit of the Holders as follows:

Section 1. Definitions. Capitalized terms used but not defined herein as follows shall have the meaning ascribed to them in the Indenture.

“Annual Information” shall mean the information specified in Section 3 hereof.

“Bonds” shall mean the Rhode Island Health and Educational Building Corporation Public Schools Revenue Bond Financing Program Revenue Bonds, Series 2026 C (City of Providence Issue).

“Borrower” shall mean the City of Providence, Rhode Island.

“Certificate” shall mean this Certificate as the same from time to time may be amended and supplemented in accordance with the terms hereof.

“Corporation” shall mean the Rhode Island Health and Educational Building Corporation, a public body corporate and agency of the State of Rhode Island and the issuer of the Bonds, and any successor thereto.

“Dissemination Agent” shall mean initially, the Director of Finance of the Borrower, as Dissemination Agent or any successor Dissemination Agent designed in writing by the Borrower and which has filed with the Borrower, the Trustee and the Corporation written acceptance of such designation. In the absence of a third-party Dissemination Agent, the Borrower shall serve as Dissemination Agent

“DTC” shall mean The Depository Trust Company, New York, New York, which is acting as the Depository for the Bonds within the meaning of the Indenture.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“GAAS” shall mean generally accepted auditing standards as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Bonds and for the purpose of Section 5 of this Certificate only, if registered in the name of DTC (or a nominee thereof) or in the name of any other entity (or a nominee thereof) that acts as a “clearing corporation” within the meaning of the Rhode Island Uniform Commercial Code and is a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, any beneficial owner of Bonds.

“Indenture” shall mean the Corporation’s Master Public Schools Financing Program Revenue Bond Indenture dated May 12, 2020, together with the Series Indenture executed and delivered thereunder authorizing the issuance of the Bonds, each by and between the Corporation and the Trustee.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B (b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto or to the functions, the MSRB contemplated by this Certificate. Filing information relating to the MSRB is set forth in the Exhibit A attached hereto.

“Outstanding” shall mean Outstanding within the meaning of the Indenture.

“Rating Agency” shall mean S&P, Moody's, Fitch or any other nationally recognized rating service which has assigned a rating to the Bonds.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Certificate.

“Trustee” shall mean U.S. Bank National Association, a national banking association organized and existing under the laws of the United States.

“Underwriter” shall mean the underwriter or underwriters that have contracted to purchase the Bonds from the Corporation upon initial issuance.

Section 2. Obligations to Provide Continuing Disclosure

(a) The Borrower hereby undertakes, for the benefit of the Holders, to file, or cause to be filed through the Dissemination Agent, no later than nine (9) months after the end of each of its fiscal years, commencing with the fiscal year ending June 30, 2026, with the MSRB, the Annual Information relating to such fiscal year, together with audited financial statements of the Borrower for such fiscal year provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided and such audited financial statements shall be filed with the Corporation and with the MSRB, when they become available. In addition, the Borrower shall immediately notify in writing the Corporation, of the occurrence of any of the seventeen events listed in Section 2(b) hereof upon gaining actual knowledge of the occurrence of any such event.

(b) The Borrower hereby undertakes, for the benefit of Holders, to file or cause to be filed through the Dissemination Agent, the following:

with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence thereof, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) a substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax-exempt status of the Bonds;
- (7) modification to rights of Holders of the Bonds, if material;
- (8) bond calls, if material and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Borrower¹;
- (13) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect Owners of the Bonds, if material;[†] and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties.[†]

¹ As noted in Rule 15c2-12, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

[†] For purposes of event numbers 15 and 16 in Section 2(b) of this Disclosure Certificate, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” excludes municipal securities for which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

- (17) with the MSRB, in a timely manner, notice of a failure by the Borrower to comply with Section 2(a) hereof.

(c) Termination of Disclosure Obligation. The obligations of the Borrower pursuant to Sections 2(a) hereof with respect to the Borrower and on its own behalf pursuant to Section 2(b) hereof may be terminated by mutual agreement of the Corporation and the Borrower during any such time that the Borrower is not an “obligated person” as defined in Rule 15c2-12. Upon any such termination, the Borrower shall provide notice thereof to the MSRB.

(d) Other Information. Nothing herein shall be deemed to prevent the Borrower from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Borrower should disseminate any such additional information, the Borrower shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(e) Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 3. Annual Information.

(a) Specified Information. The Annual Information shall consist of the following: operating data and financial information relating to the Borrower of the type included in Appendix A to the Official Statement (only to the extent that this information is not included in the audited financial statements of the Borrower); together with a narrative explanation, if necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the Borrower and in judging the financial and operating condition of the Borrower.

(b) Cross Reference. All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been filed with the MSRB.

(c) Informational Categories. The requirements contained in this Certificate under Section 3(a) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 3(a) call for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

Section 4. Financial Statements.

The Borrower's annual financial statements for each fiscal year shall be prepared in accordance with GAAP unless applicable accounting principles are otherwise disclosed in the Official Statement and audited by an independent accounting firm in accordance with GAAS.

Section 5. Remedies.

The sole and exclusive remedy for breach of this Certificate shall be an action to compel specific performance of the obligations of the parties hereunder. No person or entity shall be entitled to recover any monetary damages hereunder under any circumstances. The Borrower may be compelled to comply with its obligations under this Certificate in the case of enforcement of its obligations to provide information required hereunder by any Holder or by the Trustee on behalf of the Holders; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the Holders of not less than 25% in aggregate principal amount of Bonds at the time Outstanding.

Failure by any party to perform its obligations hereunder shall not constitute an Event of Default under the Indenture or an event of default under any other agreement executed and delivered in connection with the issuance of the Bonds including, but not limited to, the Financing Agreement.

Section 6. Parties in Interest.

This Certificate is executed and delivered solely for the benefit of the Holders. No other person (other than the Trustee on behalf of the Holders) shall have any right to enforce the provisions hereof or any other rights hereunder, except that the Corporation shall have the right to enforce the provisions hereof and to assert the rights hereunder.

Section 7. Amendments.

Without the consent of any Holders, the Borrower at any time and from time to time may enter into amendments or changes to this Certificate for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 or any formal authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);
- (b) to add or change a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Borrower and the assumption by any such successor of the covenants of the Borrower hereunder;
- (d) to add to the covenants of the Borrower for the benefit of the Holders, or to surrender any right or power herein conferred upon the Borrower;
- (e) for any purpose for which, and subject to the conditions pursuant to which, amendments may be made under Rule 15c2-12, as amended or modified from time to time, or any formal authoritative interpretations thereof by the Securities and Exchange Commission, or its staff; or

(f) for any other purpose, if (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Borrower or any type of business or affairs conducted by it; (b) the undertakings set forth herein, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Bonds, after taking into account any amendments or formal authoritative interpretations by the Securities and Exchange Commission of Rule 15c2-12, as well as any change in circumstances; and (c) the amendment does not materially impair the interests of the Holders, as determined either by the Dissemination Agent, if any, or by nationally recognized bond counsel.

(In determining whether or not there is such an adverse effect, a dissemination agent, if any, may rely upon an opinion of nationally recognized bond counsel).

Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year.

If a change in accounting principles is included in any such amendment, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles for the fiscal year in which such change is made. The comparison should include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Borrower to meet its obligations. To the extent reasonably feasible, the comparison also should be quantitative. A notice of the change in accounting principles shall be filed, with the MSRB.

Section 8. Termination.

Unless otherwise agreed by the Corporation and the Borrower, this Certificate shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or defeased pursuant to the Indenture.

Section 9. Dissemination Agent.

(i) This Section 9 shall apply in the event that the Borrower designates a third-party Dissemination Agent.

(ii) Except as specifically set forth herein, this Certificate shall not create any obligation or duty on the part of the Dissemination Agent and the Dissemination Agent shall not be subject to any liability hereunder for acting or failing to act as the case may be.

(iii) To the extent permitted by law, the Dissemination Agent shall be indemnified and held harmless in connection with this Certificate, to the same extent provided in the Indenture for matters arising thereunder. The Borrower shall pay or reimburse the Dissemination Agent for its fees and expenses for the Dissemination Agent's services rendered in accordance with this

Agreement. In addition to any and all rights of the Dissemination Agent for reimbursement, indemnification and other rights pursuant to Rule 15c2-12 or under law or equity, the Borrower shall indemnify and hold harmless the Dissemination Agent and its respective officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the Dissemination Agent's performance under this Agreement; provided that the Borrower shall not be required to indemnify the Dissemination Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Dissemination Agent in such disclosure of information hereunder. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Borrower, the Bondholder or any other party. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Borrower, apart from the relationship created by Rule 15c2-12 shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Borrower.

Section 10. Governing Law.

THIS CERTIFICATE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF RHODE ISLAND DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

Section 11. The obligations of the Borrower under this Certificate are subject to annual appropriation.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Certificate.

CITY OF PROVIDENCE, RHODE ISLAND

By: _____

Name: Sara Silveria

Title: Director of Finance

[Continuing Disclosure Certificate]

EXHIBIT A

Filing information relating to the Municipal Securities Rulemaking Board is as follows:

Municipal Securities Rulemaking Board
<http://emma.msrb.org>

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